

ANNUAL REPORT 2005 / 2006



DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM
DEPARTEMENT VAN EKONOMIESE ONTWIKKELING EN TOERISME
ISEBE LOPHUHLISO LWEZOQOQOSHO NOKHENKETHO



Annual Report 2005/2006 in Three Official Languages

English, Afrikaans and isiXhosa

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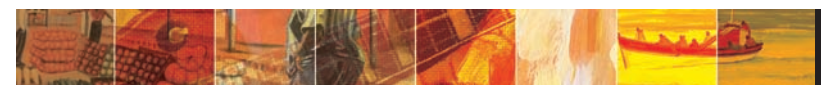
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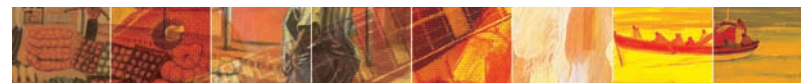
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List of Abbreviations

ABET	Adult Basic Education and Training
ACSA	Airports Company of South Africa
AFS	Annual Financial Statements
AGM	Annual General Meeting
AMR	Asset Management Reforms
AMTS	Advanced Manufacturing and Technological Strategy
AO	Accounting Officer
ASGISA	Accelerated Shared Growth Initiative of South Africa
BBBEE	Broad-Based Black Economic Empowerment
BER	Bureau for Economic Research
BPO	Business Process Outsourcing
CADET	Career Assessment Development, Education and Training
CBD	Central Business District
CCDI	Cape Craft and Design Institute
CCIM	Communications and Corporate Image Management
CEL	Centre for Extended Learning
CFC	Cape Film Commission
CFO	Chief Financial Officer
CITI	Cape Information and Technology Initiative
CMaTS	Correspondence Management and Tracking System
COGSI	Cape Oil and Gas Supply Initiative
CPUT	Cape Town University of Technology
CSIR	Council of Scientific and Industrial Research
CTBBI	Cape Town Boat-building Initiative
CTBTi	Cape Town Boat-building and Technology Initiative
CtC	Calling the Cape
CTGA	Cape Town Guides Association



CTRU	Cape Town Routes Unlimited	HCDS	Human Capital Development Strategy
DBC	Departmental Bid Committee	HRDS	Human Resource Development Strategy
DEAT	Department of Environmental Affairs and Tourism (national)	HDI	Historically Disadvantaged Individuals
DES	Delivery Enabling Services	HE	Higher Education
DLOs	Designated Liquor Officials	HEIs.	Higher Education Institutions
DMO	Destination Marketing Organisation	HoD	Head of Department
DoL	Department of Labour (national)	HRD	Human Resources Development
DoP	Department of the Premier	HRDS	Human Resource Development Strategy
DOPMS	Departmental Operations Performance Management System	HRFU	Human Resource Development Unit
DPMES	Departmental Planning, Monitoring and Evaluation System	HRFU	Human Resources Focal Unit
DPSA	Department of Public Services and Administration	I, D&AT	Innovation, Design and Advanced Technologies
DST	Department of Science and Technology	IAT	Institute for Advanced Tooling
dti	Department of Trade and Industry (national)	ICT	Information Communication Technology
EA	Executive Authority	IDP	Integrated Development Plan
EAP	Employee Assistance Programme	ISRDS	Integrated Sustainable Rural Development Strategy
ECD	Early Childhood Development	IT	Information Technology
ED	Economic Development	ITDF	Integrated Tourism Development Framework
EDP	Exporter Development Programme	ITESP	Integrated Tourism Entrepreneurship Support Programme
EDU	Enterprise Development Unit	IVR	incoming voice recorded
EE	Economic Empowerment	IYM	In Year Monitoring
EIA	Environmental Impact Assessment	LBC	Library Business Corners
EMC	Executive Management Committee	LCF	Learning Cape Festival
FAS	Foetal Alcohol Syndrome	LCI	Learning Cape Initiative
FEDHASA	Federated Hospitality Association of South Africa	LED	Local Economic Development
FET	Further Education & Training	LTA	Local Tourism Authority
FNB	First National Bank	LTB	Local Tourism Board
GDP	Gross Domestic Product	MEDS	Micro-economic Development Strategy
GDPR	Gross D&T Domestic Product	MENNGOS	Micro Enterprise Network of NGOs
GDS	Growth and Development Summit	MST	Mathematics / science / technology
GET	General Education and Training	MTEF	Medium Term Expenditure Framework

NFTGASA	National Federation of Tourist Guide Associations of South Africa
NGOs	Non-governmental Organisations
NIMS	National Integrated Manufacturing Strategy
OCP	Office of the Consumer Protector
OMAM	Old Mutual Asset Management
PAMTS	Provincial Advanced Manufacturing Technology Strategy
PDC	Provincial Development Council
PDI	Previously Disadvantaged Individuals
PEAP	Provincial Employee Assistance Programme
PERO	Provincial Economic Review and Outlook
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy
PGDS	Provincial Growth and Development Summit
PGWC	Provincial Government of the Western Cape
PPP	Public Private Partnership
PSETA	Provincial Sector Education and Training Authority
R&D	Research and Development
REAF	Real Economic Assistance Fund
RED Initiative	Real Enterprise Development Initiative
RIS	Regional System of Innovation
RS&IE	Research Support and Impact Evaluation
RSF	Road Signage Framework
RTLCs	Regional Tourism Liaison Committees
S&T	Subsistence and Travel
SAIGA	South African Institute of Government Accountants
SAOGI	South African Oil and Gas Initiative
SAPS	South African Police Services
SARS	South African Revenue Service
SATSA	South African Tourism Services Association

SCFS	Social Capital Formation Strategy
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SEDA	Small Enterprise Development Agency
SETAs	Sector Education and Training Authorities
SIP	Strategic Infrastructure Plan
SMMES	Small, Micro and Medium Enterprises
SPMs	Staff Performance Management System
SPVs	Special Purpose Vehicles
TED	Tourism Enterprise Development
TGRO	Tourist Guide Registration Office
THDs	Tourism Help Desks
THETA	Tourism, Hospitality and Sport Education and Training Authority
TOACT	Tour Operators Association of Tour Operators
URDP	Urban Renewal Development Programme
WCBI	Western Cape Beneficiation Initiative
WCED	Western Cape Education Department
WCTGA	Western Cape Tourist Guides Association
WECBOF	Western Cape Business Opportunities Forum
WEE	Women Economic Empowerment
WESGRO	Western Cape Investment and Trade Promotion Agency
WIETA	Wine Industry Ethical Trading Association
WSP	Workplace Skills Plan
YEE	Youth Economic Empowerment





PART 1: GENERAL INFORMATION

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1.1 GENERAL INFORMATION

1.1.1 Submission of the Annual Report to the Executive Authority

I have the honour of submitting the 2005/2006 Annual Report of the Department of Economic Development and Tourism in terms of the Public Finance Management Act, 1999.



DR HILDEGARDE FAST
ACCOUNTING OFFICER
DATE: 31 July 2006

Appreciation and thanks

The management and staff of the Department of Economic Development and Tourism wish to thank the outgoing Accounting Officer, Mr. Brendon Roberts, whose term as leader of this dynamic team came to an end in June 2006.

1.1.2 Introduction

The emerging Provincial Growth and Development Strategy (PGDS) is setting a clear vision for the Department of shared growth and integrated development.

The iKapa eliHlumayo strategy is based on four key pillars, namely growth, equity, empowerment and environmental integrity. The iKapa eliHlumayo strategy recognises the need to define the desired form of growth that Government seeks to stimulate.

Foremost, it recognises that economic growth is accompanied by and improves on the social equity of the Province. It highlights that social inequality can negatively affect the benefits of any economic growth attained for the poor as well as future growth.

The basic approach of the Department of Economic Development and Tourism is to develop a vehicle of appropriate direct services to all economic citizens on the ground. Fundamental to the development of such vehicles is the Micro-economic Development Strategy (MEDS), which forms part of the PGDS.

Finally, we are in the era of the first full-blooded MEDS for the Western Cape. From now on, citizens and potential investors will have the comfort of knowing that the Department's economic development interventions are based on a solid foundation of a deep and serious analysis of the facts.

There will be certainty about Provincial Government's view of the trajectory of the economy as a whole and of the development of most sectors. Likewise, the Department's view of the development of cross-cutting themes such as Human Resources Development (HRD), Small Business Development, Transport and Energy and the impact of such developments will be known. The developments

could not be more timely. The July 2005 National Cabinet Lekgotla placed raising the trajectory of economic growth and development at the top of the list of its priorities.

The Department has responded by:

- Putting in place the critical foundations required to change the trajectories of a number of sectors and themes which have been identified by the MEDS as requiring relatively low investment by the social partnership to obtain high impact in GDP growth, job creation, enterprise development and Broad-Based Black Economic Empowerment. The selected areas for priority intervention are Tourism, Business Process Outsourcing (BPO) and Call Centres, Information Communication Technology (ICT), the supply and servicing of the west African oil and gas market and Small Business Development. Clothing and Textiles, Agri-Business, Crafts, Film, Cultural Industries, and Metals and Engineering constitute the next priority group. HRD and Small Business Development will be the highest priority themes. Both of these require substantive integration of efforts by provincial departments and other spheres of government.
- Expanding the geographic spread, programmes and quality of service of our major Enterprise Development Programme, namely the RED Initiative to cater for startup survivalist, micro and small businesses in the first instance. The Department will lay the foundation for the second phase of the RED Initiative in which it deals with improving the quality of post-startup small and small-medium-sized businesses. This phase will focus much more on efficiency, productivity and global competitiveness.
- Intensifying delivery of Die Plek Plan, which is the Department's Local Economic Development (LED) fast-tracking strategy. Die Plek Plan translates the MEDS into municipal IDPs, and places operatives on the ground in municipalities (other than in the Unicity) to actively identify, define, shape and unlock economic opportunities in a way that can be taken up by



citizens with the full support of the RED Door.

- Giving effect to a wide-ranging, Broad-Based Black Economic Empowerment (BBBEE) Implementation Plan, rooted in economic sectors and benefiting previously disadvantaged and presently marginalised black people with a particular focus on women, youth, the disabled, rural-dwellers and workers.

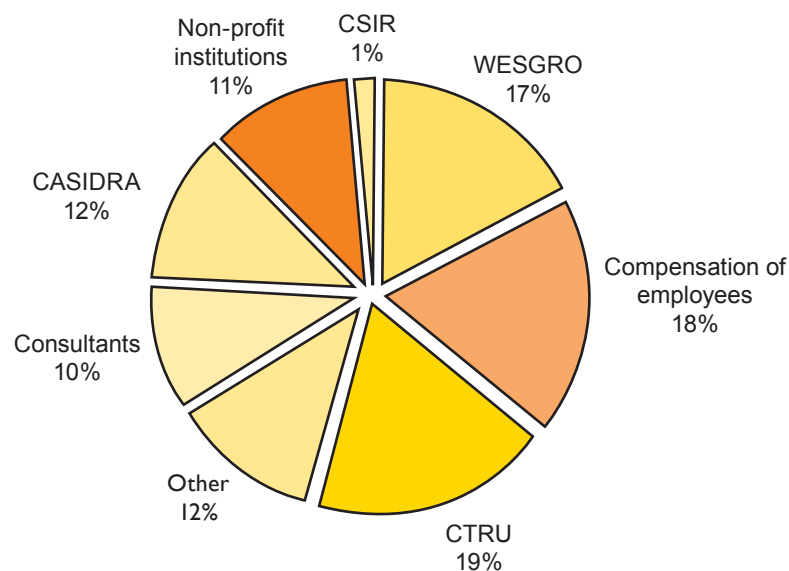
Use of funding

To give effect to these strategies, the Department expended its resource envelope in the following broad areas:

- R24, 5 million went to WESGRO for the film studio (R15 million), the Global Business Intelligence Project (R800 thousand), the Western African Trade Corridor Strategy (R700 thousand), and its basic grant to perform its core functions (R8 million).
- R27 million was spent on Compensation of Employees.
- R26, 5 million was used to fund Cape Town Routes Unlimited (CTRU).
- R16, 8 million was provided to fund the remaining budget spend, including transfers to municipalities, travel and subsistence, advertising, Auditor General fees, training and staff development, and capital equipment.
- R13, 5 million was used to outsource services to Consultants.
- R16, 9 million went to CASIDRA mainly as the agent to set up the RED Door operation and to capitalise the iKapa/ABSA SMME fund that provides access to finance for small enterprises.
- R15, 4 million was provided to 33 non-profit institutions to undertake certain interventions in the economy.
- R2 million was provided to CSIR for the management and implementation of various rural economic interventions and the implementation of Die Plek Plan.

Table 1: Outlines significant expenditure (>R2 million) by the Department:

WESGRO	R 24, 500 000
Compensation of Employees	R 26, 202 000
Cape Town Routes Unlimited (CTRU)	R 26, 510 000
Other	R 16, 813 000
Consultants	R 13, 555 000
CASIDRA	R 16, 980 000
Non-Profit Institutions	R 15, 446 000
CSIR	R 2, 000 000
TOTAL	R 142, 006 000



1.1.3 Ministry Information

Two ministries, namely the Ministry of Finance and Tourism and the Ministry of Environment, Planning and Economic Development administer the Department of Economic Development and Tourism.

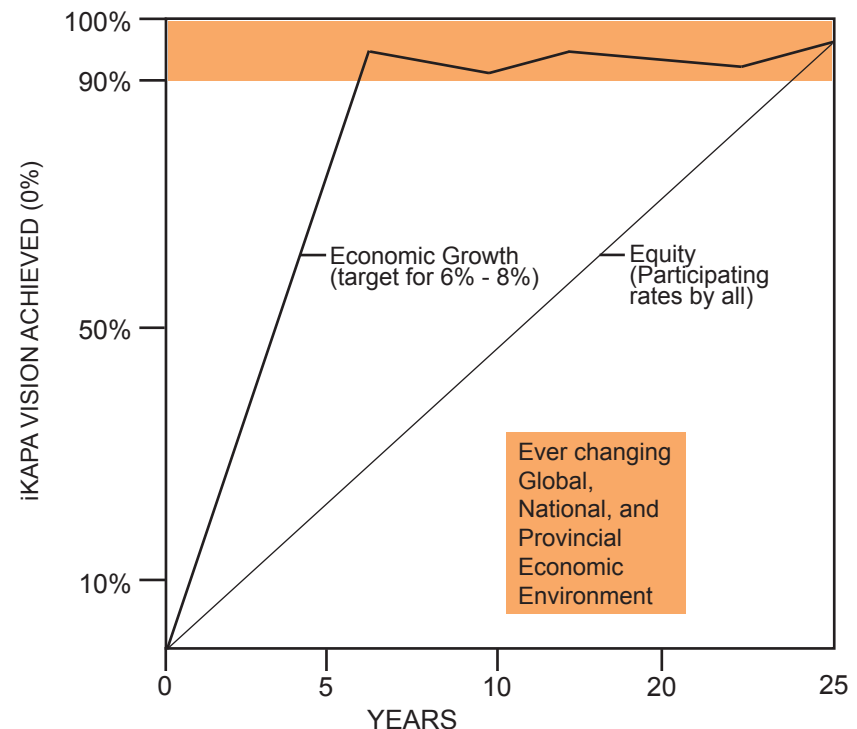
Instructed by the Ministry of Environment, Planning and Economic Development the Executive Authority undertook a mission to India to investigate the Indian tooling industry and evaluate the Province's competitiveness using the Indian sub-continent as a benchmark.

The Minister responsible for Finance and Tourism also undertook a mission to Washington DC in the United States of America. The purpose of the visit was to meet with US-based companies to discuss several large-scale interventions for the Province including the oil and gas development and a monorail for the City of Cape Town. The Minister was accompanied by representatives from the following institutions: Economic Development and Tourism, Transport and Public Works, WESGRO and the City of Cape Town.

1.1.4 Mission Statement

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.

Figure 1: Vision for achieving growth and equity over the next 25 years



1.1.5 Legislative Mandate

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

The purpose of this Act is to regulate financial management in the Department to ensure that all revenue, expenditure, assets and liabilities are managed efficiently and effectively, and to grant the responsibilities and authority to persons entrusted with financial management in the Department.



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

The purpose of this Act is to establish the Western Cape Investment and Trade Promotion Agency (WESGRO).

Liquor Act, 1989 (Act 27 of 1989)

When the Liquor Act (No 23 of 2003) came into effect during August 2004, the Liquor Act, No 27 of 1989 became the default provincial legislation that regulates the retail and micro-manufacturing sector of the liquor industry, until it is replaced by the proposed provincial liquor legislation.

Liquor Act, No 59 of 2003

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

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

The purpose of this Act is to establish a legislative framework for the promotion of black economic empowerment, to empower the Minister to issue codes

of good practice, to publish transformation charters, to establish the Black Economic Empowerment Advisory Council, and to provide matters connected therewith.

Small Business Amendment Bill, 2004

The purpose of this Bill is to amend the National Small Business Act, 1996, thereby repealing all provisions pertaining to the Ntsika Enterprise Promotion Agency (Ntsika); to provide for the establishment of the Small Enterprise Development Agency (SEDA), and to make provision for the incorporation of Ntsika, Namac and any other designated institution into the Agency.

Municipal Systems Act, 2000 (Act 32 of 2000)

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

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

It is expected that the regulations applicable to this legislation will be completed and that the legislation will come into effect in the 2006/2007 financial year.

The National Integrated Manufacturing Strategy (NIMS)

This strategy is a technologically advanced national approach, implemented through the Department of Trade and Industry and 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 to ensure that technological resources are developed, focused and utilised proficiently.

The Advanced Manufacturing and Technological Strategy (AMTS)

This strategy is 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 Integrated Manufacturing Strategy (IMS). These initiatives will be implemented through the Council for Scientific and Industrial Research (CSIR).

The Integrated Tourism Development Framework (ITDF)

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

National Tourism Second Amendment Act (Act 70 of 2000)

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

Provincial Western Cape Tourism Act (Act 1 of 2004)

The purpose of this Act is to provide for the establishment of the Destination Marketing Organisation (DMO).

White Paper on Sustainable Tourism Development and Promotion (2001)

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

1.2 DEPARTMENTAL PERFORMANCE

1.2.1 Programme performance – information to be reported

Voted Funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
R' 000	R' 000	R' 000	R' 000	R' 000
142,405	145,148	(2, 743)	142, 006	399
Responsible Minister	Minister of Finance and Tourism Ms Lynne Brown			
	Minister of Environment, Planning and Economic Development Ms Tasneem Essop			
Administering Department	Department of Economic Development and Tourism			
Accounting Officer	Deputy Director-General of Economic Development and Tourism (for period under review) Mr Brendon Roberts			

Aim of Vote

In expressing the vision of a Western Cape which offers dignity, equity and prosperity to all those who call it home, the Department has focused its aims to include:

- Promoting and mobilising investment and creating decent work for all.
- Ensuring economic empowerment for all, especially for black people, workers with disabilities, women and the youth.
- Eradicating poverty and addressing the legacy of under-development.
- Strategically engaging globalisation to the best advantage of the Province.



1.2.2 Key measurable objectives, programmes and achievements

Key measurable objectives

In light of this explored vision and examining national policies, strategies, Cabinet Lekgotla outcomes, speeches of the State President and National Ministers, and combining these with provincial imperatives, the Department's key measurable objectives can be summarised as follows:

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

In this era in our history the Department's strategy is to intervene meaningfully by making significantly positive changes in the economy and society as a whole. In the past, Government's efforts were largely geared towards creating a conducive environment and conditions for development based on the assumption that the market or the target constituencies were fully able to respond. After 11 years of democracy it is apparent that this assumption was flawed. The entrepreneurial mechanism has been mortally wounded with the gap between the first and second economies growing considerably larger and it is almost certain to marginalise the masses to an even greater extent unless there is some form of direct intervention by Government and its social partners.

Overview of the organisational environment for 2005/2006

The Department, faced with gargantuan constraints in terms of an ever-changing and demanding Western Cape economy, implemented the first phase of its bold re-organisation plan. This plan was to re-align the services the Department offers with the needs of the Western Cape economic environment. With this in mind, the Department restructured its Programmes as follows:

- Administration
- Economic Participation
- Economic Stimulation
- Fair Business Environment
- Economic Sector Development

To give effect to this bold strategy of re-organisation, the Department's staff establishment was increased by 79 posts in the 2004/2005 financial year to 203 posts in the 2005/2006 financial year.

While this re-organisation required a "matching and placing" exercise, all staff were successfully accommodated in the new structure of the Department.

With the restructuring process, many units were well under-capacitated in terms of human resources. This required the Department to begin evaluating and advertising newly created posts. The sheer number of posts that had to be evaluated to an eventual delay in the Department being sufficiently capacitated by the end of the 3rd quarter of the financial year. To remedy the situation, many units "doubled-up" on their existing human resources. This meant that staff members were made responsible for more than one component at any given time.

The Department was also affected by the resignations of key personnel during the course of the financial year, most notably the Director: Enterprise

Development and the Director: Liquor Regulation. These resignations caused a gap in the institutional memory of the Department, and were further exacerbated by the promotion of the Acting Director: Enterprise Development to another Department.

The budget envelope of the Department significantly curtailed the Province's ability to develop a number of interventions identified by the MEDS. This financial under-resourcing has resulted in the Department needing to prioritise sectors and intervention strategies with a focus on increasing growth and job creation ability.

Finally, the postponement of the enactment of the Province's Liquor Bill in 2005 has resulted in the Department being unable to collect on the proposed licence fees projected for the 2005/2006 financial year. This resulted in the Department's overall allocation for 2005/2006 being reduced by R5 million during the Adjustment Estimate. The surrender of these monies from the overall allocation of the Department had a further negative impact on the Department's ability to deepen the intervention strategies proposed for 2005/2006, resulting in the further re-prioritisation of interventions.

Overview of the service delivery environment for 2005/2006

Economic Growth

According to the revised GDP statistics, the Western Cape's real GDP growth was 5.3% for the 2004 calendar year (compared to 4.5% for South Africa) and current estimates show that this growth tempo was sustained in 2005. The available information regarding the first quarter of 2006 does not indicate any sign of a slowdown. In this regard the Western Cape economy mirrors the favourable economic picture reflected by the national economic indicators; in fact, regional economic growth is likely to continue exceeding national real GDP growth, which is consistent with the historical trend.

Building a new generation of researchers

The MEDS has presented the Department of Economic Development with a great opportunity to put its money where its mouth is.

The Department has long lamented the slow pace at which essential skills have been passed on to aspirant researchers from historically disadvantaged communities.

But, as they say, talk is cheap, and for a long time there was little the Department could do to help rectify the situation – or, rather, to set an example to those institutions and organisations whose efforts at transformation could, at best, be described as tardy. The MEDS has changed that.



MEDS: Briefing sessions were held for the media, public and stakeholders. Lourenco Pick (Office of the HoD) with a banner indicating the nature of the Department's business.

The massive research component enabled the Department to do something concrete about what it has described as the “extremely anaemic and far too unrepresentative” resource pool of skilled, capable and experienced economic development researchers in the country. And what it did was simple, yet delightfully effective: it established and implemented a programme to train, coach, provide mentorship and “practically expose trainees from historically disadvantaged backgrounds to the rigours of regional/provincial policy and strategy formulation”.

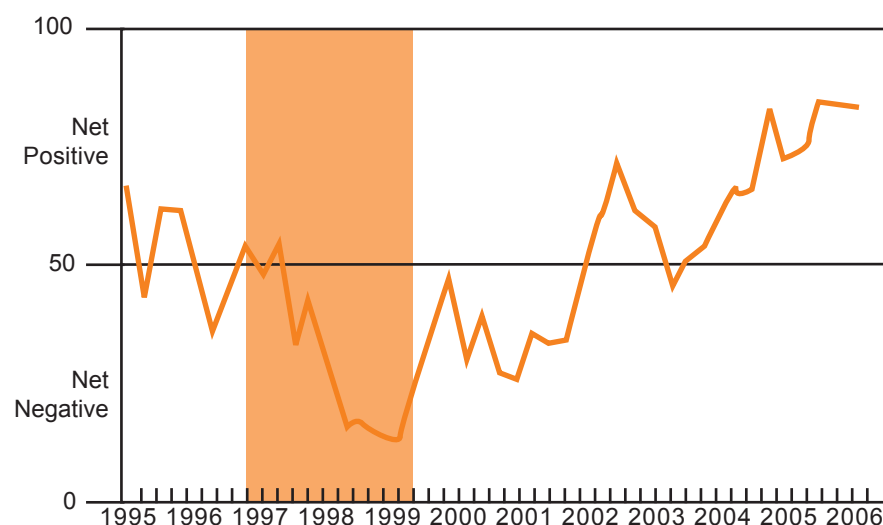
Participants in the programme were put to work with experienced researchers and were exposed to the tools of the craft, such as data sources, analytical instruments, diagnostic methodologies, reference material and comparative literature.

They also took part in discussion seminars, attended and participated in meetings and workshops, and completed a short policy or strategy paper.



The fact that the Western Cape economy registered an estimated 5.3% growth rate during 2004/2005 amidst a number of headwinds in agriculture and manufacturing (for example the drought and the strong Rand exchange rate) is testimony to the strong performances put in by the construction, retail and wholesale, financial and business services (including property development and real estate) and the transport and communication sectors. These sectors benefit from the strong currency environment and account for the bulk of the growth in the Western Cape economy.

Figure 2: Western Cape business confidence index



Source: Bureau for Economic Research

Western Cape business confidence recovered strongly during the second half of 2005 after lagging behind the other major provinces. Confidence remained on this high level during the first quarter of 2006, with 85% of the Western Cape executives responding to the Bureau for Economic Research (BER) business

surveys reporting satisfactory general business conditions. Retail sales slowed somewhat, but retail confidence remained at a high level with 90% of the retail respondents reporting satisfactory sales. Likewise, the business situation in the construction and financial services sectors remain poised at historically high levels.

Manufacturing activity remained under pressure which corresponded with the rest of the national economy. However, the March/April Investec PMI readings point to some improvement driven by the buoyant domestic demand conditions; the year-on-year declines in export volumes continue.

Characteristics of the Western Cape Economy

There are clearly discernable, well-documented socio-economic trends and policy imperatives, that will shape the spectrum of challenges, interventions, and service demands confronting the Department.

The following dimensions and features of the Western Cape's socio-economic landscape impact significantly on the interventionist and servicing challenges:

- Traditional, low skills absorbing economic sectors and sub-sectors are shedding labour and/or resorting to the “casualisation” of employment contracts.
- Intra-sectoral value chain fragmentation – agriculture/agri-business, clothing/textiles, and steel/metals – result in dis-economies that impact adversely on optimising resource usage of potential and global competitiveness.
- Mis-alignment, poor integration and blunt targeting of HRD service providers impact adversely on the supply of intermediate and high-end labour market skill bands required in niche market growth sectors and sub-sectors.
- The Provincial economy lacks a robust, innovative, middle layer of SMMEs to support broad-based economic growth, job creation, and BBBEE.

- The Western Cape is one of the few provinces that is a “net importer” of labour (mainly low-skilled labour from the Eastern Cape).
- The Western Cape is the second least poor province in South Africa.
- The Western Cape heads the provincial inequality league in the country with an embedded, racially skewed distribution of enterprise ownership, management, employment, and unemployment profile.

In addition, socio-spatial marginalisation, information asymmetries and capacity deficits create vicious circles of inequitable growth that fuel migration, skills mismatches and heightened inequalities, while constraining optimal utilisation of local resources or potentials.

The menu of challenges highlighted above is indicative of structural fault lines endemic to the landscape. The scale, scope and intensity of these economic fault lines are suggestive of demand-side impulses that will remain over the medium to long term since they are structurally embedded and not cyclical swings.

Interventions and supply-side responses cannot be attuned simply to reactive stimuli or impulses. Pro-active, systematically planned and designed programme interventions, with carefully sequenced levers and drivers backed by meticulously observed monitoring and institutional learning facilities are essential ingredients of the service menu required. In addition, inclusive, participatory, multi-stakeholder engagement and dialogue which stretches the creative, innovative and competitive robustness of those involved throughout the entire programme cycle are warranted.

Future Growth and Employment Opportunities

In line with the view that the national economic growth rate is likely to be considerably higher over the next few years, growth in the Western Cape is forecast to shift even higher.

Growth in the service sectors is projected to equal or exceed the national performance. The strong representation of service sector industries in the Western Cape is likely to result in the region exceeding the national growth rate.

The manufacturing sector is currently experiencing both rising import penetration as well as declining exports on the back of an appreciating Rand. This sector is highly dependant on the future strength of the Rand and therefore the outlook is more uncertain and less expansive.

The impact of employment on the economy is uncertain. Any substantial employment gains will depend heavily on rapidly growing sectors. If the current rapidly growing sectors continue to resort to capital deepening, overall employment gains will be limited and well below the expected growth rate.

Strategic overview, key policy developments and achievements for the 2005/2006 financial year

Since 1994, the optimal role of all spheres of government in economic development has been debated without a decisive outcome, until recently.

At its 2005 mid-year lekgotla, national Cabinet made a decisive contribution to that discourse.

It resolved to make growing the economy the highest priority for all spheres of government. Growth itself is insufficient. What is required is accelerated growth above 6%, sustained over the medium term. Also, it has to be labour absorbing



and its benefits need to improve the lives of all citizens. Its second priority is intimately linked to the first: the creation of sustainable livelihoods.

For provincial governments to give maximum effect to this imperative requires a fundamental re-examination of all its spending. However, in particular it requires a specific re-examination of the role of the Departments of Economic Development and Tourism and of Agriculture, and likewise, of funding allocations. Current Medium Term Expenditure allocations pre-date this major shift in prioritisation.

At the outset of the 2005/2006 financial year the Department of Economic Development and Tourism was placed extraordinarily well to offer evidence-based and analysis-based policy options and to develop focused interventions to give effect to the national priorities.

The evidence and analysis are contained in the Province's first comprehensive Micro-economic Development Strategy (MEDS). At present the MEDS consists of two major components.

Firstly, some 42 research papers were produced, covering 14 sectors in the economy and four major cross-cutting themes, in which researchers were asked, inter alia, to offer sector-based or theme-based recommendations to influence the trajectory of the Western Cape economy in a positive and significant manner.

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

The MEDS informs the Department's selection of policy levers and interventions, which fall into four main categories:

- Sector-based interventions
- Theme-based interventions
- Economic participation interventions
- General Economic Stimulation interventions

Sector-based Interventions

These are interventions in terms of the resource beneficiation, manufacturing and services sectors.

The resource beneficiation sectors were managed through interventions identified by our beneficiation component whereby the modus operandi was to develop networks with global entities that have common interests in beneficiation activities. The development and mobilisation of partnerships has further enabled specialised research to establish opportunities in, for example, agriculture, forestry, aquaculture, mining and associated value chains.

In terms of the manufacturing sectors, the Department played a leading role in developing strategies that would and have impacted on the labour-intensive industries, capital-intensive industries and the oil and gas and related downstream petro-chemical industries.

The Department's involvement in manufacturing sectors determined which industry segments were to be supported so that the focus would be on industries in which gains in the areas of growth, employment and broadening of ownership were more likely, and in which there could be economic participation by the previously excluded and currently marginalised groups, as well as global competitiveness of firms.

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

The service industry sectors which include, inter alia, tourism, film, call centres and business process outsourcing (BPO) operations focused primarily on development programmes of the various industry segments.

Interventions in segments such as film, BPO and call centres, which are still fledgling industry segments in the Western Cape economy, have been dominated by the development of growth strategies and plans to transform those sectors to best meet the demands of competing in an increasingly competitive global environment. Various policy developments and interventions arose from the research and planning contained in the Integrated Tourism Development Framework (ITDF). In particular, policy development areas include tourist guiding and registration, tourism safety and security, the development of a social tourism policy and the revision of existing strategies, including BBBEE, HRDS and the Road Signage Framework (RSF).

In fulfilling the mandate as set out in the strategic goals of the Department, the main objective of Economic Sector Development was to develop, strengthen and promote key sectors; and to implement strategic interventions within and across sectors and industries using the Micro-economic Development Strategy studies as the guiding framework.

Theme-based Interventions

The Department has developed interventions and strategies of a cross-cutting nature, which have a significant impact on the Province's competitiveness as

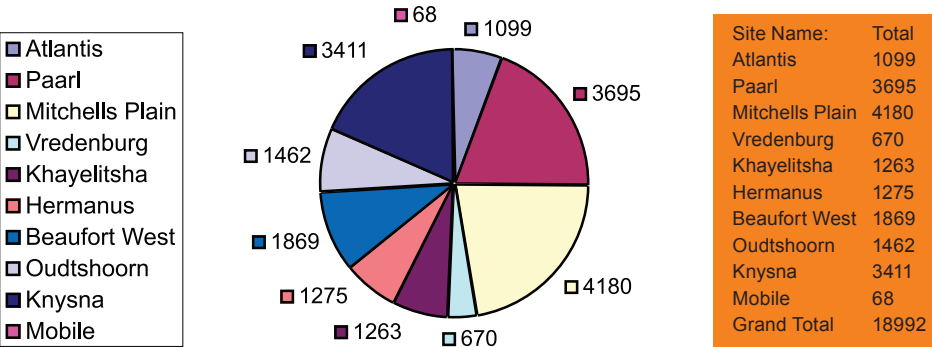
a global player. These interventions and strategies include themes such as Broad-Based Black Economic Empowerment (BBBEE), Human Resource Development (HRD), Research and Development (R&D) in technologies and resources, New Technology Development, Innovation and HIV/Aids.

Economic Participation Interventions

To effectively address the enormous equity disparity facing the Province's economy because of the legacy of our past, the Department has developed strategies and programmes that encourage all citizens to participate in our economy, thereby ensuring a more equitable society. Interventions, strategy and policy developments in this category are concentrated on, but not limited to, Enterprise Development (including co-operatives and SMMEs) and Local Economic Development. Various centres, outreach programmes, capacity-building programmes and training programmes were established to ensure that support is offered throughout the Province in a holistic manner. Local Economic Development programmes targeting the lack of organisational skills and capacity in Economic Development Units (EDUs) within municipalities received priority. A programme targeting the development of potential economic opportunities was established to assist local areas (Die Plek Plan).

A reflection of the number of clients that visited the RED Door offices during the reporting period.

Figure 3: 01 April 2005 - 31 March 2006



General Economic Stimulation Interventions

While deepening and widening the Province's export, investment and tourism promotion activities, emphasis was also placed on the facilitation of increased market access; establishing the capacity to maximise finance; donor funding; incentives and grants available to provincial businesses and programmes; assisting provincial businesses and co-operatives in acquiring national, provincial and international contracts to supply goods and services; and on playing a leading role in optimising all public and private procurement in the Province.

The Department also undertook major interventions to ensure a well-regulated and fair business environment by ensuring that a Provincial Liquor Policy is in place; establishing an independent Liquor Board; conducting programmes that will take the Province one step further in the battle against foetal alcohol syndrome; finding solutions to the challenge of illegal liquor outlets; lobbying to amend the Businesses Act to facilitate the easing of regulations on enterprises; and broadening the availability of consumer advice centres in the Province.

The Department believes that collectively, these interventions will lead to the growth and development of a globally competitive, equitable and socially responsible Province.

1.2.3 Departmental revenue, expenditure, and other specific topics

Collection of departmental revenue

Liquor Licence Revenue

The revenue collected exceeded the projected amount by 15.2%, primarily owing to an increase in the number of licence applications approved during the fiscal year, as well as a reduction in the attrition rate applicable to existing

licences (non-renewals). However, the Department was unable to collect proposed new license fees for 2005/2006 owing to delays in passing the Province's Liquor Bill.

The income from liquor licence administration continues to be dogged by problems emanating from the fact that the South African Revenue Service (SARS) acts as the collecting agent for the Department and more particularly the Liquor Board. Discrepancies in cash transferred and receipts furnished by SARS to the Department, which have been a source of audit queries since the inception of the Liquor Act, No. 27 of 1989, have manifested once again. The Department has therefore embarked on a programme of reform of the regulations issued in terms of the Liquor Act, No. 27 of 1989. These amendments are aimed, amongst others, at enabling the Provincial Minister to increase fees in order to achieve the projected revenue.

Another proposed amendment seeks to discontinue SARS's role as a collecting agent for the Department, thereby transferring complete control of liquor licence revenue collection to the Department in order to eliminate the audit queries.

Tourist Guide Registration Fees

The relocation of the cashier's office from the 6th Floor to the Tourist Guide Registration Office (TGRO) has assisted tremendously in improving the collection of registration fees in encouraging tourist guides to pay their fees on time. The turnaround times for the production and delivery of ID cards and badges have improved significantly; in some cases tourist guides receive their cards immediately.

The system of issuing reminder letters to tourist guides who need to renew their registration one month before their registration expires, has ensured that the Department meets its targets. However, the system needs to be improved and strengthened.

	2002/2003 Actual R' 000	2003/2004 Actual R' 000	2004/2005 Actual R' 000	2005/2006 Target R' 000	2005/2006 Actual R' 000	% deviation from target
Tax revenue	3,388	3,681	3,781	3,730	4,298	15.2%
Liquor licences	3,388	3,681	3,781	3,730	4,298	15.2%
Non-tax revenue				270	330	22.2%
Sale of goods and services other than capital assets	312	359	284	270	266	-1.5%
Interest, dividends and rent on land			2			
Sale of capital assets			15			
Financial transactions (recovery of loans and advances)			1,855	0	64	100%
TOTAL DEPART- MENTAL RECEIPTS	3,700	4,040	5,937	4,000	4,628	15.7%

Departmental expenditure

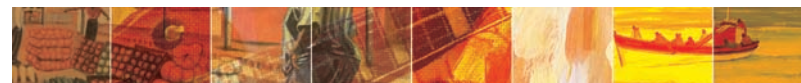
Programmes	Voted for 2005/ 2006 R' 000	Roll-overs and ad- justments R' 000	Virement R' 000	Total voted R' 000	Actual Expenditure R' 000	Variance R' 000
Administration	18,120		-1,167	16,953	16,924	29
Economic Participation	33,989	2,257	-2,140	34,106	34,085	21
Economic Stimulation	13,474		-332	13,142	13,131	11
Fair Business Environment	12,420	-60	-980	11,380	11,066	314
Economic Sector Development	67,145	-4,940	4,619	66,824	66,800	24
TOTAL	145,148	-2,743	0	142,405	142,006	399



Transfer Payments

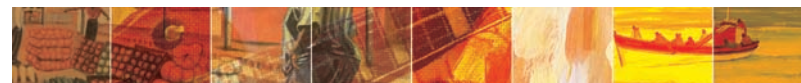
Name of Institution	Departmental Agencies R' 000	Public Corporations and Private Enterprises R' 000	Provincial and Local Governments R' 000	Universities and Technikons R' 000	Non Profit Institutions R' 000	Amount Transferred R' 000	Evaluation of Monitoring Mechanisms
Programme 1: Administration							
Department of the Premier (Mali Project – Timbuktu)					50	50	No monitoring and evaluation mechanisms in place for this payment as this was a donation for the Mali Project, administered by Vote 1: Department of the Premier.
TOTAL					50	50	
Programme 2: Economic Participation							
Library Business Corners (LBCs)					250	250	Monitoring of progress through the following mechanisms: Memorandum of Agreement. Monthly progress reports. Quarterly site visits. LBC provided resource materials for the RED Door centres and managed 35 Business Corners at provincial libraries.
CASIDRA		16,900				16,900	Monitoring of progress through the following mechanisms: Memorandum of Agreement. Monthly progress reports. Quarterly site visits. This payment was for the establishment of new and the management of existing RED Doors, as well as a contribution towards the iKapa/ ABSA entrepreneurial fund for unbankable SMMEs.

Name of Institution	Departmental Agencies R' 000	Public Corporations and Private Enterprises R' 000	Provincial and Local Governments R' 000	Universities and Technikons R' 000	Non Profit Institutions R' 000	Amount Transferred R' 000	Evaluation of Monitoring Mechanisms
The Business Place eKapa					500	500	Monitoring of progress through the following mechanisms: Memorandum of Agreement. Monthly progress reports. Quarterly site visits. Seat on the Board of Directors. The Business Place operated as a RED Door agency in the CBD.
City of Cape Town			200			200	Monitoring of progress through the following mechanisms: Memorandum of Agreement. Bi-weekly progress meetings. Monthly reports. Payment was used as the Department's contribution to Small Business Week. Provincial Government is a partner in this event.



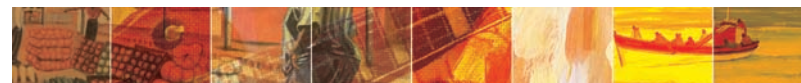
Name of Institution	Departmental Agencies R' 000	Public Corporations and Private Enterprises R' 000	Provincial and Local Governments R' 000	Universities and Technikons R' 000	Non Profit Institutions R' 000	Amount Transferred R' 000	Evaluation of Monitoring Mechanisms
Boland District Municipality			200			200	Quarterly progress reports were submitted and developments were tracked through the IDP review and assessment process
Eden District Municipality			200			200	Quarterly progress reports were submitted and developments were tracked through the IDP review and assessment process
Central Karoo District Municipality			200			200	Quarterly progress reports were submitted and developments were tracked through the IDP review and assessment process
West Coast District Municipality			200			200	Quarterly progress reports were submitted and developments were tracked through the IDP review and assessment process
CSIR		2,000				2,000	Monthly reports were submitted and tracked in terms of the specific project developments.
OMAM (Old Mutual Asset Management)		600				600	The agreement made provision for 2 officials from the Department to be present. Regular reports were received.
WECBOF (Western Cape Business Opportunities Forum)		400				400	Attendance at monthly meetings of the Trade Portal. Regular reports received.
MENNGOS (The Micro Enterprise Network of NGOs)					100	100	Quarterly reports received on workshops attended by women.
TOTAL		19,900	1,200		850	21,950	

Name of Institution	Departmental Agencies R' 000	Public Corporations and Private Enterprises R' 000	Provincial and Local Governments R' 000	Universities and Technikons R' 000	Non Profit Institutions R' 000	Amount Transferred R' 000	Evaluation of Monitoring Mechanisms
Programme 3: Economic Stimulation							
WESGRO (Western Cape Trade and Investment Promotion Agency)	9,500					9,500	Funds transferred to WESGRO as part of the annual allocation in terms of their operational requirements. Quarterly reports received and reviewed. Several visits to project. Annual financial statements reviewed. Attendance at AGM.
TOTAL	9,500					9,500	



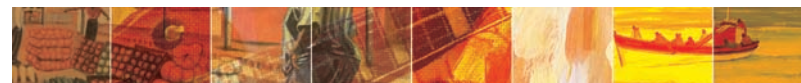
Programme 4: Fair Business Environment							
Name of Institution	Departmental Agencies R' 000	Public Corporations and Private Enterprises R' 000	Provincial and Local Governments R' 000	Universities and Technikons R' 000	Non Profit Institutions R' 000	Amount Transferred R' 000	Evaluation of Monitoring Mechanisms
Programme 4: Fair Business Environment							
FASFACTS					600	600	Monthly reports were received and reviewed. Several visits to project. Annual financial statements were reviewed. Attendance at AGM.
WIETA (Wine Industry Ethical Trading Association)					72	72	Progress reports. Annual financial statements were reviewed. Final research study document was received and reviewed.
TOTAL					672	672	

Name of Institution	Departmental Agencies R' 000	Public Corporations and Private Enterprises R' 000	Provincial and Local Governments R' 000	Universities and Technikons R' 000	Non Profit Institutions R' 000	Amount Transferred R' 000	Evaluation of Monitoring Mechanisms
Programme 5: Economic Sector Development							
Cape Craft and Design Institute (CCDI)					350	350	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
Cape Town Boat Building and Technology Initiative					250	250	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
South African Labour Research Institute					600	600	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
Furntech					250	250	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
Cape Oil and Gas Supply Initiative					1,500	1,500	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.



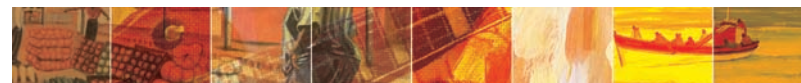
Name of Institution	Departmental Agencies R' 000	Public Corporations and Private Enterprises R' 000	Provincial and Local Governments R' 000	Universities and Technikons R' 000	Non Profit Institutions R' 000	Amount Transferred R' 000	Evaluation of Monitoring Mechanisms
CITI (Cape Information and Technology Initiative)					1,000	1,000	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
Calling the Cape					1,250	1,250	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
Cape Film Commission					2,500	2,500	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
WESGRO	15,000					15,000	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
Cape Film and TV Initiative (Sithengi)					400	400	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.

Name of Institution	Departmental Agencies R' 000	Public Corporations and Private Enterprises R' 000	Provincial and Local Governments R' 000	Universities and Technikons R' 000	Non Profit Institutions R' 000	Amount Transferred R' 000	Evaluation of Monitoring Mechanisms
SATSA (South African Tourism Services Association)					350	350	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Attendance at meetings.
DMO (Destination Marketing Organisation t/a Cape Town Routes Unlimited)	26,510					26,510	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
South Cape Business Centre					300	300	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
Saldanha Bay Tourism Organisation					100	100	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
Airports Company of South Africa (ACSA)		900				900	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.



Name of Institution	Departmental Agencies R' 000	Public Corporations and Private Enterprises R' 000	Provincial and Local Governments R' 000	Universities and Technikons R' 000	Non Profit Institutions R' 000	Amount Transferred R' 000	Evaluation of Monitoring Mechanisms
Cape Peninsula University of Technology (CPUT)				561		561	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Attendance at meetings.
Breede Kloof Wine and Tourism					99	99	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
District Six Museum Foundation					500	500	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
South African National Parks					250	250	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
Central Karoo District Municipality			250			250	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.

Name of Institution	Departmental Agencies R' 000	Public Corporations and Private Enterprises R' 000	Provincial and Local Governments R' 000	Universities and Technikons R' 000	Non Profit Institutions R' 000	Amount Transferred R' 000	Evaluation of Monitoring Mechanisms
West Coast District Municipality			300			300	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Attendance at meetings.
Overberg District Municipality			100			100	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
Lwandle Migrant Museum					80	80	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
!!Khwa ttu					100	100	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
Mari-culture Institute					400	400	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.



Name of Institution	Departmental Agencies R' 000	Public Corporations and Private Enterprises R' 000	Provincial and Local Governments R' 000	Universities and Technikons R' 000	Non Profit Institutions R' 000	Amount Transferred R' 000	Evaluation of Monitoring Mechanisms
Cape Africa Platform					500	500	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Attendance at meetings.
Cape Clothing Cluster					1,039	1,039	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
Cape Tooling Initiative					500	500	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
Clotex					875	875	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
Overberg Regional Tourism Organisation					50	50	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.

Name of Institution	Departmental Agencies R' 000	Public Corporations and Private Enterprises R' 000	Provincial and Local Governments R' 000	Universities and Technikons R' 000	Non Profit Institutions R' 000	Amount Transferred R' 000	Evaluation of Monitoring Mechanisms
Western Cape Nature Conservation Board					150	150	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Attendance at meetings.
Robben Island Museum					80	80	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
CASIDRA		80				80	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
Cape Flats Development Association					70	70	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
Grootbos Green Futures Foundation					70	70	Monthly and quarterly reports were received and reviewed. Annual financial statements were reviewed. Departmental attendance at meetings.
TOTAL	41,510	980	650	561	13,613	57,314	
TOTAL FOR VOTE	51,010	20,880	1,850	561	15,185	89,486	



Capital investment, maintenance and asset management plan

In acquiring movable assets the following are taken into consideration:

The usefulness or economic life span; the achievement of departmental objectives and alternative measures for achieving the departmental objectives.

At the end of the 2004/2005 financial year the Department had the following assets:

ITEM	Value R' 000
Furniture and office equipment	414
Computer equipment	2, 550
Other machinery and equipment	5
Transport	1, 139

In addition, the following assets and systems were purchased during the 2005/2006 financial year to improve service delivery:

CAPITAL ASSETS	
ITEM	Value R' 000
Audio visual	15
Computer hardware and systems	330
Office furniture	30
Photographic equipment	28
Office equipment	40
Security systems	122
TOTAL	565

EQUIPMENT LESS R5000.00 ON INVENTORY	
ITEM	Value R' 000
Audio visual	1
Computer hardware and systems	69
Office furniture	64
Photographic equipment	7
Office equipment	68
Domestic equipment	7
Cutlery and crockery	7
Cellular phones	1
Computer software	129
Paintings/sculpture	155
TOTAL	508

Measures taken to ensure that the Department's assets register remains up to date during the period under review

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

The current state of Departmental capital stock

49.6% is in good condition.

35.3% is in a fair condition.

15.1% is in a bad condition.

Major maintenance projects undertaken during the period under review

Major maintenance projects have not been undertaken during the period under review. Assets are maintained according to the manufacturers' service booklet, and as required.

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

No facilities were closed down or down-graded during the period under review.

Projects that will be carried forward to the following financial year

Evaluation of assets for disposal has been carried over to the new financial year.

New projects that will commence in the forthcoming year

Due to the ongoing restructuring process, new assets will be purchased as restructuring takes place, well into the new financial year.

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.





PART 2

Programme Performance

L.TWAKU
2008

PART 2: PROGRAMME PERFORMANCE

Sub-index

Summary of programmes

40

The activities of the Department of Economic Development and Tourism are grouped into the following five programmes:

2.1	Programme 1: Administration	40
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2.3	Programme 3: Economic Stimulation	80
2.4	Programme 4: Fair Business Environment	95
2.5	Programme 5: Economic Sector Development	123

2.1 PROGRAMME 1: ADMINISTRATION

Purpose:

The purpose of Programme 1: Administration is to conduct the overall management and administrative support functions, collect and collate economic statistics and perform research, which will inform policy development within the Department.

Service delivery objectives and indicators:

Corporate Services

Financial Management has been highly successful in expanding the systems established during the previous financial year. These systems are integral to Financial Management's core functions: Budget management, the effective management of a Supply Chain Management System, the Departmental accounting function, and the Internal Control and Risk Management unit.

Achievements include:

- The efficient management of the Department's budgeted expenditure to be within 1% of its adjusted appropriation.
- A Risk Assessment Plan was developed in conjunction with the Sihluma Sonke Consortium.
- The compilation and implementation of an inclusive Fraud Prevention Plan and the running of a comprehensive awareness programme within the Department and its agencies.
- The general efficiencies in Supply Chain Management and Departmental Accounting were improved significantly to ensure that turnaround times for payments remained well below the recommended 30-day period.
- The Department was rated 5th by SAIGA as the best financially administered departments nationally.
- An extensive training programme was rolled out within the Department to

ensure financial compliance with regulations and prescripts.

- The Departmental Accounting and Supply Chain Management units were instrumental in conducting training sessions with suppliers to ensure correctness of documentation when tendering for services to be provided to the Department.

Human Resource Management and Support Services

- Implementation of the approved re-organisation of this Department, which resulted in an increase in approved posts from 124 to 203.
- There was an increase in the allocation of bursaries to staff. Incentives for staff performance did not exceed the prescribed 1.5 of personnel expenditure.

Delivery Enabling Services (DES)

The Delivery Enabling Services sub-programme consists of the following components:

- Office of the Head of Department
- Research Support and Impact Evaluation
- Communications and Corporate Image Management
- Economic Development and Capacity Building
- Funding Recruitment

Over the past financial year the sub-programme's achievements included:

Office of the Head of Department

- The Office of the Head of Department has successfully implemented systems to ensure that administrative, operational and strategic functions are efficiently managed on a daily basis. These include a system to manage quick turnaround times on ministerial requests; and essential secretariat support provided to meetings chaired by the Head of Department [including the now strictly enforced monthly Executive Management

Committee (EMC) strategic meetings and the bi-weekly EMC operational meetings].

- District-wide one-on-one engagements were held with municipalities to forge closer working relationships through collaboration on local economic development projects. These engagements culminated in a successful two-day economic development engagement between the three spheres of government. Emphasis was placed on integrated 3-sphere delivery in terms of economic development competencies, which traverse local, provincial and national government, with an added emphasis on small business development.

Research Support and Impact Evaluation

- Phase 2 research for the Micro-economic Development Strategy (MEDS) was completed in June 2005. The second phase of the MEDS included research of the following identified sectors and themes: Oil and Gas; Electronics; Biotechnology; Crafts; Cultural Industries; Film; Financial Services; Call Centres/BPO; Energy; and Transport. A draft MEDS Implementation Plan was released in January 2006.
- The ultimate product of the MEDS will be an important tool for the Department as this will form the initial point of reference according to which all projects and programmes will be evaluated. The MEDS is part of a set of provincial strategies, which are being developed simultaneously as a common point of departure for provincial government and will assist in providing a common understanding of the regional economic context. The MEDS will provide a broad depiction of the critical factors and the important trends, which affect our economy in its regional, national and global milieu. It would also direct provincial involvement and engagement with the private sector.
- Impact Evaluation – the monitoring and evaluation of the Department's programmatic work that is conducted through an evaluation of all



programmes, services and initiatives logged onto the Departmental Operations Performance Management System (DOPMS) – will become more formalised in the finalisation and implementation of the Departmental Planning Monitoring and Evaluation System (DPMES). To date, DOPMS (operational) meetings have been held on a continuous basis with the Chief Directorates and Divisions within the Department. These meetings ensure that projects are continuously updated on the system, and more importantly, that project performance is continually monitored and evaluated. Also, the DOPMS has been aligned to reflect planning, monitoring and evaluation components of the DPMES, thereby ensuring standardisation across the Department both in reporting formats of projects and the evaluation thereof.

Communications and Corporate Image Management

- The Department is able to control the quality of its events, communications and corporate image branding. To date, systems in the form of internal circulars and extensive quality control mechanisms have been implemented for any form of external communication, to ensure professional and standardised imaging. For example, interim measures have been established to standardise business cards, letterheads, and the like. For the first time there is a pre-determined strategy for an annual Calendar of Events and integrated media campaigns for the Department's programmatic work, thereby contributing to a continued external awareness of projects, services or initiatives offered by the Department. In addition, events management has been outsourced to a single Events Management Service Provider (for a 12-month period, whereafter services will once again be sourced from the market place) in order to ensure consistent, efficient and co-ordinated management, presentation and oversight of all events run by the Department.
- The launch of the Art Décor Project also known as Art in Business, to give artists in the Western Cape a platform to market their products during 2005.

The project is seen as an important initiative in developing the creative arts and cultural industries in a very practical way. The Department intends building a collection of paintings over a period of time. Details of the artists are made available to enable potential purchasers to contact the artists directly.

- The Department's own in-house publication, DEDLINE, was launched on 01 April 2005. Staff members receive electronic copies almost on a weekly basis.

Economic Development Capacity Building

- Economic Development Capacity Building is responsible for promoting economic development by facilitating workshops for taverners, DLOs (designated liquor officials), Consumer Advice Officers, and provincial and local officials directly involved in economic development, to enhance skills in the respective areas of operation.
- The main aims are to empower people to become economically independent; build capacity of all stakeholders to manage economic development; facilitate participatory support in economic development; and create a positive attitude towards sustainable economic development.
- A manual entitled *Introduction to Economic Development in the Western Cape*, together with a workbook and workshop evaluation forms were completed. Workshops were conducted in two municipalities, as well as with staff from the Department of Economic Development and Tourism. This programme will continue to be rolled out in the next fiscal year.



Information: Members of the community collecting brochures from the Department's Information Desk before the Imbizo in Worcester on 07 October 2005.

Art project

In 2005, the Department of Economic Development and Tourism launched the Art Décor Project – also known as Art in Business – to give artists in the Western Cape a platform for marketing their work.

Artists were given the theme “The World of Work in the Western Cape”. Scenes depicting survivalist enterprises, small businesses and people working in formal organisations were submitted.

The paintings had to be done with acrylics or oils on hard board or canvas and had to measure 60 cm wide and 40 cm deep. Short-listed applicants underwent a screening process. The paintings had to be completed within two weeks from the date of appointment.

The Department intends building a collection of paintings over a period of time. Details of the artists are made available to enable potential purchasers to contact the artists directly.

Artists from the project have exhibited their work at the Tourism Showcase (2005), Small Business Week (2005) and at the ArtsCape Marble Foyer, ArtsCape, Cape Town in March 2006 during the Cape Town Festival. The Department entered the works of 20 artists based in the Western Cape for POSITIVE 2006.

One such artist is Velile Soha, who developed an interest in art from a young age. He studied drawing, sculpture, photography, painting, graphics and history of art. As a full-time artist, Velile's works have featured in several solo and group exhibitions across

South Africa, Namibia, the USA and Europe.

“My aim is to show outside communities how my people live their lives,” says Velile.

Robert Thembinkosi from Zwelethemba, Worcester, studied fine art during the 1980s. He too has exhibited locally and internationally. Robert also writes poetry and short stories. “I paint murals, banners and signboards and teach the children in Zwelethemba (the secrets) of fine art,” says Robert.

Raymond Lawrence is from Arniston. He has never been 'modified' by formal art classes, but started drawing local scenes while still at school. “I paint Kassiesbaai and other scenes exclusively from memory, rather than being at the scene,” he says.

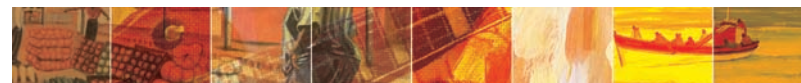


Art in Business: Brendon Roberts (Head of Department, left) and Sophi Peters share a light hearted moment. Mr Roberts initiated the art project as a means to provide emerging artists with a platform to create new work.



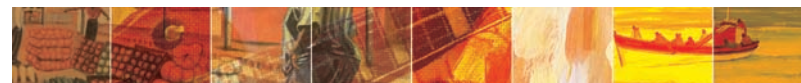
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Corporate Services	Planning and budget management	Strategic plan approved by the Executive Authority (EA) and tabled in the Provincial Legislature.	Annual revision and alignment to changing needs. Measurable objectives for each programme.	An annual performance plan for 2006/2007 financial year was developed and tabled in the Provincial Legislature. It should be noted that the annual performance plan has been acclaimed by the Standing Committee on Public Accounts.	
		Department's products and services costing for effective budgeting.	Under/over expenditure	The Department's budgeted expenditure was within 1% of the adjusted appropriation.	
		Strategic plan consistent with the Medium Term Expenditure Framework (MTEF) budget.	Quarterly reporting to the Executive Authority (EA).	Quarterly reports were submitted to both the Executive Authority and Provincial Legislature on a quarterly basis.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Corporate Services	Planning and budget management	Sustainable service delivery programme established.	Annual statement of public service commitment.	Service level standards between Financial Management and the other line programmes have been drafted and agreed to.	
		Approved budget (main and adjustments estimate).	Budget circular.	Budget for 2006/2007 approved by the Provincial Legislature in February 2006.	
		Measurable outputs per programme specified.	Performance measure/indicator per output for economy, effectiveness and efficiency.	All measurable objectives in Annual Performance Plan (APP) aligned with measurement indicator.	
		Sound budgeting and budgetary control exercised.	Expenditure in accordance with budget.	No unauthorised expenditure reported.	
		Organisational processes and structures aligned to achieve outputs and outcomes.	Frequency of evaluation.	Department implemented its restructuring process in 2006/2007. The budget and reporting structures are aligned to this restructuring model.	



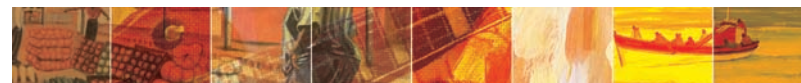
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Corporate Services	Planning and budget management	Procedures for monitoring, evaluation and corrective action established.	Procedures in existence.	Monthly Finance Focus meetings held with all programmes to discuss expenditure against approved outputs. The accounting officer conducted monthly performance meetings to discuss operational issues that exist within the Department.	
		Revenue tariff applicable to the Department reviewed to ensure maximum collection of revenue.	Treasury approval for tariff structure.	The Tariff Register is updated on an annual basis and forwarded to the Provincial Treasury when updates are required.	
		Revenue collection and expenditure monitored and reported to the EA and Treasury.	Monthly reporting 15 days after month end.	IYM reports submitted to Executive Authority and Provincial Treasury on or before 15th of each month.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Corporate Services	Planning and budget management	Transfer payments utilised for purposes intended in terms of Section 38(1)(j).	Certificate of written assurance.	Section 38(1)(j) certificates are received before any transfer payment is made to an institution. The institution is required to provide business plans, quarterly reports as well as financial statements.	
		Payroll certificates timeously certified.	Timeliness.	All payroll certificates were submitted.	
		Monthly expenditure monitored and kept in line with cash flow projections.	% of variance.	Monthly projections compiled with narrative on performance to date. Submission to CFO, accounting officer and Executive Authority.	
		New sources or potential sources of revenue identified.	Maximising revenue generation.	Potential revenue sources reviewed annually. Tariff Register updated as per requirement.	



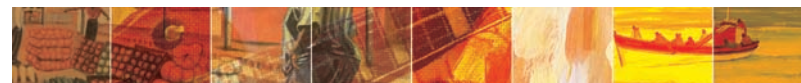
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Corporate Services	Asset management	Supply Chain Management (SCM) process managed.	Updated Accounting Officer (AO) System.	AO system reviewed constantly for gaps in the system and updated as per requirement.	
		Needs assessment determined to manage demand by ensuring that value for money is achieved.	Acquisition justified.	All acquisitions are justified as approval needs to be obtained from relevant managers before purchases are made.	
		Appropriate procurement system in place to manage acquisitions that are fair, equitable, transparent, competitive and cost effective.	Reviewed regularly and complied with.	Procurement system reviewed regularly and updated when required.	
		Systems in place for the evaluation of all major capital projects.	In existence.	No major capital projects undertaken by the Department.	
		Stock losses, shortages and excess monitored and reported.	Number of redundant and excessive inventory Value of inventory % inventory losses Existence.	All losses for the Department accounted for and reported in the Financial Statements.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Corporate Services	Asset management	Comprehensive asset register for the Department maintained and managed.	Compliance with statutory obligations.	A comprehensive asset register is maintained on a daily basis and verified monthly by management.	
		Policy and procedures manual for effective management of assets in place and reviewed regularly.	<ul style="list-style-type: none"> Regular evaluation. Signed inventory to Treasury and Auditor General (A-G) within 14 days of transfer. 	<p>A comprehensive financial manual has been compiled.</p> <p>Training relating to procedures and functions has been rolled out to all members of the Department in the first and third quarter of the financial year.</p>	
		Policy in place to manage disposal of assets.	Policy complied with.	A comprehensive asset disposal policy, outlining procedures, has been included in the financial manual.	
		Retrospective analysis of the supply chain performance undertaken (value for money).	<p>Proper process followed.</p> <p>Objectives achieved.</p>	This is an on-going process which is managed by the Internal Control Unit and SCM Unit collectively.	



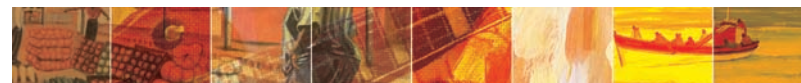
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Corporate Services	Liability management	Debt management and write-off policy established in the Department.	Policy complied with.	The debt management policy is contained in the financial manual. There was 0% deviation from this policy.	
		Processes for the collection of outstanding debt established in the Department.	Debt collection period. Debtors age analysis.	A database of outstanding debt is maintained in accordance with the Department's debt policy as contained in the financial manual. This database is reviewed on a monthly basis and outstanding cases dealt with. Quarterly reports are also produced for the Provincial Treasury.	
		Creditors settled within prescribed period.	Normal creditors less than 30 days. Creditor age analysis.	All creditors settled within the prescribed period. Where there has been deviation, remedial steps have been taken.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Corporate Services	Liability management	Regular risk assessment conducted to identify emerging risks (key strategic and material risks).	Existence and communication.	A risk assessment plan is currently being developed in consultation with the Sihluma Sonke consortium.	
		Risk management and internal control models in place to manage risks in the Department.	Existence and communication.	Models in place and communicated.	
		Fraud prevention plan implemented and operational.	Existence and communication.	Plan in place and communicated.	
		Internal control procedures reviewed and maintained:	Existence and communication.	Procedures reviewed regularly and widely communicated via finance focus meetings held with programme.	



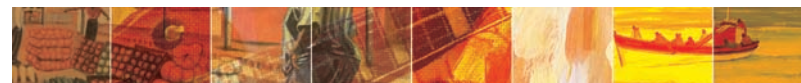
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Corporate Services	Liability management	Segregation of functions maintained i.t.o the following activities: • Execution of transaction • Accounting of transaction • Custody of related assets Segregation of accounting maintained for the following transaction types: • Approving • Processing • Recording • Reconciling	Existence and communication.	All functions and powers are segregated in line with requirements stipulated by financial norms and standards.	
		Auditor-General and internal audit reports dealt with and remedial steps initiated.	Audit reports Internal audit findings Inspection reports	All remedial actions as recommended have been implemented.	
	Accounting and accountability	Approved delegations and instructions in place.	Auditor-General, internal audit and inspection findings.	Financial Manual is in place.	
		Suspense accounts cleared and reconciled.	Reports to AO.	Suspense accounts cleared on a monthly basis.	
		An effective cash management system implemented and monitored.	Frequency.	Cash management system registers are monitored on a monthly basis.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Corporate Services	Accounting and accountability	Control measures in place to ensure supporting documentation for all transactions.	Post-audit component findings.	All finding are reported to the Chief Financial Officer and are discussed with the management of the Department in finance focus meetings.	
		Actual revenue and expenditure, projections, and variances reported on a monthly basis.	Quality and timelines.	Actual revenue and expenditure, projections, and variances reported on a monthly basis to management, CFO, accounting officer and executive authorities.	
		The following matters were reported quarterly to senior management: Performance against strategic plan. Revenue and expenditure of public entities. Compliance with PFMA by pubic entities. Transfer payments.	Quality and timelines.	Reported by due dates as required.	
		Annual reporting: annual financial statements submitted timeously for audit purposes.	Timeliness.	Annual Financial Statements (AFS) submitted timeously.	
		Annual reporting: annual report for Department and public entities submitted and tabled timeously.	Timeliness.	Annual reports for Department and public entities submitted timeously.	



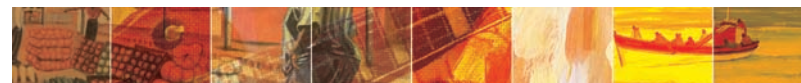
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Corporate Services	Accounting and accountability	Disciplinary steps/ preventative steps and early warning systems in place.	Prescripts and policy complied with.	All policies and prescripts complied with.	
		Integrity of financial information and systems.		Financial information and systems verified for accuracy prior to dissemination.	
		Approved chart of accounts.	Reporting i.t.o. standard chart of accounts.	Complied with.	
		General ledger objectives aligned with estimates of expenditure.	Compliance with reporting formats.	Complied with.	
		Information between systems reconciled.	Reconciliation executed between Persal, Logis and Financial system.	Reconciliations are completed on a monthly basis and verified by responsible managers and the CFO.	
	To render a support function i.t.o. recruitment and selection, HRM information system, maintenance of the establishment and staff performance management.	<ul style="list-style-type: none"> • Filling of vacancies. • Review of staff establishment. • Review and assessment of staff performance rewards. 	<ul style="list-style-type: none"> • 75% of vacancies filled. • 90% correctly updated. • Persal system incentives allocated within 1.5% as prescribed. 	51.7% of posts filled.	This was as a result of, amongst others, delays in job evaluations, and Executing Authority prioritising only certain vacancies for filling.
	Ensuring appropriate staff behaviour through establishment of departmental labour relations policies; managing transformation issues, misconduct and grievances and disputes; and the management of departmental collective bargaining.	<ul style="list-style-type: none"> • Management of misconduct and grievances. • Managing transformation issues (HIV/Aids, Gender, Disability, etc.). 	<ul style="list-style-type: none"> • Misconduct and grievances below 15%. • Proper constitution of HRFU, with draft strategies for HIV/Aids, Gender and Disability. 	<ul style="list-style-type: none"> • Grievances lodged less than 1%. • HRFU constituted 	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Corporate Services	Support line managers and employees in the management of performance; identification of training and development needs in accordance with Department's strategy and management of employee assistance initiatives which reflect values and concerns of the Department.	<ul style="list-style-type: none"> • Manage Staff Performance • Management Systems (SPMS). • Manage drafting and implementation of Workplace Skills Plan (WSP) (bursaries, learnerships, internships and training). • Ensure appropriate and relevant policies. 	<ul style="list-style-type: none"> • Incentives allocated within 1.5% as prescribed. • Review implementation for improvements. • WSP drafted and submitted to PSETA/ DPSA – at least 1% allocated for HRD. • Quarterly WSP implementation – reports submitted to PSETA / DPSA. • Assessment of need for HRD policies. 	<ul style="list-style-type: none"> • Performance bonuses allocated. • WSP submitted to PSETA on time and exceeded 1% of budget for training. • Quarterly reports submitted on time to PSETA. 	
	Management of employee assistance initiative.	Improving quality of work life for employees.	Drafting strategy for improving employee quality of work life.	Policy on EAP drafted and awaiting departmental approval.	
	Rendering of effective information and records; management support services; and, addressing issues of occupational health and safety.	<ul style="list-style-type: none"> • Ensure appropriate records management. • Ensure safe and healthy work environment for staff. 	<ul style="list-style-type: none"> • Drafting and submission of filing strategy for the Department. • Drafting and submission of Occupational Health and Safety Plan. 	<ul style="list-style-type: none"> • Filing plan drafted and submitted to National Archives for approval. • Contingency plan drafted. 	



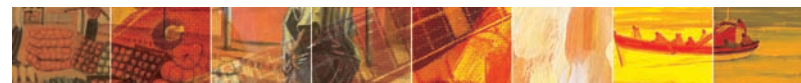
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Delivery Enabling Services	Office of the HoD	<ul style="list-style-type: none"> • Support HoD in the execution of his strategic agenda. • Provide operational/ administrative/ secretarial/reception support. • Secretariat support to the EMC and all departmental committees. • Managing the ministerial projects portfolio. 	Improvement of systems and efficiency in terms of turnaround times.	Provided support to the HoD's strategic agenda on a daily basis. This greatly enhanced turnaround times with clearly linked actions. This included readily available minutes.	
	Operational systems management	Implement systems for measuring programmatic performance and delivery in establishing best practice.	Scoping exercise and implementation of operational systems management.	A system was designed whereby all incoming correspondence, including ministerial enquiries received, were captured on a tracking system with a 7-day turnaround time frame.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Delivery Enabling Services	Operational systems management	Implement systems for measuring programmatic performance and delivery in establishing best practice.	Scoping exercise and implementation of operational systems management.	Ministerial audits are conducted on a monthly basis to ensure timeous and accurate responses. The departmental operational performance management system has been aligned to standard Provincial and National financial reporting requirements, and has been aligned to standard reporting formats of all projects, services and initiatives in terms of planning, monitoring and evaluation.	
	Rapid response unit	Develop and implement a rapid response unit in terms of saving jobs in distress across various sectors in the Province.	Develop a rapid response strategy, which is aligned to the Provincial Growth and Development Strategy.	The Rapid Response unit was not implemented.	The unit was taken up via the Provincial Development Council (PDC).
	To ensure the production and dissemination of the Micro-economic Development Strategy (MEDS).	Completion of Phases 1 and 2 across the identified sectors and themes.	Updated MEDS.	Phases 1 and 2 of the MEDS have been completed and Phase 3 has commenced. The Department is well on target.	



Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Delivery Enabling Services	Draft position papers for the Department.	Completion of position papers identified by the Department's EMC.	Completed position papers.	This has been taken up by the MEDS research process.	
	In-house research.	Business maps for black business and big business.	Complete other identified in-house research.	This has been taken up by the MEDS Research process.	
	DOPMS	Monitor progress and identify gaps w.r.t. programmes/initiatives/ services i.t.o. monthly reporting meetings.		The DOPMS system has been upgraded to comply with the national programme of action and government-wide monitoring and evaluation system. Monthly DOPMS meetings were held to look at monthly updates and to identify possible gaps. All projects for the 2005/2006 financial year have been closed off and new and existing projects for the 06/07 financial year have been logged.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Delivery Enabling Services	Annual report	2004/2005 Annual report.	2005/2006 Annual report.	The 2005/2006 Annual report is ready for publication.	
	Communication strategies	Implementation of communication and corporate image strategy.	Development and implementation of strategy.	Programmes have been provided with communication account managers who will be responsible for managing all communication related matters within the respective programmes.	
	Internal departmental control systems	<ul style="list-style-type: none"> • Quality control of all outputs: include internal circulars. • Ensuring departmental awareness of provincial government's vision and strategies. 	Implement.	<ul style="list-style-type: none"> • Uniform departmental standards are available. • A file was distributed to all staff members to raise awareness of provincial government's vision and strategies but also for reference purposes in each component. 	



Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Delivery Enabling Services	Internal departmental control systems	Quality control of all outputs: include internal circulars and ensuring departmental awareness of provincial government's vision and strategies.	Implement.	The Department has quarterly departmental staff forums for middle and senior management and departmental staff meetings.	
	External departmental control systems	Quality control of all outputs.	Implement.	A system which is co-ordinated via the programme managers is in place to ensure standardised layouts with regard to newspaper ads, articles.	
	Events management	Co-ordination of all departmental events.	Establish criteria for different types of events and establish event portfolios.	An events management service provider was appointed to implement a departmental approach to events, including corporate branding and standardisation of the departmental corporate image.	
	Departmental training	Staff training across the Department in terms of media liaison, events, public speaking, writing skills and frontline personnel.	Implement.	This has been taken up with the extensive HRD capacity building programme for all staff members.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Delivery Enabling Services	Capacity building for office bearers and EDUs	Development of courses which will be offered free to provincial officials, NGO components, etc.	Economic development capacity building training courses.	The Department has developed a comprehensive "Introduction to Economic Development in the Western Cape" manual which has been well received by all participants of the capacity building workshops.	
				All staff members have attended the course and the Department has conducted 3 pilot workshops.	



2.2 PROGRAMME 2: ECONOMIC PARTICIPATION

Purpose:

The purpose of Economic Participation is to improve the economy and to entrench the participation of HDIs through enterprise development, local economic development, and economic empowerment.

The Programme has been structured as follows to deliver on its key mandates:

- Enterprise Development
- Local Economic Development
- Economic Empowerment

Service delivery objectives and indicators:

Enterprise Development

Globally, small business is considered to be the engine of the economy. This is especially true for the Western Cape because it is a region dominated by a large number of diverse enterprises, and small business is a main contributor to achieving economic growth and absorbing labour in the Province. The Enterprise Development Unit (EDU) has adopted a policy and implementation framework, which has drawn significantly on national and international best practices in small business development. However, the EDU has tailored its support and interventions considerably to address local needs and development requirements.

The 2005/2006 financial year commenced with the final official launches of four RED Door centres in March 2005. The Hermanus, Oudtshoorn, Knysna and Paarl RED Door centres opened their doors to the public in March, and delivery began in April 2005. Much hype and attention accompanied the RED Door's presence in an area; however, over the next few months numerous operational issues emerged that could not have been anticipated prior to

actual operations. In response to this the Department introduced a RED Door consolidation programme to streamline delivery, plug gaps and improve the RED Door programme. A strategic decision was also taken to slow down the roll-out of new centres so that the Department could optimise systems and performance of the programme and the centres. Nevertheless, the RED Door remains a highly popular delivery programme of the Department and numerous requests for new centres are fielded regularly from various municipalities within the Western Cape and nationally. During 2005/2006 RED Door was visited by a total of 17 205 people for small business assistance and advice.

The ninth RED Door was opened in Vredenburg ensuring that the RED Door programme has a presence in all districts in the Province. In the last quarter of the financial year discussions were concluded with two more municipalities to establish RED Door centres in Mossel Bay and Stellenbosch. Both of these municipalities have committed resources and funding to continued support of their local centres.

A pilot mobile RED Door service was launched in the metro region. This service is intended to move broadly across the Province since it promotes accessibility of business advice to those who cannot readily access the physical locations. The mobile RED Door complements the existing programme and is a uniquely distinguishing element in the RED Door product offering.

The unit was further mandated to undertake the 1000 X 1000 campaign, which was announced in March of 2005. The actual project implementation was to occur in the 2005/2006 financial year. As this project was one of the Premier's Easter deliverables, it was not previously budgeted for within the proper budgeting cycle. The magnitude and cost of this intervention placed immense strain on the financial resources of the Department, which caused major delays in the delivery of the campaign. Nevertheless, key lessons have been learnt

and early successes can already be claimed. The impact of this campaign is far-reaching and is yet again a first within the national context as the Department again pioneers the massification of the notion of entrepreneurship amongst the most marginalised in the Province.

Because it supports people both socially and economically, co-operative development has come to the forefront nationally as a viable alternative to conventional small business entities. The Province has adopted the approach of introducing the notion of co-operativism and provisioning of co-operative support. The Western Cape does not have a strong co-operative sector and during 2005/2006 a series of awareness and information workshops were held across the Province to promote co-operative development. The information gathered from these workshops will be used to inform the Province's strategy and programme delivery in the new financial year.

Access to finance remains a common problem for SMMEs. In its second full year of operation the iKapa/ABSA entrepreneurial fund financially supports 163 'unbankable' businesses. However, the demand for this kind of finance far exceeds the fund's supply which was virtually depleted by the last quarter of the financial year. Key lessons were learnt in administering the fund, predominantly the need to adequately provide for technical and mentorship support. The drive to solicit funding from other sources for SMME financing paid dividends in October of 2005, when ABSA bank made available another R10 million of their own funds as bridging finance for persons who have successfully won tenders from government. A condition of this particular fund is that only RED Door applicants will be considered for financing. This further bolsters RED Door credibility as a delivery agent and increases the product offering of RED Door.

Another significant milestone for the unit is the collaborative business support voucher programme with the City of Cape Town. This voucher subsidises specialised business development support for RED Door clients. The voucher operates on a 90:10 ratio, with the Province and the City covering 90% of the cost of the voucher. Because it supports persons over the age of 35, the voucher complements the Umsobomvu voucher, which supports youth entrepreneurs with subsidised business advice.

The unit continues to have strong linkages with the private sector and other government departments and numerous collaborative initiatives were undertaken. The Small Business Week is an annual fixture on the enterprise development calendar and brings together most small business stakeholders, role-players and initiatives in the Province. At this year's event over 4500 persons were in attendance, an increase of over 1,000 people, which yet again reinforces the significance and relevance of the event. Other partnerships include smaller programmes with FNB and Standard Bank, SARS, and SA Breweries, to mention but a few.

At the various centres, outreach programmes, capacity-building and training programmes and tender advice and information sessions were undertaken as part of the standard service delivery model of RED Door, ensuring that support is offered throughout the Province.





Real Enterprise Development

**The RED Door
is opening!**

*Provincial government
is opening offices
to help you
start a business or to
grow your business.*

Atlantis
Shop no. LS 19
Atlantis Shopping Centre
Wessieur Circle
Opening Date:
Mondays - Fridays: 10:00 - 18:00
Saturdays : 09:00 - 13:00



For more information call 0800 142 142
or visit www.dagangany.gov.za/reddoor

DEPARTMENT OF ECONOMIC DEVELOPMENT

▲ **Atlantis RED Door:** RED Door Advertisement used to promote the launch of the RED Door in Atlantis.



▲ **RED Door Launch:** From left: Minister Essop, RED Door staff and members of the community during the official launch of the RED Door in Beaufort West.



▲ **RED Door Launch Hermanus:**
From left: Perryne Constance, Dominique Vincent, Margot Thomas, Suzaan Greeff, Nashreen Moosa and Shereen Hercules.



▲ **RED Door Launch in Knysna:**
Tembeka Mhleka (Chief Director: Economic Participation) opening the Knysna RED Door on 22 April 2005.



▲ **Mobile RED Door:** Launched by Minister Essop on 20 February 2006.

Making a Plan

The story of Westpoint Business Consulting

Six years ago Telkom retrenched Donovan Stevens and for four years he compiled business plans so that he could start his own business. He now writes business plans for a living – for other potential entrepreneurs. Donovan owns Westpoint Business Consulting and specialises in the registration of businesses, preparing feasibility studies and writing business plans for SMMEs. He walked into the Mitchell's Plain RED Door while researching a business plan for a juice company and that's where his association with RED Door started.



Making a Plan: Donovan Stevens owns Westpoint Business Consulting. The RED Door in Mitchell's Plain encouraged him to turn business consulting and business plan writing into a fulltime profitable business.

Donovan educated himself in the skill of doing feasibility studies and business plans. He hopes that he'll be able to attend university to do the three-year degree in Small Business Development. A feasibility study by Westpoint Business Consulting starts with a list of questions. The responses to the questions determine the need for the type of business and the final report indicates whether the business is viable. The client then plans his business venture according to the structure provided by Westpoint. Gone are the days of starting

out and playing the trial-and-error game. Because Donovan is right there, Mitchell's Plain RED Door clients have the convenience of registering their businesses with CIPRO without having to travel to Goodwood. Westpoint Business Consulting has taken on one staff member on a contract basis. The position will soon be full-time and Donovan foresees that Westpoint will be employing three staff members by the middle of 2007. Donovan is proud to be associated with RED Door, which has given him exposure to a network and opened doors for him. He has also learned a great deal and knows how their operations function.

He ascribes the success of the RED Door to the staff's personal touch, their concern for people, and their willingness to go the extra mile. He is grateful that he could volunteer, gain their trust, grow with them, and eventually be part of the RED Door family.

Donovan says that dedication and self-motivation are the keys to success in business. "The business person/boss sleeps the least and works the most ... Today's failure is tomorrow's success. We continue to learn."

Take Note Trading 245

RED Doors are hubs where support and enthusiasm drive small business.

Ashley Adams had a dream of becoming an entrepreneur. He wanted to enjoy the fruits of his own labour rather than work for someone else. In November 2005 he took the leap. He started Take Note Trading 245 – a plumbing supply business – from home and has never looked back. Ashley didn't have Internet access at home so he couldn't use his e-mail address from there. He walked into the Mitchell's Plain RED Door in search of a solution. Nazlie van der Lilly, RED Door Consultant, set him up and he has been using the Internet there to download Tradeworld information. This information is key to Ashley getting new business, since he specialises in supplying plumbing material to local and provincial government.

Ashley didn't require start-up funds, since he could cover his monthly expenses from his monthly turnover. But he did require funds to obtain stock from a Johannesburg-based company and Nazlie and Abigail Titus guided him to CASIDRA, RED Door's funding agent, to take care of the payment to the provider and to enable him to secure an order to the value of R 20 000.00 from Groote Schuur Hospital. Ashley is taking the business day by day. He draws from his earlier experience as a credit controller to keep his books and maintain a good track record. Building relationships is important to him, so he sees nurturing his business relationships with Council staff as a key factor in building his business.



Take Note Trading 245: Ashley Adams received support from the Mitchell's Plain RED Door to enable him to start his business supplying plumbing equipment. Nazlie van der Lilly, RED Door Consultant is standing by.

Ashley says that he draws his strength from his faith and his support network. His wife answers the telephone when he is not at home/the office. His car is sometimes loaded to the brim and on top. His friends help by lending him additional transport, and RED Door provides professional services.





▲ **1000X1000 Challenge:** Minister Lynne Brown amongst the entries received for the competition to reward and support 1000 entrepreneurs towards sustainable small businesses.



▲ **Joy is being a 1000X1000 winner:** From left: A 1000X1000 participant and Tembeka Mhlekwa (Chief Director: Economic Participation) celebrating in Paarl.



▲ **1000X1000 Challenge:** Graduation Ceremony in Caledon on 24 March 2006.



▲ **1000X1000 Challenge:** Participants are expressing their excitement.



▲ **1000X1000 Challenge:** From left: Winners (Cape Town): Andries Olifant (Atlantis RED Door), Moses McKay (Reporter: Cape Argus), Ncebakaza Mongameli (Khayelitsha RED Door) and Melanie Adams (Mitchell's Plain RED Door) captured at the 1000X1000 Challenge Graduation Ceremony in the Cape Town City Hall on 27 March. The three entrepreneurs each received a RED Door Entrepreneur Award for their business achievements in 2005.



▲ From left: Oudtshoorn RED Door Manager, Desmond Allie and Francois October who received the entrepreneur's award at the George 1000X1000 Certificate Ceremony for achievements during 2005.

Small Business Week 2005

Small Business Week facilitates access to markets, opportunities and business linkages for SMMEs.

During Small Business Week 2005:

- 109 businesses exhibited
- 1900 businesses were represented through delegates
- 4142 delegates attended
- 15 216 business linkages were facilitated
- 575 delegates attended tangible workshops
- 2025 m² of exhibition hall space was used

The Business Centre ensured that 411 exhibitors and delegates were registered in the Business Linkage Database. The seminar attendance figures indicated that there is a great demand for skills development in the context of Small Business Week.



Small Business Week: Building the stall shared by Tourism and the Art in Business Project.



Small Business Week: Building the Red Door stall.



▲ **Change Agents:** (From left:) Salwa Petersen (Casidra), Carmen Williams (Casidra), Deon Damons (RED Door Regional Manager), Olivia Dyers (Act. Manager: RED Initiative) Dominique Vincent (RED Door) Cheryl Phillips (RED Door), Tom de Wet (CEO: Casidra) and Benito Hope RED Door Manager in Atlantis) at the launch of the Business Support Voucher Programme.

The City of Cape Town's Economic and Human Development Department formed a partnership with the Department's RED Door to produce a business support programme focusing on the needs of business people aged 35 years and older.

The Business Support Voucher Programme will:

- Provide relevant information to SMMEs.
- Address the lack of access to information.
- Provide business management skills, counselling, advice and mentoring.
- Provide business support infrastructure and manage existing infrastructure.
- Provide assistance and support to community-based economic development projects.
- Provide capital and operational assistance to urban farmers.
- Subsidised training and support learnerships and Expanded Public Works Programmes.

All mentoring programmes will be accredited and business people will be able to choose among those selected for their specific needs. Businesses will be able to access the programme at the RED Doors in Cape Town and Atlantis, Open for Business and Casidra.



Local Economic Development (LED)

The LED sub-programme aims to effect efficient intergovernmental relations that promote local economic development at municipal level through intervention that creates an enabling environment for economic development. Stimulation and promotion of local economic activity are also pursued through the provision of a coherent and integrated framework and support environment that are focused on the increased spread of targeted economic activity and greater economic participation.

Integrated development planning policy and implementation provided the key backdrop to the unit's service-delivery environment. Credible IDPs are a national call that the unit adopted with determination to ensure that the agenda was sound local economic development.

The focus of our local economic relations was to evaluate municipal IDPs in a coherent and logical fashion, which provided added value to local government efforts for economic development. Input through expert technical advice and non-financial support service was provided; as well as participation in local workshops, forums, conferences, and summits. This was to ensure that consistent and credible municipal IDPs are developed in line with national and provincial policy. This also provided an excellent foundation for strengthening intergovernmental relations.

To extend the existing support, the LED unit focused on the development of a very specific, but localised intervention – the PLEK PLAN programme. This programme seeks to design more refined targeted interventions to promote greater economic participation. This year saw the conceptual document evolve into a formulated business plan with a very explicit implementation plan for roll-out in the financial year to come. This programme will build on the existing EDU support, provided to ensure that municipalities have quality information

and assistance on economic development issues that impact on local areas. The Plek Plan programme and the support services that accompany this intervention will set the framework for the LED unit's strategy to support and strengthen local municipalities in the achievement of local economic development.

The Real Economic Assistance Fund (REAF) supported the development of pilot pioneering projects in rural areas. This economic assistance programme successfully built on the iKapa eliHlumayo agri-business support provided to proposed projects, that aimed at establishing projects that could be catalysts to stimulate both economic and social activity in a region. The developmental model that underpins REAF aims to initiate community-based projects and turn them into community-owned businesses that can contribute to the smaller, local economies within the Western Cape. Projects like the Creative Home Industries Project in the Central Karoo are successfully providing an umbrella for a number of small projects to ensure that these small businesses can expand and access linkages and support from other initiatives like the Hydroponics company in Beaufort West. Another example is the essential oils project in the same area, which is currently finalising its organic certification to ensure that it is able to meet the demand of new markets. Intaba Jams spent a year expanding and ensuring that its products are ready to appear on the shelves of a national retailer. REAF has provided the opportunity to create linkages from Intaba Jams to the Albertinia Fine Foods project (a community-based women's project) that will be explored in the new year.

The greatest challenges for the unit lie in the lack of skills and capacity of the implementing partners and local municipalities, especially those located within the rural areas. A lack of resources to ensure follow-through on implementation further frustrated delivery.

To address these challenges intensive engagements were held with relevant partners and stakeholders. These talks informed our understanding of the problems experienced and assisted us in designing appropriate support measures.

Given the demand at municipal level, this required both financial and human-resource capacity. To address this, the unit promoted crowding of partnerships to ensure active alignment of provincial, national and local government programmes, which results in integrated government impact.

There was a clear emphasis on the linkages to other economic development support programmes to enhance development and growth. Further, projects and programmes were subject to a system of monitoring and evaluation that allowed stakeholders to see the impact through measurement.

The successes achieved through these approaches illustrates that linking government support programmes creates a mindset of sustainability. It has established the unit as a point of credible government access that supports the priority given to local economic development on the national programme of delivery.

Economic Empowerment

The main aim of Economic Empowerment (EE) is to provide strategic direction for the empowerment and transformation of the Western Cape's economy. The Department views empowerment as the economic enablement of the targeted groups comprising black people, women, youth, people with disabilities and rural communities. Economic Empowerment will ensure that the economic empowerment policies of provincial departments are aligned with the national government's EE policy. EE will also actively work with provincial departments on preferential procurement and will monitor and evaluate the progress

of provincial departments in delivering on Broad-Based Black Economic Empowerment (BBBEE).

Progress on the development and implementation of a BBBEE strategy in the Province is underway. The following sets out the unit's progress thus far, and the measures that will be taken to achieve the identified strategic objectives:

- Engagement with the BBBEE implementation strategy to address the provincial inequalities resulting from the policies of the past. The unit will ensure that the strategy is aligned with that of national government. This relationship will be developed to include the Enterprise Development, Local Economic and Co-operatives units at the Department of Trade and Industry (dti).
- Since November 2003, there has been intense consultation and co-operation with the partners of the provincial Growth and Development Summit, business, labour, government (local) and civil society. This engagement has laid a firm foundation for Provincial Government's efforts in not only obtaining buy-in and support from these important role-players, but also fully understanding the issues underlying the economic empowerment of the targeted groups. The unit has already delivered on its undertaking at the Summit to produce a comprehensive Broad-Based Black Economic Empowerment Strategy for the Province. In further building the relationship, the unit will continue to work closely with these provincial partners.
- The lack of adequate information as input for policies related to the targeted groups has placed serious constraints on policy development and implementation. The unit will commission relevant research in order to plan, implement, monitor and evaluate its policy decisions.
- As economic empowerment needs to impact on those that most need it, the critical role of local municipalities cannot be over-emphasised. Currently, local municipalities have capacity problems in terms of enterprise



development and economic empowerment. The unit needs to actively engage local municipalities on a more regular basis. Therefore, as a priority, the unit will embark on a pro-active campaign to capacitate local municipalities on economic empowerment issues.

In addition, the unit has started to play a leading role in facilitating BBBEE deals, as there is a perceivable need for an independent intermediary to broker BBBEE deals among and between financial institutions, black entrepreneurs and white corporates. The unit's first success in this area has been a transaction that not only saved more than 300 jobs, but also transferred the ownership of the corporation into black hands. The unit will expand on this role by including mentorship and other forms of assistance to black entrepreneurs and interacting regularly with organised business, chambers of commerce, farmer's organisations and co-operatives.

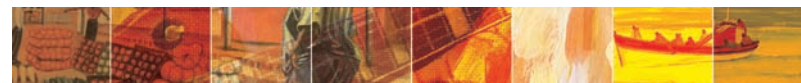
Structural Unemployment has conceptualised and developed its operational framework, which is still being critiqued and redefined. The unit has also begun to reach out to other units internally as well other departments to identify their projects and programmes in order to avoid duplication and promote co-operation, instead.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Enterprise Development	To nurture and encourage entrepreneurship and create an environment that enhances the development and growth of small businesses.	Number of conveniently located SMME support service centres newly established.	7 SMME support service centres assisting 1 000 entrepreneurs with advice, information, etc.	8 SMME support service centres assisting 18, 168 entrepreneurs with advice, information, etc.	Exceeded target number of centres in previous year. Maintenance on track.
			1 pilot satellite SMME support service centre.	1 pilot satellite SMME support service centre operational in the metro assisting 108 entrepreneurs with advice, information, etc.	
		Number of programmes and projects that address the needs of small businesses, business associations, co-operatives and entrepreneurs in local areas and communities (including the targeted groups of women, youth and the disabled). All programmes to comprise at least 30% women 10% disabled 80% HDI 30% rural.	Dedicated programme to assist 200 manufacturing SMMEs in the Cape metro area.	0	CapeMAC was incorporated into the SEDA umbrella and the structure of the organisation changed. This was a slow process, which created uncertainty of the delivery environment over the 2005/2006 period. No allocation was made for 2005/2006 to continue the programme with CapeMac to support manufacturing SMMEs as CapeMAC no longer exists.
			10 mentorship programmes assisting at least 200 entrepreneurs.	1,092 entrepreneurs assisted through mentorship at 9 RED Doors.	
			10 programmes of capacity building and training for at least 300 entrepreneurs.	At least 9 training programmes per month, and 2,854 people assisted.	



Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Enterprise Development	To nurture and encourage entrepreneurship and create an environment that enhances the development and growth of small businesses.	Number of programmes and projects that address the needs of small businesses, business associations, co-operatives and entrepreneurs in local areas and communities (including the targeted groups of women, youth and the disabled). All programmes to comprise at least 30% women 10% disabled 80% HDI 30% rural.	10 entrepreneurship programmes (including business plan competitions) for youth.	9 RED Door centres undertook at least one outreach entrepreneurship project at a school, over the course of the year.	Each RED Door undertakes outreach projects in surrounding communities. The total number of entrepreneurship programmes exceeds 10.
	To manage and co-ordinate a reliable support network and logistics system that ensures and underpins the effectiveness of all programmes and projects created and implemented by the sub-programme.	An information system that is relevant to the information and advice needs of small business.	Provision of business information via a dedicated website and 14 physical location.	RED Door website continued and on track. Information available at all RED Door centres.	
		Establishment of a dedicated help desk at provincial head office.	Information and referral centre at provincial head office (Cape Town).	Interim referral desk operates from provincial head office (Cape Town).	CBD support centre to be operational in 2006/2007 financial year. This will supersede the provincial referral centre.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Enterprise Development	To manage and co-ordinate a reliable support network and logistics system that ensures and underpins the effectiveness of all programmes and projects created and implemented by the sub-programme.	Establishment and maintenance of a network of competent SMME support service providers.	Network of 30 service providers servicing the SMME needs of 14 SMME Support Centres.	12 service providers have been accredited.	Recruitment of an additional 18 service providers is underway. However, subsidised specialist advice is available through RED Door.
		Research impact study of Departmental SMME strategy.	Carry out independent research study (including monitoring and evaluation) into the real enterprise development strategy regarding SMME support centres.	Preparation for independent Monitoring and Evaluation study of RED Door.	RED Door consolidation, an internal M and E study, took place over most of the year to streamline systems and output. Preparation for the independent study is rolled-over to 2006/2007.
	To ensure that business opportunities and enabling resources are available and accessible to small businesses.	Number of small businesses assisted in accessing private and public sector procurement opportunities and interim linkages.	10 programmes capacitating at least 300 entrepreneurs to access procurement and market opportunities.	1165 entrepreneurs assisted with tender advice and procurement opportunities through 9 RED Door centres.	
		Annual collaborative event with private and public sector partners showcasing real business opportunities and linkages.	1 small business week in partnership with City of Cape Town attracting at least 1, 000 entrepreneurs.	1 small business week in partnership with the City of Cape Town attracting at least 1, 000 entrepreneurs – 4,500 persons assisted.	



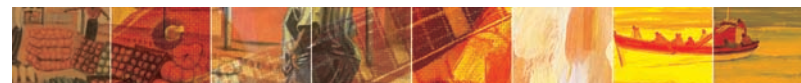
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Enterprise Development	To ensure that business opportunities and enabling resources are available and accessible to small businesses.	Number of small businesses assisted in complying with statutory registrations and prescriptions.	10 programmes assisting at least 300 SMMEs.	693 persons assisted with business registration. (This is ongoing support at all 9 centres). Furthermore, a continuous relationship with SARS enables tax compliance workshops through RED Door as well.	
		Dedicated fund to assist entrepreneurs considered "unbankable".	Directly financing at least 30 entrepreneurs.	163 entrepreneurs financed.	
Local Economic Development	<ul style="list-style-type: none"> To provide guidance, support and capacity to municipalities in achieving economic development, through the economic development units. IDP assessments and reviews, strengthening the institutional capacity of municipalities. 	Number of economic development units (EDUs) or structures with a similar function supported to provide capacity at district and B-Level municipalities.	5 EDUs supported at district municipal level.	5 EDUs supported at district municipal level.	
			5 EDUs newly established at B-municipal level.	No B-Level EDUs established.	Departmental funding and municipal funding constraints did not allow for B-level establishment; further, capacity at District Municipality (DM) level to be used to address needs, which includes the PIMMS centres.
	Through the MEDS and a municipal baseline data study that will inform local LED strategies and plans (IDPs), and that will guide and support the performance of local government in achieving increased economic participation.	The development of a municipal matrix sheet per municipal area that reflect, key economic variables, targeting key priority sectors, identifying theme-based interventions and targeting specific regional locations for targeted interventions and partnerships.	Baseline data that will inform interventions in 29 municipalities towards developing LED strategies and implementation plans of municipalities (number of interventions identified).	1st round MEDS sector reports completed to inform municipal economic data. Collaboration on Provincial Economic Review and Outlook (PERO) with 2006 completed to input to municipal economic baseline data.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Local Economic Development	To ensure practical alignment of departmental programmes with national and provincial objectives (eg. PGDS) through regional development initiatives (eg. ISRDP, URP, and Project Consolidate) and actively maximising provincial government's spending.	Number of community-based rural and township ED information sharing sessions (through the ISRDP, URP and Project Consolidate).	Quarterly, province-wide road-shows and workshops.	Road-show's covered: One-on-one municipal engagements held with district wide municipalities. 2-day conference on building ED awareness in the Province.	
		Number of projects impacted on through collaboration with other departments.		2 joint projects developed/ collaborated on with other departments.	1 project was found to be not feasible.
		Provide access and awareness on departmental programmes and national and provincial objectives (eg. PGDS). Facilitate discussions with stakeholders.		7 ED information-sharing sessions held (eg. one-on-one municipal engagements held with district wide municipalities on ED issues through roadshow). • 2-day conference on building ED awareness in the Province. • Information sessions held on MEDS development and progress.	



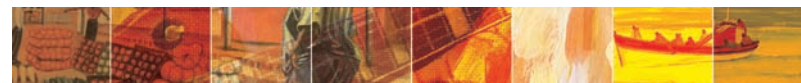
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Local Economic Development	To assist in the design and development of targeted interventions for local areas based on sector-specific profiles, theme-based interventions, global intelligence and partnerships.	Number of project proposals submitted to other sub-directorates for further support.		6 project proposals submitted to other sub-directorates for further support.	
		Number of community-based enterprises/ identified projects (based on an identified targeted intervention) assisted in evaluation, establishment and/ or expansion.	50 proposals received, evaluated and assisted in establishment and/or expansion efforts.	5 proposals assisted in evaluation, establishment and/ or expansion.	
		Based on an identified targeted intervention or community aid required - the number of engagements held and assistance with expert advice and non-financial interventions.	59 engagements.	58 engagements held that provided expert advice and non financial support service.	
		Based on an identified targeted intervention or community aid required - the number of projects assisted with business plan evaluation.	15 proposals assisted in terms of business plan development.	10 proposals assisted with business plan evaluation.	
	To implement pioneering pilot projects with municipalities that will increase black community based ownership and participation, opportunities for women, youth and the disabled in line with the vision of iKapa eliHlumayo.	Based on targeted interventions of LED strategies of municipalities as identified in IDPs – number of economically viable projects identified and supported.	5 investigated, 3 supported.	8 project proposals were received and evaluated to determine impact and link to IDPs.	All project proposals submitted to the Department flowing out of the IDPs were either found not to be in the IDP, or did not address the municipal LED strategy.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Local Economic Development	To implement pioneering pilot projects with municipalities that will increase black community based ownership and participation, opportunities for women, youth and the disabled in line with the vision of iKapa eliHlumayo.	Based on DEDT identified targeted interventions (REAF) only - number of economically viable projects identified and supported.	<ul style="list-style-type: none"> 2 joint projects collaborated on with other departments eg. human settlement plans, EPWP, Project Consolidate, URP, ISRDP, and Agriculture. 5 EDUs supported at district municipal level. 	5 evaluated; 3 received further support; 2 found to be not viable for further expansion efforts.	The 2 not supported did not speak to the criteria used for development as pilot pioneering projects in regions.
		Number of projects impacted on through collaboration with other departments.	<ul style="list-style-type: none"> 7 ED information sharing sessions held eg. one-on-one municipal engagements held with district wide municipalities on ED issues through roadshow. 3-day conference on building ED awareness in the Province. Information sessions held on MEDS development and progress. 	2 joint projects collaborated on with other departments eg. human settlement plans, Project Consolidate, URP, ISRDP, Department of Agriculture.	
	To create/ build awareness and provide access to urban, rural and township communities to departmental, provincial and national support programmes and benefits at local level eg. one-stop shop advice and support centres, co-operative development, incentives programmes, etc.	Assist in facilitating discussions with stakeholders around programmes, the benefits, and locations: 1. An EDU in a municipal area; providing municipalities with updates and progress on any EDU developments. 2. Utilising the IDP assessment sessions to inform stakeholders on support services and programmes.	Quarterly, provincial-wide roadshows and workshops.	<ul style="list-style-type: none"> 7 ED information-sharing sessions held, eg. one-on-one municipal engagements held with district wide municipalities on ED issues through roadshow. 2 day conference on building ED awareness in the Province. Information sessions held on MEDS development and progress. 	



Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Economic Empowerment	To provide a strategic framework for the promotion of Broad-Based Black Economic Empowerment in the Western Cape.	Funding for BEE transactions and initiatives.	Financing BEE transactions that create at least 400 jobs.	The Department has completed the second phase of the BBBEE strategy that once completed will form the basis for the strategic framework.	We had to adjust our BBBEE strategy as a result of the new codes of good practice on BBBEE released by the Department of Trade and Industry.
		Facilitation and support for BBBEE transactions and initiatives.	Provision of facilitators and mentors to at least 5 selected job creation/retention BEE transactions.	We have facilitated 5 job creation projects. These projects were funded by our RED Doors.	
	To increase the contribution and participation of the targeted groups in the economy of the Western Cape.	Youth Economic Empowerment (YEE).	Assistance to at least 15 YEE transactions.	To increase youth participation we have started the process of establishing a Youth Advisory Forum. The RED Door has also engaged many schools on entrepreneurship.	
		Women economic empowerment (WEE).	Assistance to at least 25 WEE transactions.	We have referred many women entrepreneurs to our RED Doors for assistance. The RED Door has assisted us in achieving the target of 25 WEE transactions . We are also in the process of establishing a womens economic empowerment forum.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Economic Empowerment	To increase the contribution and participation of the targeted groups in the economy of the Western Cape.	Economic empowerment of the disabled.	Hosting of a least 4 workshops to capacitate and facilitate empowerment.	<ul style="list-style-type: none"> • We held one workshop for people with disabilities. • 5 Resolutions were taken and discussed at the BBBEE conference. • Several meetings have been held to establish an economic empowerment forum for people with disabilities. 	
	To ensure that Provincial Government policies and strategies are aligned and implemented in line with national government BBBEE.	Preferential procurement implementation across government departments.	Hosting of at least 5 workshops and other interventions to achieve preferential procurement objectives.	We held one workshop on preferential procurement where 5 resolutions were accepted and discussed at our BBBEE conference.	
		Major public and private sector interactions and discussions regarding BBBEE.	Provincial BBBEE conference including all relevant role-players.	The Provincial BBBEE conference was held in the second quarter and was attended by 1,000 delegates.	
		BBBEE implementation across identified targeted sectors.	Hosting of at least 5 workshops and interventions to improve BEE among targeted sectors.	We arranged 8 workshops, all on economic empowerment, with the following sectors: agriculture, clothing, fishing, tourism, wine, BBBEE charters, youth, women and people living with disabilities.	



2.3 PROGRAMME 3: ECONOMIC STIMULATION

Purpose:

The Economic Stimulation Programme seeks to enhance and improve competitiveness through attracting foreign direct investment and growing exports, through focusing on technology and innovation, and through improving and increasing workplace skills. As this programme is cross-cutting for all sectors, the finalisation of the MEDS has provided it with the necessary framework and priorities, thus enabling the Department to finalise structures and strategies.

Service delivery objectives and indicators:

As a cross-cutting programme the service delivery objectives and indicators are linked to all other sectors, but there are some specific indicators, such as the number of discrete projects funded.

Strategic Competitiveness

One of the key objectives of the MEDS is to identify and formulate interventions for implementation. The MEDS therefore informs all the work of the Department. To date there has not been a MEDS study for the Strategic Competitiveness departmental unit. This, coupled with the fact that there has been a lack of human resources to implement projects, has made it impossible to work towards the stated targets. In addition, the strategic competitiveness unit has changed its focus towards the establishment of a provincial system of innovation to incorporate global partnerships active in the global system of innovation. In this regard, the Department has made important headway in establishing platforms for dialogue with world-class science and technology institutions in India and Hong Kong for the purpose of developing global innovation networks and cooperation. Other global networks will be developed in partnership with the Provincial Advanced Manufacturing Technology Strategy

(PAMTS) and the Department of Science and Technology as well as the Higher Education Institutions (HEIs). PAMTS was launched in December 2005 and is now geared to engage in deeper work and to implement across a number of sectors (subject to funding availability). The work of PAMTS will be critical in informing the MEDS. The establishment of an Institute for Advanced Tooling (IAT) is one of the major successes of PAMTS. It is a direct result of the cooperation project with the Indo German Tool Room Programme in India. The IAT will assist with problem solving and design in the tooling sector.

Workforce Development

This unit was established in the 2005/2006 financial year in response to a set of challenges which converged around the anomaly of high unemployment within the context of an economy that is experiencing skills and qualifications shortages. This situation is often explained as a mismatch of skill supply and skill demand leading to notions of scarce and critical skills impacting negatively on economic and social development. Although this problem is historic, it is exacerbated by the ongoing fragmented systems of education and training supply; by labour market dynamics that are difficult to pin down in a tight planning framework; by the quality of education provision, that impacts negatively on competence in mathematics, language, and ICT; and, by a demand component that has not yet adequately interconnected human resource development with increased productivity, profitability, and competitiveness.

The links between economic development, employment, skills and knowledge is not a new idea. What is new is a shift from human capital theory and manpower planning practices that emphasise individual skills and performance, to an approach of skill formation that links political, economic and industrial strategies, and matters of work organisation, technology, innovation, and so on. Such an approach coordinates HRD strategies with policies of demand-side

issues within a multiple-skills-levels approach – low, intermediate and high skill – that occur concurrently. The challenge is to increasingly upskill with strategic and large scale interventions across these levels to meet economic and social needs and opportunities. This indicates the importance of skills development within a workplace environment. The National Skills Development Strategy 2005 – 2010 is premised on a multiple level skills paradigm. All institutions that provide learning opportunities are involved in skills formation practices whether at academic, vocational or pre-vocational levels.

Therefore, Workforce Development sees its work as a critical component of the Human Capital Development Strategy (HCDS), focusing primarily on vocational/professional education and training wherever it is supplied and needed. Therefore, it is critically concerned about training, re-training, and multiskilling for learners beyond initial supply.

Workforce Development has developed a three-pronged strategic framework – research and developing the strategy, communicating and influencing, and large-scale interventions.

Labour market aggregates, 2000 - 2004

	2000	2004	Total change		Average annual	
	(R'000)	(R'000)	(R'000)	(%)	growth (%)	
Western Cape						
Working age population	2,834	3,147	313	11.0%	2.7%	
Employed	1,601	1,691	90	5.6%	1.4%	
Broad unemployed	426	604	178	42.0%	9.2%	*
Broad labour force	2,027	2,296	269	13.3%	3.2%	*
Narrow unemployed	319	387	68	21.2%	4.9%	
Narrow labour force	1,920	2,078	158	8.2%	2.0%	
Discouraged workseekers	107	218	111	104.2%	19.5%	*
GDP (2000 prices, R-million)	119,099	140,896	21,797	18.3%	4.3%	
South Africa						
Working age population	27,869	29,305	1,436	5.2%	1.3%	
Employed	12,238	11,643	-595	-4.9%	-1.2%	
Broad unemployed	6,379	8,083	1,704	26.7%	6.1%	*
Broad labour force	18,618	19,726	1,108	6.0%	1.5%	*
Narrow unemployed	4,162	4,135	-27	-0.6%	-0.2%	
Narrow labour force	16,400	15,778	-622	-3.8%	-1.0%	
Discouraged workseekers	2,218	3,948	1,730	78.0%	15.5%	*
GDP (2000 prices, R-million)	922,148	1056,771	134,623	14.6%	3.5%	
Source: PERO, September 2000 and September 2004 LFS (Stats SA). SARB (2005), BER						
Note: Statistically significant changes at the 95 percent confidence level are indicated with an asterisk (*). GDP and GDP growth rates are not subject to significance testing						



The Learning Cape Festival celebrated its fourth year of operation in 2005, which proved to be the year of greatest achievement. Over 30 000 people attended the various events. The greatest successes were the Career Expo, the Workplace Programme that focused on workplace learning, and the debates and seminars. Two publications have been developed in partnership with Nasou Via Afrika. One called “Life can be Different” tells a number of stories about how learners of all ages and backgrounds have returned to and been inspired by learning. The other – “Learning What Works: Policies and practices that support economic development” – is a compilation of discussions, debates and policy frameworks that impact on human resource development. Both publications have been recommended for guidance teachers, and authors’ royalties are to go to the Education Foundation (WCED), again building partnerships across provincial departments.

In terms of the PGDS/iKapa strategies and skills development programmes, an interdepartmental Skills Task Team was successfully established. Its brief is three-fold: to address workforce and skills development issues in support of the iKapa strategy implementations; to ensure that skills development and learning, in general are orientated towards citizenship development; and that the economy and citizens are competitive within the global context.



Learning the Cape Festival: From left: Unathi Khetsi and Desi Angelis holding the publication: “Life can be different”, in support of lifelong learning.

MEDS Pioneers:

From left: Prof. Dave Kaplan (Chief Economist: DEDT) and Junette Davids (Former DD: Office of the HoD) captured during the MEDS session on 15 September 2005. Prof. Kaplan and his team of researchers pioneered the MEDS research.



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 the Province's products and services through development of export capability, demand and market access.

WESGRO's key achievements for the 2005/2006 financial year include:

- Establishment of the Global Business Intelligence Unit whose core focuses are on trade and investment intelligence and the provision of this vital service to its internal and external clients.
- The successful development of a Trade and Facilitation Strategy on the African continent through the Western African Trade Corridor Strategy.
- Attracting and facilitating R2,9 billion of direct foreign investment, against a target of R1,4 billion
- In 2005/2006, WESGRO targeted 270 individuals/companies for training through its Exporter Development Programme (EDP). WESGRO surpassed this target by training a total of 399 individuals/companies. Of this figure, 253 individuals/companies underwent EDP Level 1 training, 11 participated in more in-depth training provided in the EDP Level 2 course, and 91 undertook specialised training via EDP Level 3.
- The successful launch of its inaugural CEOs in Export Forum during the 2nd quarter of the financial year under review, an event which has been held quarterly since its inception.
- Facilitation of the MAN Ferrostaal investment in the Oil and Gas sector, which will result in a fabrication yard at Saldanha Port and a ship service and repair facility at A-Berth in the Cape Town Port. The total investment figure for the project is R1, 700,000,000 and 1,500 people will be employed by the project.

As a provincial entity, and in keeping with the requirements of the PFMA, WESGRO publishes an annual report, which provides more detailed information on its functions and performances.

Making a case for hemp

FOR far too long, the reputation of industrial hemp has been sullied by its devil-may-care cousin dagga. In 2006, the Economic Sector Support division of the Department of Economic Development and Tourism began preparing a case for the wide-scale cultivation of industrial hemp. And to this end, one of the steps it took was to arrange for the planting of a crop at the Elsenburg experimental farm, near Stellenbosch. Of course, the division, which energetically promotes innovation, had by this time already put together a comprehensive dossier – filled with pluses – on the growing of the plant. Its information showed that:

- Four industrialized giants – Canada France, China and Russia – were already growing it on a large scale.
- The experience of cultivators in these four countries showed that it was a sustainable crop.
- There was a growing demand for products of the plant.
- It enriched soil.
- It did not need to be protected by pesticide.
- It absorbed sewerage from soil.
- It did not need a lot of water to thrive.

Many products can be produced from industrial hemp, including motorcar parts, household utensils and paper.

The Department is currently in discussion with counterparts in Brazil with a view to instituting a project to use hemp to develop an agri-fibre suitable for the production of motor vehicle body parts, such as doors, boots and bonnets.

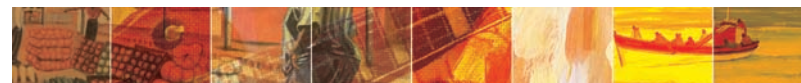
For those wondering about whether industrial hemp can be smoked, the answer is yes. But, beware! It is likely to give the smoker a mighty headache – and nothing more. The fact is, industrial hemp does not contain the “high”-inducing molecular compounds found in dagga.

So smoking it would have the same effect as smoking a piece of rope....



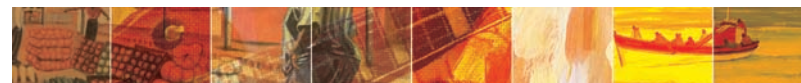
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Strategic Competitiveness	Perform research and identify key cross-cutting issues impacting on competitiveness.	Holding meetings and workshops with key stakeholders to determine priority issues.	30 interviews. 2 workshops.	Interviews were held. Workshops were held with key sectoral players.	The absence of MEDS strategy in the first half of the financial year caused delays. It became apparent that when phase 2 of the MEDS research was completed and priority sectors and themes identified, a change in focus was required. Only priority sectors and themes could be accommodated due to the limited resource envelope of the Department.
		Number of issues taken forward into defined projects, with timelines, deliverables and staffing. (Productivity Benchmarking Programme).	1 project developed.	Benchmarking carried out in clothing sector.	The absence of MEDS strategy in the first half of the financial year caused delays. It became apparent that when phase 2 of the MEDS research was completed and priority sectors and themes identified, a change in focus was required. Only priority sectors and themes could be accommodated due to the limited resource envelope of the Department.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
HRDS interventions	Develop policy and strategies in line with provincial needs for each of the 6 sectors or spheres of education (ECD, GET, ABET, HE, Workplace, FET), and input into an integrated HRDS.		6 strategies developed. 12 workshops held. 6 interventions identified.	Strategies and workshops held, with full input into the HRD strategy.	
	Develop 3 major research projects as a contribution to the GDS and MEDS process.		3 research projects.	Research projects development, port infrastructure.	
	To support the development of the LCI as a key player in the E&T environment.		Launch of initiative.	LCI officially launched in October 2005.	
	To be the anchor Department for the Learning Cape Festival, developing 7 focused themes.		<ul style="list-style-type: none"> • 20,000 participants attending mega-event. • 7 key themes profiled and developed. 	40 000 attendees at the mega-event with full themes.	



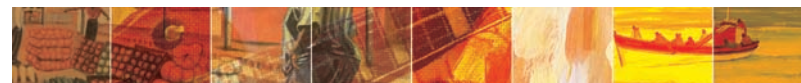
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
HRDS interventions	Facilitate and fund interventions in learner-ships, colleges and maths and science to improve key outputs.		4 key interventions facilitated, that raise the adoption rate by 10% per year.	The Learning Cape Festival has been developed as well as relationships built with other role-players eg. Department of Education and Tertiary institutions.	
	Knowledge economy interventions.	To perform research and develop an understanding of the profile and constraints to ICT adoption in the Province.	Carry out research project.	Interviews were held but due to capacity constraints this was not carried out.	It became apparent that when phase 2 of the MEDS research was completed and priority sectors and themes identified, a change in focus was required. Interventions identified here were held in conjunction with Sector Initiatives.
			Hold 20 meetings with key stakeholders.		It became apparent that when phase 2 of the MEDS research was completed and priority sectors and themes identified, a change in focus was required. Interventions identified here were held in conjunction with Sector Initiatives.
			Hold 1 major workshop.		It became apparent that when phase 2 of the MEDS research was completed and priority sectors and themes identified, a change in focus was required. Interventions identified here were held in conjunction with Sector Initiatives.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
HRDS interventions	Knowledge economy interventions.	To develop the networks and capacity to intervene at a national level in terms of telecommunications legislation.	Hold 20 meetings with key stakeholders.	5 interviews were held but due to capacity constraints this was not carried out.	It became apparent that when phase 2 of the MEDS research was completed and priority sectors and themes identified, a change in focus was required. Interventions identified here were held in conjunction with Sector Initiatives.
			Hold 1 major workshop.		Only priority sectors and themes could be accommodated due to the limited resource envelope of the Department.
		Develop a campaign to promote the adoption of ICTs targeting firms and/or citizens.	1 major campaign to raise the adoption rate from 10% to 15%.	3 meetings were held but due to capacity constraints this was not carried out.	
		Fund a Western Cape ICT "driving licence" pilot to train SMMEs and unemployed youth to access the internet.	Increase IT literacy from 20% of the target group to 25%.	3 meetings were held.	
	Promotion of innovation, design and advanced technologies (I, D&AT).	To perform research and develop an understanding of the profile and constraints to I, D&AT adoption in the province. To develop a comprehensive regional system of innovation (RIS).	Carry out research project.	An investigation has been initiated, and research is underway to deliver.	
			Hold 20 meetings with key stakeholders.	20 meetings have been held.	Only priority sectors and themes could be accommodated due to the limited resource envelope of the Department.



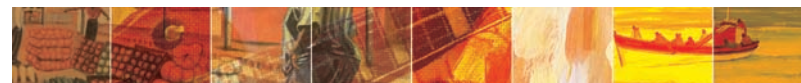
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
HRDS interventions	Promotion of innovation, design and advanced technologies (I, D&AT).	To perform research and develop an understanding of the profile and constraints to I, D&AT adoption in the province. To develop a comprehensive regional system of innovation (RIS).	Hold 1 major workshop.	No workshop held.	It became apparent that when phase 2 of the MEDS research was completed and priority sectors and themes identified, a change in focus was required. Interventions identified here were held in conjunction with Sector Initiatives.
			Develop a RIS.		The focus has been shifted from a regional information system to one that is more global in nature.
		To develop and implement a design strategy, running programmes to encourage the adoption of integrated design through provincial government, HEIs and key design related sectors.	Finalise and workshop a design strategy.	The full design strategy was finalised and presented to top management.	
			Provincial procurement policy incorporating local design criteria.		The interventions have been taken up by the Economic Empowerment unit in conjunction with the Sector Specific initiatives. A Provincial Procurement Policy is in the process of being developed and will be communicated to all provincial role-players.
			5 key sectors targeted for intensive design integration programmes.		It became apparent that when phase 2 of the MEDS research was completed and priority sectors and themes identified, a change was required. Interventions identified here were held in conjunction with Sector Initiatives.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
HRDS interventions	Promotion of innovation, design and advanced technologies (I, D&AT).	Establish an innovation support centre that would assist in the commercialisation of new concepts and products, and assist new start up companies, with lessons from Blue Catalyst.	50 start-ups facilitated of which 50% should be PDI and 25% women-owned companies.	Meetings were held and a concept developed.	
		To develop the networks and capacity to intervene at a national level in terms of I, D&AT incentives and programmes.	Hold 20 meetings with key stakeholders.	3 meetings have thus far been held.	



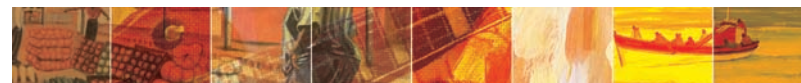
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
HRDS interventions	Promotion of innovation, design and advanced technologies (I, D&AT).	To develop the networks and capacity to intervene at a national level in terms of I, D&AT incentives and programmes.	Hold 1 workshop.		It became apparent that when phase 2 of the MEDS research was completed and priority sectors and themes identified, a change was required. Interventions identified here were held in conjunction with Sector Initiatives.
			Increase value of incentives: 25%.		The absence of MEDS strategy in the first half of the financial year caused delays. It became apparent that when phase 2 of the MEDS research was completed and priority sectors and themes identified, a change in focus was required. Only priority sectors and themes could be accommodated due to the limited resource envelope of the Department.
		Fund 3 chairs of commercialisation of Science and Technology at each of the universities.	To appoint 3 professors.		This was not taken forward due to capacity constraints.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
HRDS interventions	Promotion of innovation, design and advanced technologies (I, D&AT).	Develop a campaign to promote the adoption of I,D&AT targeting firms and organisations in the research environment, and funding a WC innovation awards programme.	1 major campaign.		The absence of MEDS strategy in the first half of the financial year caused delays. It became apparent that when phase 2 of the MEDS research was completed and priority sectors and themes identified, a change in focus was required. Only priority sectors and themes could be accommodated due to the limited resource envelope of the Department.
Strategic Sector Support	Workforce development	Research to: <ul style="list-style-type: none"> • Improve identity of demand-side opportunities • Develop the workforce development strategic framework to meet the skills needs of the MEDS sectors. 	<ul style="list-style-type: none"> • Conduct an indicative study. • Interact with Human Capital Development Strategy (HCDS), Social Capital Formation Strategy (SCFS) and Strategic Infrastructure Plan (SIP). 	Study of a sample of firms from the MEDS-identified secondary and tertiary sectors conducted. Establishment of an inter-provincial skills task team to address the skill needs of iKapa; <ul style="list-style-type: none"> • Convened all parties (8) with a human skills development strategy to converge approaches. • Strategy framework developed. 	



Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Strategic Sector Support	Communicate and influence to: <ul style="list-style-type: none"> • Build institutional relationships; and • Collaborate on skills provision. 	Consolidate Learning Cape Festival (LCF) relationships.	Communicate and influence to: <ul style="list-style-type: none"> • Build institutional relationships • Collaborate on skills provision. 	<ul style="list-style-type: none"> • Consolidate Learning Cape Festival (LCF) relationships. • Formation of the: Centre for Extended Learning <CEL> (public FET colleges and HEIs), Learning Cape Initiative (LCI), host of the LCF, institutionalised within the PDC partners and PGWC in the DoP; • WC SETA Forum (offices of the SETAs). • Published booklet, "Life can Be Different", on how learning changed the lives of learners of all ages and locations. • Participation in: DoL's Provincial Skills Development Forum (PSDF), provided MEDS and policy inputs; and PDC HR&SD Specialist Committee for supply-demand inter-relatedness. Training Committees of SAOGI and CtC. • Interaction with CHEC. 	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Strategic Sector Support	Communicate and influence to: <ul style="list-style-type: none"> • Build institutional relationships; and • Collaborate on skills provision. 	Consolidate Learning Cape Festival (LCF) relationships.	Skills Intervention.	<ul style="list-style-type: none"> • Programmes for Employability Mathematics / science / technology (MST) upgrading and entrepreneurship. • Need for bridging programme identified for services, technical and creative sectors with public providers. • Extended internship programme to provide work experience. • Conceptualised a “big bang” MST intervention, Science for Society. 	
HIV/Aids industry support	Pilot project - BPO and call centres.	Develop, adopt and implement best practice for HIV/Aids workplace policy and workplace intervention programmes.	Participatory process with stakeholders and companies aligned to the SPVs. Buy-in to the process from senior levels of aligned companies. HIV/Aids sub-committee/ task team established in the SPV.	<ul style="list-style-type: none"> • Participatory process with stakeholders and companies aligned to the SPVs. • Buy-in to the process from senior levels of aligned companies. • HIV/Aids sub-committee/task team established in the SPV. 	



Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
HIV/Aids industry support	Pilot project - Business Process Outsourcing (BPO) and call centres.	Develop, adopt and implement best practice for HIV/Aids workplace policy and workplace intervention programmes.	<p>Develop the methodology, policy and programmes in one sector, Calling the Cape (CtC).</p> <p>Majority 100% member companies adopt HIV/Aids workplace policy and programmes.</p> <p>100% companies acknowledge that HIV/Aids is a workplace issue and are aware of the HIV/Aids policy development and programmes.</p>	<ul style="list-style-type: none"> • Buy-in to the process from senior levels of aligned companies. • HIV/Aids sub-committee/task team established in the SPV. • Policy framework for Call Centre/BPO developed. • Acceptance by companies in progress. 	

2.4 PROGRAMME 4: FAIR BUSINESS ENVIRONMENT

Purpose:

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

Service delivery objectives and indicators:

Liquor Regulation:

The publication of the Western Cape Liquor Bill after years of consultation through the requisite Green and White Paper processes, as well as engagement with the provincial Cabinet, was the highlight of a year that saw the implementation of many other projects being delayed as a result of their dependence on this piece of legislation. The passage of the Bill through the legislative process falls outside the control of the Department, and the incorporation of public comments, as well as engagement in a public participation process prior to introduction of the Bill into Parliament will delay the enactment of the proposed legislation. However, it is expected that the Bill will become law by the fourth quarter.

A comprehensive review of the application process was completed and findings and recommendations incorporated into a report to senior management. Several of the recommendations have already been implemented, and preparation for the implementation of the remainder has reached an advanced stage. These are dealt with below.

The creation and maintenance of accurate records relating to new applications and existing licences have been improved with the implementation of an electronic information management system called CMaTS (Correspondence

Management and Tracking System). Records of existing licences as well as new applications are being captured at a rapid rate, and it is envisaged that all the Liquor Board's records will have been recorded electronically by the end of the first quarter of the new financial year. The system facilitates much improved query management, which greatly reduces physical searching for files in order to attend to customers queries.

The information management system creates a unique reference number which the new application will bear throughout its entire cycle, even after it has been approved and is converted into a liquor licence, thus abolishing the current system of dual numbering. It also automatically creates acknowledgement letters when new applications are captured, and has several reminder functions to alert staff and ultimately supervisors and even senior management, to undue delays in the licensing process. It constantly measures differences, in number of days, between any two actions taken in respect of any application lodged with the Board, enabling managers to do age analyses on any number of files. The system further enables preparation of new applications for consideration by the Board to be done by way of a checklist electronically stored on each file. In future, non-compliant applications will be returned to applicants instead of being allowed to course their way through the entire process, simply to be postponed for rectification of a defect(s) or even rejected outright.

Efficiencies and productivity are set to be further improved with the outsourcing of first-level query management to the Province's contracted call centre service providers. All the preparatory arrangements for the commencement of this outsourcing initiative have been completed, with the exception of the completion of the data capturing process referred to above. Security measures have been built into the electronic information management system, which will enable it to be made available, with viewing and limited transactional functionality, to the call centre. A call counter has been implemented to accurately determine,



for the first time, the number of calls received by the Board on a daily basis. A share-call number has been reserved, call-reduction strategies have been workshopped and decided upon in conjunction with the call centre, and IVR (incoming voice recorded) messages have been set up. By mid-June 2006 sufficient records will have been recorded in the information management system to enable the call centre to start receiving calls made to the Board. The call centre will be able to answer status enquiries and provide basic information on the application process to prospective applicants, and in appropriate cases make referrals to other suitable regulators, such as the National Liquor Authority or the Gambling and Racing Board. The fact that the service will be rendered on a share-call number will further enhance service delivery to the Board's customers. A preliminary call count has indicated that at least 40% of calls currently taken by Liquor Board staff could be handled by the call centre. Lost call rates (due to engaged extensions or non-answering of calls) will be eliminated and each call will be audio-recorded and its detail captured electronically, providing information that will enable managers to do better staff performance management.

Streamlining the licence renewal process has seen a reduction in the number of queries caused by non-receipt of renewal notices and faster re-issuing of such notices where non-receipt was registered with the Liquor Board. This has led to a reduction in the number of non-renewals (with a concomitant reduction in the number of re-applications) due to non-receipt of renewal notices. However, the rate of attrition through apparent market conditions appears to remain at unacceptably high levels and needs to be addressed by the industry associations.

The percentage of late or non-renewals is set to be reduced further this year through the use of the call centre's outbound call service: Licencees will be called to remind them that their renewal fees are payable, with several

rounds of reminders as the renewal and penalty periods (1 November to 31 December and 01 January to 28/29 February), respectively, draw to a close. SMS reminders, and confirmations of renewals and receipt, are also being investigated.

A review of licensing and other processes in other provincial liquor authorities, as well as the National Liquor Authority has been completed. The results confirm that enforcement capability is of paramount importance. It confirms that the Board's structural lack of enforcement capacity compromises its ability to effectively monitor the industry for licence and other contraventions. The Board's Inspectorate staff complement of four contrasts sharply with that of other regulators and, more particularly, other liquor licensing authorities, where inspectors (excluding support staff) total as many as 42 (Gauteng) and 80 (Eastern Cape). The Board's Inspectorate will have to be beefed up considerably if the new proposed legislation is to be enforced effectively. Despite this serious capacity constraint, the Inspectorate has performed commendably, with several high-profile investigations undertaken in the course of the year. One of these resulted in the closure of a tavern in George, while additional conditions were imposed in several instances. The Inspectorate's inputs have also enabled several small and medium-sized businesses to trade at special events (festivals and fairs) through an innovative application of a section of the Act.

The Board sat for a record number of days in the last six months of the year, also achieving very high rates of consideration of applications on a number of occasions. Unfortunately, the rate of postponements and outright rejections as a percentage of the total number of matters considered remains high, due to the poor quality of many applications as well as the failure by designated police officers to file the requisite reports. Both these problems are being addressed through public information initiatives and amendments to the Regulations to

Act 27 of 1989, respectively, and an improvement in both areas is therefore envisaged in 2006/2007.

While training of licence applicants and existing licensees will become mandatory only in terms of the new proposed legislation, the informal training of licence applicants and even prospective applicants has already commenced in line with the requirements of the proposed legislation. The new year will see this training being offered on a more structured basis, and the implementation of the (currently voluntary) code of conduct for the industry being conveyed to the industry players on a regular basis to ensure improved compliance therewith. The interaction with, especially, the Department of Community Safety, indicates increased levels of awareness and application of the code and bodes well for the achievement of a socially responsible industry that manages to grow within the confines of regulatory and social frameworks.

While the establishment of the Liquor Board as a separate, independent public entity could not commence in 2005/2006 because the Bill had not been passed, management has already put steps in place to bring about the separation of administrative and judicial processes that will characterise the public entity. This was done in the interests of both administrative efficiency and better management of public perceptions – it is important for the public to see the Board as separate and distinct from the administrative arm, which receives, records, prepares and otherwise processes applications for adjudication by the Board, but is in all other respects independent of it.

Steps have also been taken to address the constant spectre of audit queries brought about by the agency arrangement in terms of which the South African Revenue Service (SARS) collects fees on behalf of the Department. The Department sought legal opinion on the amendment of the Regulations to the Liquor Act, No. 27 of 1989, which will terminate the agency arrangement

and authorise the Department to collect, verify and reconcile its own revenue collection compared to the number of licences issued and renewed in a particular financial year.

The Board's efforts to limit the negative effects of the industry have continued apace with its support to the non-governmental institution FASfacts in Worcester. Its experiential learning programme aimed at primary schools reached in excess of 6 000 learners. The programme continues to draw accolades from both the NGO sector and other government departments. The Department, itself, being the largest supporter, provides a platform for other relevant departments, such as Agriculture, Health, and Social Services and Poverty Alleviation.

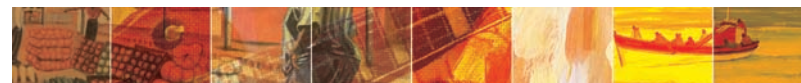
Socially Responsible Liquor Sales

When it becomes legislation, the proposed Western Cape Liquor Act will require mandatory accredited training for applicants for new liquor licences. The requirement is similar to training requirements in other countries where it has been found that compulsory training has ensured that the holders of liquor licenses are more aware of the possible negative consequences of the irresponsible sale and service of liquor.

To encourage an ethos of responsible trading amongst existing liquor licence holders, the Department commissioned the printing of the book "Tackling Alcohol Problems" by Dr Maggie Brady and Ms Kristie Rendall Mkosi. The Department launched the publication during a celebration held in Gugulethu on 04 May 2005, after which it was made available free of charge to licence holders in the Western Cape.



Minister Lynne Brown speaking at the launch of the book "Tackling Alcohol Problems" in Gugulethu.





◀ **Tackling Alcohol Problems:** Dr Maggie Brady and Ms Kistie Rendall-Mkosi showing off the publication aiming to tackle alcohol problems. The publication was supported by the Australian Government, the School of Public Health University of the Western Cape, the Dopstop Association South Africa and the Department of Economic Development and Tourism.



▲ **FAS fighters:** Learners of Victoria Park Primary in Worcester with their individual and classroom "Bobs". At the back are the FASfacts presenters with Raybin Windvogel (Department of Economic Development and Tourism) and Francois Grobbelaar, CEO of FASfacts, on the right.

Fighting FAS

The Department is continuing its support of FASfacts, an NGO/NPO that seeks to reduce the prevalence of Foetal Alcohol Syndrome (FAS) in South Africa.

FAS is a characteristic pattern of physical and mental birth deficiencies caused by alcohol consumption by the pregnant mother. The Western Cape has the highest prevalence of FAS in the world – in some rural areas, the rate is 1 – 10 out of every 100 children (5 – 10%), compared to a 0.1 – 0.3% average in the USA.

The Department, being the regulatory authority for the liquor industry in the province, is therefore actively involved in the FAS-prevention activities of FASfacts in an effort to limit the negative consequences of the consumption of the product it regulates through the Liquor Board.

Even from an economic development perspective, the Department has a vested interest in the prevention of FAS. The secondary disabilities of people with FAS cost taxpayers far more than any other disability. Research in South Africa is sketchy, but some economists in the USA estimate that every individual with FAS will cost U.S. taxpayers a minimum of \$1.9m in his or her lifetime! The collective cost to our economy can therefore not be overestimated.

FASFacts' programme is based on a simple interactive session with grade 6 and 7 learners through which they are informed of FAS and its severe consequences.

The first module ends with each learner planting a bean in a Styrofoam cup. They are to take care of the bean, called "Bob" (for Beste Opgepaste Baba – best nursed baby) over a period of 4 weeks, when Module 2 is presented. A classroom Bob is also planted and cared for by two designated learners.

Another bean, "Billy", is placed in a container with cheap wine and serves to illustrate the effect of alcohol consumption during pregnancy – Billy will obviously be in very poor shape (if still alive!) by the start of Module 2.

The Office of the Consumer Protector

The Office of the Consumer Protector (OCP) has achieved levels of efficiency above the national norms set as national service standards. While a small number of individual consumer complaints have been problematic, the unit generally managed to respond to telephonically lodged complaints well within the 72-hour limit it had set for itself. The efficiencies brought about by the outsourcing of non-core activities, particularly the receipt and recording of telephonically lodged complaints, has become a model aspired to by the other provincial consumer affairs offices, as well as the (national) Department of Trade and Industry.

Similarly, the OCP's advice office funding and support project continues to deliver and is set to be emulated by at least one other province in the 2006/2007 financial year. The number of complaints lodged at advice offices continues to rise steadily, and improved systems of recording of complaints, particularly electronically, enables the OCP to better its support in respect of individual complaints and to monitor the quality of advice and assistance provided. Effective monitoring and the advantage provided by the month-to-month release of funds coupled with acceptable performance enables the OCP to ensure accountability. Immediate intervention can kick in when poor performance or mismanagement of allocated funds manifests, with minimal risk of loss on the part of the Department. Such effective monitoring has resulted in the discontinuation of funding to two advice offices. Whilst regrettable, this provides the OCP with an opportunity to improve service delivery to the affected areas by identifying better service providers.

The establishment of a branch office of the OCP in one of the district municipal areas had to be delayed owing to the magnitude of the project and the tight time frames. A report on the performance of all 28 OCP-funded advice offices, due in May 2006, was in any event deemed necessary to determine the most

suitable location for such a pilot office. It is now envisaged that such an office will be operational by the third quarter of 2006/2007.

Electronic complaints management systems continue to provide a platform for good service delivery by the unit. However, the need to rationalise the two systems currently used by the OCP remains, and the end of the Province's service level agreement with its current call centre operator in March 2007 provides an opportunity to achieve this objective. The OCP has therefore already instructed the operator of its internal electronic complaints management system (CMaTS) to develop that system for call centre application, to enable OCP to use a single platform by 2007/2008 for recording of all the complaints lodged with it.

The long-awaited first hearings of the Consumer Tribunal were once again delayed by, among other factors, a disagreement with the national authorities over the inspection powers of the OCP's officials, as well as jurisdiction issues. In the interim, the OCP has abolished its Inspectorate and has abandoned its insistence on exclusive provincial jurisdiction in terms of certain classes of credit providers under the Consumer Credit Act, passed in March 2006, and will now proceed to implement the Western Cape Consumer Affairs Act without those powers.

The unit's marketing and education activities suffered because of a lack of staff capacity, with both incapacity and retirement playing a role. The comprehensive public information A – Z booklet, which combines and enlarges on all the previous educational material generated by the unit, has however been completed and will be distributed in terms of a comprehensive marketing and education strategy by mid-year. The level of public recognition of the OCP appears to have increased, based on a snap survey of callers to the call centre. A more comprehensive survey is to be used as a baseline for more effective



marketing in 2006/2007.

Quicker response times, coupled with higher resolution rates and a more visible public profile, have served to create more awareness of consumer rights, which has translated into a clearly more assertive consumer public. A clearer understanding of their consumer rights, with an acknowledgement of their responsibilities, manifested itself through the type of complaints lodged, as well as the level to which consumers now engage with businesses before they approach the OCP and/or other regulators for assistance.

Know your rights

It probably isn't true that some of the vehicles on sale at used car lots are held together with pieces of string and chewing gum.

That's the good news.

The bad news is that many buyers of used cars do get taken for a ride – and not, they bitterly complain, by their newly acquired cars. It's sad but true that those cute little runarounds that were previously owned by little old ladies are still up to their old tricks – belching oil and blowing gaskets a day after their warranties have expired.

Complaints about newly bought used cars are consistently in the top five list of complaints to the Western Cape's Office of the Consumer Protector (OCP). There is a silver lining, though: the OCP points out that it wants to encourage consumers to stand up for their rights. The fact that more people are complaining suggests that headway is being made.

The OCP believes that the more people complain, the more errant service providers will be confronted and urged to put things right. And those who refuse will soon go out of business because of lack of business. That's the theory anyway.

Dodgy builders follow hot on the heels of shady car dealers in the complaints records of the OCP. Many of the gripes concern extensions to existing dwellings. The explanation for the high number of complaints may be the building boom in the Western Cape, which appears to have encouraged under-qualified artisans to try their hand (not very successfully, it would appear) at building construction.

Now here's something that may come as a surprise: The OCP doesn't receive a glut of complaints about crooked micro-loans – although the total number of complaints does climb into and drop out of the top five from time to time. However, compared to other areas of consumer abuse, the level of exploitation here is usually the most severe – mainly because the people most affected are from the bottom end of the market.

Many Western Cape residents approach the OCP for advice about administration orders. These are orders brought against them when they are unable to pay their debts and approach the courts for protection. The order stipulates that they regularly pay a fixed amount to an administrator, whose job it is to disburse the money among the creditors.

Consumers appear to be severely abused in this area. The OCP has come across instances where an original debt of, say, just over R1, 000 has shot up to more than R30, 000 (with legal fees) – and the customer is still having to pay. Inevitably, complaints about cell phones also feature high on the list. One of the most common complaints involves cell phone companies refusing to honour warranties on the grounds of water damage – not because of a phone falling in the water, but because of damage caused by moisture on a consumer's ears.

Tourism Regulation

As part of **Tourism Safety and Security**, the Department successfully launched the Tourists in Distress campaign (as part of the Victim Support Programme) in the previous fiscal year. During the festive season of 2004/2005, 49 incidents were handled of which three received major media attention.

In the 2005/2006 festive season, 43 incidents were handled of which the following three incidents received media coverage:

- Table Mountain fire victim (British female tourist who died of smoke inhalation).
- Helicopter crash in Scarborough (4 British tourists sustained minor injuries).
- A group of German tour operators (Der Tour Reisakademie) were robbed on a tour bus in Khayelitsha.

The Tourist Victim Support Programme dealt with over 64 incidents during this period. The majority of tourist-related incidents reported to the unit were cases of robbery. Unfortunately, a few serious cases of assault and accidents were reported, receiving adverse publicity.

The Tourist Victim Support Programme was able to counter this with a positive response in the majority of cases.

Incident 1

Mr and Mrs Price visited Kirstenbosch Gardens before leaving for the airport to depart for London that evening. While there, their hired car was broken into and all their personal effects were stolen. Items included passports and airline tickets. The TVSP was alerted and Mr and Mrs Price were accommodated for the night and taken to the British Consulate the following day. Their airline tickets were re-issued and they were on the flight the following day. The Prices were presented with a pictorial book of Cape Town. They appreciated the involvement of the TVSP and forwarded the following comments.

“We wanted to drop you a line to say thank you for all your help. You both made such a difference. It wasn't pleasant having our belongings stolen and we could have left Cape Town with a bad impression, but the way you both handled the situation means we look back with a positive frame of mind.”

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

Tourist in distress?

for help please contact:

Police: 10111

Emergency Services: 107

Ambulance Services: 10177

Consumer Related Problem: 0800 007 081

Brought to you in the interest of tourism safety and security.



PROVINCIAL GOVERNMENT WESTERN CAPE

Advertisement used during Tourism Safety and Security Campaign 2005/2006.

Incident 2

On 30 November 2005 a party of 30 tour operators of the Der Tour Group from Germany were visiting Khayelitsha. Four males threatened the bus driver with firearms and took some of the tourists bags. The TVSP was alerted and met with the Professional Conference Organisers at the Arrabella Hotel in Cape Town. Assistance was rendered to the tourists and emergency passports arranged through the German Consulate. Comments received from Annemarie Ferns of SA Tourism, Frankfurt Office: “My sincerest appreciation also to Rod and Pat of the special unit who had taken care of myself and all the traumatised people after the bus incident. I am absolutely convinced that this unit plays a crucial role within Cape Town and I believe the concept should be used in the rest of South Africa.”



Incident 3

Four British tourists were involved in a helicopter crash at Scarborough beach. The tourists were taken to hospital by the EMS. The report came through the South African Police Services and the Tourism Victim Support Programme activated the British Consulate, the accommodation establishment to secure their baggage, and also interacted with the victims who were coping well under the circumstances.



Tourism Safety and Security: Garth Julius and Zubeida Ben during registration at the Radisson Hotel at the V&A Waterfront on 29 November 2005.

As a follow-up to the bus robbery incident in Khayelitsha, the group of German tour operators collected an amount of R72, 000. Donations will be made to four different township charities in Cape Town (the African Children's Choir, the Chris Hani Community School in Langa, and two crèches in Khayelitsha, Masakheni School in Site C and Sisiphiwo School in Makasa).

The decline in incidents could be attributed to the effectiveness of the Tourism Safety and Security proactive programme, networking with key role-players and stakeholders, and the efficiency of the Tourism Victim Support Programme.

As part of **Tourism Road Signage**, the Department processed 300 tourism facility applications through the Regional Tourism Liaison Committees (RTLCS) system; and 75 tourism "i" symbols were completed for visitor information centres throughout the Province.

As part of **Tourist Guide Registration**, the following was achieved:

Of the 2, 272 tourist guides registered on the database, 406 new registrations and 505 renewal registrations were processed in the previous fiscal year. Of the 406 new registrations processed, 134 were black tourist guides (33%), 262 were white tourist guides and 10 were recorded as other (foreigners).

- **Tourist Guides Training for the Overberg Region:** Transformation of the tourist guiding fraternity is both a national and provincial imperative and training is focused on historically disadvantaged individuals. A training programme was implemented in the Overberg region for 20 individuals working within tourism establishments (as receptionists, drivers, information officers, etc.) and who wanted to become tourist guides. Currently, most of the participants are working as tourist guides in the tourism establishments they were employed in.
- **Environmental/Nature Site Guides Training Programme:** A programme for 15 historically disadvantaged individuals was held to train them as specialist environmental, community-based tourist guides. On completion of the training, the tourist guides (who came from Ocean View, Masiphumelele and Red Hill) established a company that specialises in community nature tours for their specific communities.
- **Golf Tourism Awareness:** Twenty historically disadvantaged tourist guides from around the Western Cape attended a Golf Tourism Awareness Day held at the River Club, Observatory. The initiative is part of an ongoing programme to support and upskill registered HDI guides.
- **International Tourist Guides Day:** International Tourist Guides Day is celebrated on 21 February world-wide each year and is a day to recognise tourist guides. The day's activities started in the morning with the national and provincial registrars and their staff visiting Table Mountain and the Nelson Mandela Gateway to highlight the problem of illegal guiding by conducting inspections on tourist guides.

Celebrating Tourist Guides' Day

International Tourist Guides' Day is an annual event held on 21 February world-wide. The theme for this year was Illegal Guiding. The Department of Environmental Affairs and Tourism (DEAT) joined forces with the Department of Economic Development and Tourism (DEDAT) to highlight the problem of Illegal Guiding in the Province. The Acting National and Provincial registrars and their staff visited Table Mountain and the Nelson Mandela Gateway in order to do inspections on tourist guides. The main purpose of these visits was to request tourist guides to produce their registration cards and badges as they arrived with tourists, to check the validity of their registration.

Warning letters were handed out to tourist guides who could not produce valid registration cards or the tour guide badges. The Tourist Guide Registration Office will endeavour to do quarterly spot inspections at some of Cape Town's major tourist attractions. The day's activities culminated in a dinner function at Suikerbossie Restaurant in Hout Bay. The MEC for Finance and Tourism, Ms. Lynne Brown, honoured us with her presence.

The keynote address was delivered by Ms. Bulelwa Seti, Chief Director for Tourism Support of the Department of Environmental Affairs and Tourism (DEAT). She said that the deliberate theme for this year's celebration was the fight against illegal tourist guiding, aptly demonstrating the government's commitment to combating illegal tourist guiding in the country. She placed emphasis on many vital aspects including: training of historically disadvantaged tourist guides, transformation, BBBEE charter and scorecard, foreign language training

and our relationship with SA Tourism regarding the domestic tourism growth strategy aimed at growing the number of domestic tourists.

The evening also highlighted 12 individuals from Red Hill, Masiphumelele and Ocean View who received their tourist guiding badges. They were all part of a pilot project to train previously disadvantaged individuals to become Nature Site tourist guides.

Environmental/nature site guides training programme

A training programme for the financial year focused on the Masiphumelele, Red Hill and Ocean View communities where 15 individuals were selected and trained to be Community Nature Site Guides.

The course was conducted on the National Qualification TGSP2 (Nature Site Guide Level 2), and included basic training in business and life skills. This initiative forms part of the Department's vision of creating sustainable employment opportunities; increasing levels of participation in the economy; and is indicative of the Department's intention to facilitate transformation within the tourist guiding industry.

Candidates were selected according to existing involvement in the tourism industry, entrepreneurial flair, and the potential to create unique, niche tourist-guiding products within their own communities. As a result of their interest in tourism, one tourist guide has a Bed and Breakfast establishment in Masiphumelele and had the opportunity to attend Indaba 2006 in Durban, accompanied by two other tourist guides on the programme. These tourist guides have come together and formulated a packaged tourism experience.



Golf Tourism Awareness

Twenty historically disadvantaged tourist guides from around the Western Cape attended a Golf Tourism Awareness Day held at the River Club, Observatory. This was coordinated by the winner of the Tourist Guide of the Year competition, Craig Ziman, and Thompsons Tours. The one-day coaching workshop was hosted by Logical Golf Academy and Big Country Golf Tours. The tourist guides were coached in the game of golf, as well as on how to make golf tours run smoothly. Each guide received a training manual as well as their own web space to advertise their services at www.tourguide.co.za. Larry Gould, top SA golfing journalist, also presented each of the guides with autographed copies of his two latest books.

The initiative is part of an ongoing programme to support and empower registered HDI guides. This was a fine opportunity for the tourist guides to specialise in the niche market of golf tourism.

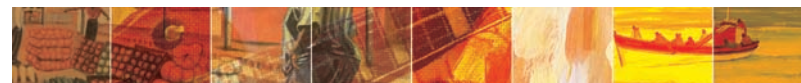
Service delivery achievements:

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Liquor Industry Development	Liquor industry development	Promulgation and implementation of provincial liquor legislation.	Development of regulations, establishment of infrastructure and training of stakeholders.	Regulations drafted, finalisation dependent upon passing of Western Cape Liquor training of stakeholders in conjunction with other industry players and government departments continuing. Training manuals being developed for accreditation.	Training manual will be completed within context of current legislation and reworked for new legislation.
		Liquor product safety.	Roll-out of measures, including legislative measures.	Research study completed. Implementation of recommendations being considered in conjunction with industry stakeholders. Legislative measures subject to legislative process of Liquor Bill.	Pilot implementation of recommendations to be done in limited area.
		Support of growth in exports of quality wine.	Roll-out of identified projects, monitoring and evaluation.	Discussions initiated to overcome conditions preventing or hampering projects. Limited roll-out commenced.	



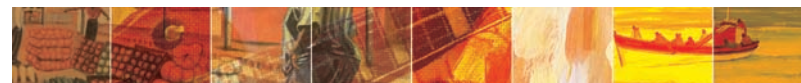
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Liquor Industry Development	Liquor industry development	Support for accredited certification projects.	Roll-out of identified projects, monitoring and evaluation.	Discussions initiated to overcome conditions preventing or hampering projects. Dependence on industry and other departments an obstacle to roll-out.	
		Support for diversification in the beer micro-manufacturing sector.	Roll-out of identified projects, monitoring and evaluation.	Projects identified through contact with industry players and bodies. Roll-out of pilot projects imminent.	
	Liquor industry transformation	Support for measures to increase the number of licensed retail outlets owned by HDI.	+300	Between 200 and 240 HDI outlets entered market as a result of assistance by Department in conjunction with other departments and industry players.	Agreement being finalised with SAPS for stay of action against unlicensed premises with applications pending before Liquor Board.
	Responsible use awareness and education	Roll-out of mandatory training programme.	Training accredited and service providers identified.	Training manual developed and edited. Accreditation imminent.	Outsourcing of some aspects of project in order to overcome internal capacity constraints.
		Support for projects that raise awareness of FAS in targeted areas.	Roll-out of project beyond Breede River Valley in Cape Winelands District Municipality.	Project expanded to Robertson and Ashton.	2006/2007 service level agreement amended to ensure envisaged expansion of project.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Liquor Industry Development	Responsible use awareness and education.	Support for the establishment and maintenance of "FAS safe houses".	Determination of needs – roll-out of two further safe houses (total 3).	Project abandoned due to lack of buy-in from industry and other responsible provincial departments.	Not applicable.
		Support for project that raises awareness of responsible use of liquor.	Roll-out of identified projects, monitoring and evaluation.	Projects and project partners identified. Roll-out imminent.	Fast-tracking of projects agreed upon with other provincial departments.
Liquor Regulation	Implementation of provincial liquor legislation and establishment and maintenance of subsequent structures.	Fully operational structure in accordance with legislation.	Liquor Board and administrative staff operational. Designated police officers and municipal officials capacitated.	Provincial liquor legislation not passed and implemented. Capacitation of municipal officials therefore not commenced. Capacity building of designated police officers continued in terms of current legislation.	Efforts to expedite legislative process relating to Western Cape Liquor Bill initiated. Process of amendment of the current legislation initiated to address some of shortcomings.
	Maintaining an effective and socially responsible liquor licensing system.	Effective and efficient administration of the regulated environment.	Increase the number of licences from 6500 to 7300.	Number of licences remained relatively static due to attrition of current licences and poor quality of new applications.	Renewal reminders through call centre outbound calling and SMS facility set up for next round of renewals.
	Conduct routine liquor inspections and investigations of as many licensed establishments as possible to ensure compliance with liquor laws and regulations.	Implementation of a structured inspection plan with priority areas and categories and measurable outcomes.	Increase the number of inspections to 300.	Number of inspections reduced to 260 due to staff shortages and demand on inspectorate with regard to non-core functions.	Successful appeal made for increase in number of inspectors and inspection protocol being developed in accordance with national service standards.



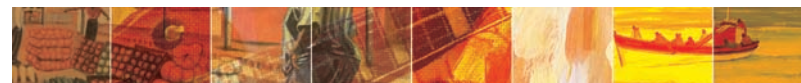
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Liquor Regulation	To provide effective means of resolving contested cases and other disputed matters.	Interventions by the Liquor Board inspectorate.	Inspections based on complaints received, and corrective measures including advice, mediation and prosecution.	Continued investigation of complaints, and increased level of visibility achieved by media releases and media coverage of prosecutions initiated by Inspectorate.	
		Liquor Board hearings.	Hearings to impose further/new conditions or withdrawal of licences.	Continued.	
	Education, training of law enforcement agencies and prosecutors of the Justice Department pertaining to compliance of liquor laws.	Effective law enforcement in matters associated with the liquor legislation.	Train 80% of law enforcement and Justice personnel tasked with liquor related offences.	Project could not be implemented due to non-agreement of terms with Department of Justice.	Memorandum of agreement being finalised.
	Addressing organised crime within the retail and manufacturing sectors of the liquor industry.	Regulated liquor industry without organised criminal elements within the licensed environment.	Ensuring that every new licence applicant has been vetted for links with organised criminal activity.	Agreement reached with SAPS on vetting of new applicants for liquor licences. Full security clearance available upon request by the Board.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Office of the Consumer Protector	Implementation of existing provincial consumer protection legislation, including establishment of the Consumer Tribunal.	Fully operational Act and Consumer Tribunal.	Consumer Tribunal fully operational.	Consumer Tribunal not operational due to non-finalisation of regulations to Act and disagreement with national government on jurisdiction issues.	Timetable for publication and finalisation of regulations set. Jurisdiction issue with national government abandoned and to be addressed in different forum.
	Participation in national legislative initiatives to remedy areas of concern in consumer and small business environment, to ensure effective provincial implementation and enforcement thereof.	Effective system of communication and co-operation between OCP and Department of Trade and Industry regarding legislative initiatives in consumer and small business environment.	Ongoing review of national legislation.	See below.	
			Submissions made in respect of any relevant proposed national legislation.	Inputs given on Consumer Credit Bill (enacted in March 2006) and Consumer Protection Bill (published for comment in March 2006).	
			Monitoring of impact of submissions made by OCP.	Final version of Consumer Credit Act reviewed.	



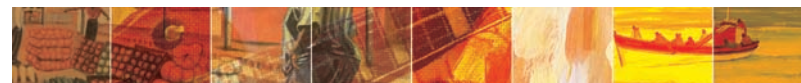
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Office of the Consumer Protector	Provision and maintenance of effective and appropriate internal systems that enable consumers to lodge their complaints and queries with the OCP (walk-in facilities, call centre and correspondence tracking).	Provision and maintenance of effective and appropriate means that enable consumers to lodge their complaints and queries with the OCP.	Completion of process of refinement and enhancement of electronic complaints management system(s).	Systems reviewed internally by external consultants; improvements implemented on ongoing basis.	
			Number of complaints handled increased by 10% over base year.	11% increase in number of complaints. Period to first contact with consumer reduced to average of 48 hours after being lodged.	
	Establishing internal infrastructure for the effective investigation of consumer complaints and inspection of businesses (trade inspectorate) and conducting of routine and specific inspections to ensure compliance with consumer protection legislation.		Increase number of inspections by 50% over base year.	Inspectorate abolished due to inability to resolve disagreement over jurisdiction with national government.	Consumer advisor staff to be given inspection powers possible under Provincial Consumer Affairs Act.
	Providing adequate infrastructure to agencies (advice offices) providing access on behalf of the OCP.	Well-equipped and resourced advice offices enjoying high level of recognition in communities.	Increase number of complaints handled via ECMS by 25% on base year.	Increase of 22% registered.	Process to implement performance-based remuneration of advice offices initiated and to be implemented in 2007/2008.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Office of the Consumer Protector	Providing adequate infrastructure to agencies (advice offices) providing access on behalf of the OCP.		Production of first annual report on advice office programme, including statistical report on complaints handling.	Not achieved, due to lack of internal capacity and low level of input by advice offices, caused in part by collapse of provincial management structure of advice offices.	Process for re-establishment of provincial advice office body initiated and timelines for execution of project in 2006/2007 canvassed with and agreed to by advice offices.
			Determine success of branding through independent survey, results to be used as baseline assessing future success.	Survey not carried out in time.	Result from survey to be used for application to branding and marketing projects in 2006/2007.
	Establishing infrastructure for the execution of credit registration and regulation function in terms of national legislation (as per Consumer Credit Bill), if accepted by the Province.	Fully functional infrastructure for regulating of credit industry.	Approval for appointment of required staff and procurement of equipment.	Not proceeded with, dependent upon passing into law of Consumer Credit Bill, which only occurred in March 2006.	In view of lack of jurisdiction for provincial consumer affairs offices enshrined in Act, negotiations initiated with national government regarding establishment of provincial branches of national government credit registration offices.
			Training of new staff, operations of credit registration and regulatory system.	Consumer Credit Bill workshopped with staff. Bill passed into law on 15 March 2006 only. Training on Act to commence shortly.	



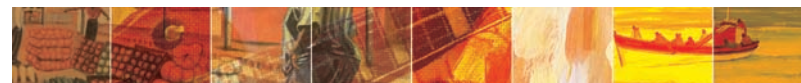
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Office of the Consumer Protector	Monitoring and evaluating levels of service delivery, and implementing constant improvement strategies.	Excellent service delivery by OCP and advice offices, measured against external benchmark.	Implementing of accepted recommendations.	Report by consultants obtained and recommendations in process of implementation.	Implementation of accepted recommendations to be expedited in 2006/2007.
	Identifying, devising and implementing appropriate and effective measures to raise awareness of the existence of the OCP and the services offered.	OCP instantly recognised as primary consumer protection institution in the Province.	Determine success of branding and trust levels through independent survey, results to be used as baseline for assessing future success.	Survey completed towards end of period, recommendations due for implementation early in new financial year.	Results from survey to be used for application in branding and marketing projects in 2006/2007.
	Support for and co-operation in projects aimed at raising consumer awareness in general and/or in respect of specific consumer rights and/or issues.	Cost-effective awareness raising through co-operation between OCP, regulatory bodies and NGOs.	Roll-out of integrated consumer education campaign involving all major regulatory institutions and NGOs.	All major regulators involved in OCP campaigns. NGO involvement below expectation due to lack of resources.	Initiative commenced to provide support to provincial offices of number of NGOs.
			Increase of 10% in numbers of consumers reached.	Achieved through increase in public engagements, including workshops, radio talks, distribution of material and attendance of and presentations at public gatherings.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Office of the Consumer Protector	Identifying appropriate consumer activist and lobby groups to support, and/or assist in establishment and/or merger of such groups; building their capacity and facilitating increase in funding.	Well-resourced consumer activist and lobby groups able to reflect consumer concerns and influence government and business.	Providing support to consumer NGOs, including accessing of international and local funding.	Assistance with access to local funding provided to 5 advice offices and participation in income-generating projects facilitated for 17 advice offices.	Accessing of international funding to be outsourced to specialist NGO in 2006/2007, with appropriate arrangement for service delivery and compensation.
	Facilitating linkages between local and international lobby and activist groups.	Well-integrated consumer activist society with strong international representation in South Africa.	Establish database of contacts with local and international consumer groups.	Database of South African NGOs established.	Establishment of database of international consumer NGO to be entrusted to new unit in OCP in 2006/2007.
			Increase level of contact between Western Cape based, national and international consumer lobby groups and NGOs.	Increased contact on national level achieved.	Management of relations with international NGOs to be entrusted to new unit in OCP, and outsourced where appropriate.
Tourism Regulation	Keep an accurate and accessible register of qualified tourist guides within the Province in accordance with the legislation.	Number of new and re-registered tourist guides on the database.	Increase of approximately 1000 re-registrations and 500 new registrations.	Of the 272 tourist guides registered on the database, 406 new registrations and 505 renewal registrations were processed in the previous fiscal year. Of the 406 new registrations processed, 134 were black tourist guides (33%), 262 were white tourist guides and 10 were recorded as other (foreigners).	



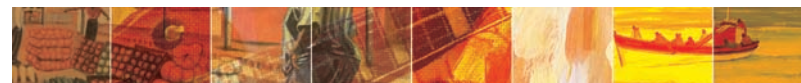
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Tourism Regulation	Keep an accurate and accessible register of qualified tourist guides within the Province in accordance with the legislation.	Number of new and re-registered tourist guides on the database.	Database modified and upgraded.	The Department has been working closely with CEI to ensure the effectiveness of the database. Blue Chip IT specialists have been contracted for the development of the database. The bulk sms and e-mail systems are running smoothly.	
	Deal with complaints against tourist guides through the exercise of disciplinary powers.	Number of complaints recorded and dealt with.	To facilitate a process with national Department of Environmental Affairs and Tourism (DEAT) to speed up review of legislation, while considering non-legislative alternatives at provincial sphere.	Provincial Registrars submitted a letter to DEAT stating their unhappiness with DEAT's lack of activity and communication with regard to Illegal guiding and misconduct as well as the urgent need to review the legislation.	
			Implement process for addressing complaints on misconduct.	A complaints form has been designed and is available on the Cape Gateway website and a process for lodging complaints is in place.	
	To minimise the utilisation of illegal tourist guides through increased public awareness.	Number of public awareness interventions.	2,000 pamphlets printed and disseminated.	Tourism traffic officers (special unit) assisted the Department in distributing awareness pamphlets to tourists at major attractions in Cape Town. Since this unit is not in existence as a result of restructuring, other measures had to be explored.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Tourism Regulation	To minimise the utilisation of illegal tourist guides through increased public awareness.	Number of public awareness interventions.	3,000 pamphlets printed and disseminated.	These pamphlets have also been distributed throughout the Province via Local Tourism Authorities with assistance from CTRU. An article alerting the industry about illegal guides was published in the Cape Argus on 15 November 2005. On 21 February 2006, as part of International Tourist Guides Day activities, the Department in partnership with DEAT, highlighted the plight of illegal guiding in the province by conducting site inspections on tourist guides. These inspections were done at Table Mountain and Nelson Mandela Gateway. This exercise proved successful as a number of tourist guides were operating illegally.	
			2 bi-annual presentations to tour operators.	A presentation was delivered to TOACT (Tour Operators Association of Tour Operators) to encourage the use of registered tourist guides.	



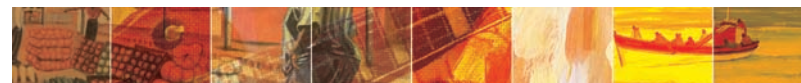
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Tourism Regulation	Disseminate information about registered tourist guides within the Province and associations of tourist guides and any other information to promote and develop the tourist guiding sector.	Number of tour operators utilising registered guides.	Database modified and upgraded for effective public use.	All registered tourist guides are captured on the database and a link to the Cape Gateway website has been created for industry. The database is available to tour operators who are looking to employ tourist guides.	
		Workshops held to promote tourist guide sector.	3 workshops held.	"Visitor Welcome" workshops were organised for tourist guides in partnership with SA Tourism, to gain an understanding of the importance of tourism in South Africa and the meaning of a quality visitor experience.	
		4 Newsletters distributed per quarter.	4 Newsletters distributed per quarter.	Four electronic newsletters distributed to all registered tourist guides. Tourist guides encouraged to send success stories to be featured in the newsletters. Content also features news affecting tourist guiding fraternity, events, training as well as general information.	
	Promote and develop the tourist guiding sector within the Province.	Maintaining a co-operative relationship within the tourism industry.	Maintain and build on existing relationships.	Provincial Registrar attended chapter meetings of South African Tourism Services Association (SATSA) Western Cape, in Cape Town, in order to maintain relationships, as well as TOACT meetings.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Tourism Regulation	Disseminate information about registered tourist guides within the Province, and associations of tourist guides, and any other information to promote and develop the tourist guiding sector.	Maintaining a co-operative relationship within the tourism industry.	Maintain and build on existing relationships.	<ul style="list-style-type: none"> The Provincial Tourist Guide Awards 2005 were supported by SATSA. The main aim of the awards is to acknowledge the vital role that tourist guides play in the industry. Prizes for the winners were donated by SATSA members. International Tourist Guides Day was celebrated on 21 February 2006. A dinner was organised at Suikerbossie to acknowledge and value the outstanding contribution by tourist guides in the industry. 	
			Ensure provincial support towards attaining national objectives of National Federation of Tourist Guide Associations of South Africa (NFTGASA).	Once the Association (WCTGA) is up and running, the Province will be represented at NFTGASA.	
	To promote and encourage transformation within the tour guiding industry.	Increase number of black tourist guides.	Increase number of black guides by 50-100.	127 black tourist guides were registered in this period and the number of registered black provincial tourist guides stands at 422.	
		Number of training and upskilling interventions.	Presentation of an upskilling Programme to existing HDI guides.	A golf tourism awareness programme was organised for 30 previously disadvantaged tourist guides interested in golf tourism.	



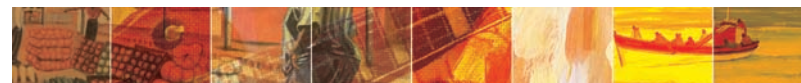
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Tourism Regulation	To promote and encourage transformation within the tour guiding industry.	Number of training and upskilling interventions.	Presentation of an upskilling Programme to existing HDI guides.	<p>Tourist guides received golf coaching and instruction on how to run effective golf tours.</p> <p>Each guide received a training manual as well as their own web space to advertise their services at www.tourguide.co.za.</p> <p>An initiative with the Alliance Francaise was launched to upskill existing HDI tourist guides by providing them with French language training. 32 HDI tourist guides from the Western Cape participated in phase 1 of this initiative.</p> <p>A programme for 15 previously disadvantaged individuals was implemented to train youth as specialist nature community based tourist guides for the Redhill, Ocean View and Masiphumelele areas.</p> <p>The training was co-ordinated by a leading specialist in the field. These tourist guides have since established their own company specialising in community tours.</p>	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Tourism Regulation	To promote and encourage transformation within the tour guiding industry.	Number of training and upskilling interventions.	2 workshops held.	A training programme for 20 individuals working within tourism establishments in the Overberg region was implemented. These were individuals who had the desire to become tourist guides but were working within those establishments as receptionists, drivers, information officers etc. The training programme was also designed to include a special focus on personal development.	
		Number of black guides on structures and associations to drive transformation agenda.	25% of CTGA executive committee to be constituted of black guides.	Plans are underway to establish a fully representative association (WCTGA) to drive transformation of the Tourist Guiding sector.	
			Conditional support of NFTGA on promotion of transformation.	Once the WCTGA is established, support of the NFTGA will be investigated.	
Tourism Safety and Security	To proactively promote tourism safety and security by raising awareness amongst the public and stakeholders.	Increase awareness amongst stakeholders.	Maintenance of the brochure distribution programme.	Stakeholder brochures reprinted and distributed throughout region.	



Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Tourism Regulation	To proactively promote tourism safety and security by raising awareness amongst the public and stakeholders.	Increase awareness amongst stake holders.	Development of ICT communications technology and a website.	Postponed till next year when regional plans and structures are in place.	
			Development of links with office of consumer protector.		
			Development of regional liaison officers at LTB.	Overberg and Eden District Municipality appointments and training undertaken.	
	To provide a response capacity to the media in the event of an incident that may have an impact on tourism.	Effective and efficient response to incidents.	Pro active responses to incidents are ongoing.	In the 2005/2006 festive season, 43 incidents were handled of which the following three incidents received media coverage: Table Mountain fire victim (British female tourist died of smoke inhalation). Helicopter Crash in Scarborough (4 British tourists; minor injuries) A group of German tour operators (Der Tour Reisakademie) were robbed on a tour bus in Khayelitsha.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Tourism Regulation	Provide a victim support programme in instances where the incidents may pose a threat to the tourism industry.	Effective and efficient responses to incidents within predetermined framework.	Develop the capacity within the unit through expansion of network of regional liaison offers.	Effective and efficient response capability extended to Overberg and Eden District Municipality through 2 regional representatives.	
			Expansion of linkages with safety and security as well as emergency organisations.	Ongoing networking and liaison with key role-players through Safety and Security Forum.	
			Expansion of linkages with hospitality industry.	Ongoing networking and liaison with tourism stakeholders through Safety and Security Forum and Tourism Business Forum.	
			Expansion of response capacity.	Response capability being extended into the regions through regional representatives.	



Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Tourism Regulation	To develop partnerships with agencies responsible for road signage to ensure the implementation of the approved framework to include the development of tourist routes.	Acceptance of a common framework by all stake holders.	Annual revision as required - ongoing.	Engaging road agencies to revise tourism road signage policy	
	To facilitate the provision of appropriate tourism road signage in accordance with the approved framework.	Ongoing regular scheduled meetings that result in implementation of the framework.	5 fully functional regional tourism liaison committees meet on scheduled basis.	Regular RTLC meetings, handling applications and solving problems, held throughout the region. The RTLC processed 300 tourism facility applications and 75 tourism "i" symbols were completed for visitor information centres throughout the Province.	
	In partnership to contribute to the removal of illegal tourism related road signage.	Number of illegal signs removed.	Removal of signage by appropriate authority in selected areas.	Road authorities engaged in this regard.	

2.5 PROGRAMME 5: ECONOMIC SECTOR DEVELOPMENT

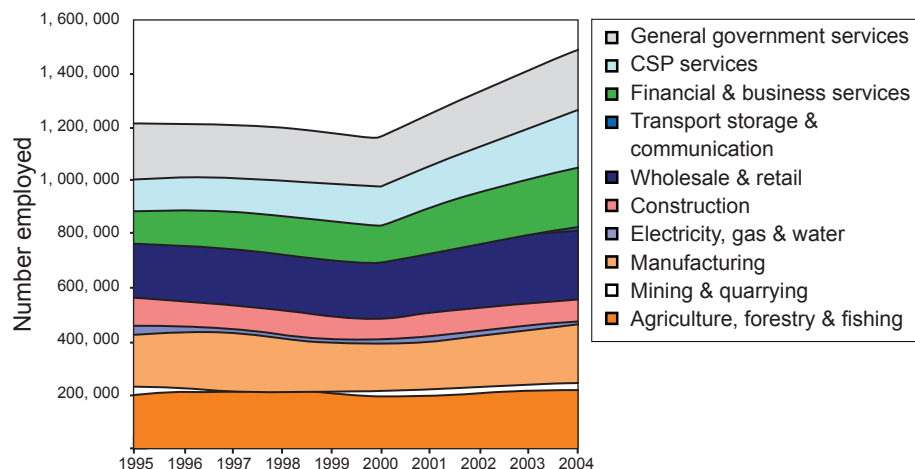
Purpose:

The main aim of Economic Sector Development is to develop and promote key industry sectors and to identify and implement strategic interventions that focus on Resource Beneficiation and Industry Sectors. These include fishing and food processing, manufacturing sectors, service sectors and tourism.

Service delivery objectives and indicators:

The delivery objectives and indicators within the sub-programmes of Economic Sector Development correlate with the sustainability and effectiveness of the Special Purpose Vehicles and the success rate of their performance.

Figure 4: Western Cape sector employment, 1995 – 2004



Source: Quantec Research

Resource Beneficiation

The Department has forged relationships with various national departments to develop resource-based sectors. However, much more research is required through the MEDS to formulate interventions into projects. The Western Cape Beneficiation Initiative (WCBI) is still in concept form and requires significant input from the strategic competitiveness unit as further development of the fynbos and other resource sectors will necessarily be driven by scientific research and development. The Department has developed some linkages with foreign institutions keen to assist with R&D projects in the medicinal and agri-fibre sub-sectors, but this activity has to be expanded.

The establishment of the Aquaculture Institute is in a state of uncertainty as the National Department of Environmental Affairs and Tourism (DEAT), which holds the mandate for Fisheries and Aquaculture development, has not committed itself to the project, despite the Department's efforts in this regard.

The trout-farming project has sourced funding for three years from the Department of Science and Technology (DST) and is being implemented by Stellenbosch University. Establishment of the mussel and fish-processing plant is in abeyance, pending availability of funds.

Manufacturing Industry Development

The Directorate, Manufacturing Industry Development has had an exceptionally busy year, consolidating a number of SPVs, and launching three new sector bodies in tooling, ship repair and fashion. The results of provincial government interventions in many of the manufacturing sectors are starting to be realised. A major investment in the Oil and Gas Sector, putting South Africa "on the map", was announced recently. This was as a direct result of the Department's intervention three years ago. Closely linked to the Oil and Gas sector, the Department has worked directly with the beleaguered Ship Repair Industry to



upgrade the poor state of the port infrastructure, and has recently been involved in facilitating the launch of the Cape Ship Repair Initiative. A US\$20m project has just been confirmed for Cape Town, and an all-out drive will be undertaken to ensure that the necessary skills are in place to deal successfully with the project. The Boat-Building Sector has launched a boat-building academy that should see the sector moving into a new growth phase.

The **Cape Clothing and Textile Cluster** has reached critical mass after nearly two years, with the highly publicised announcement of major retail firms joining the cluster. Employment in the firms participating now exceeds one third of the total formal employment in the sector, and has become a major programme in the industry. The Clothing and Textile strategy has seen the formation of the Cape Town Fashion Council by the Directorate, which will be formally launched in July 2006.

In the **Fashion Industry**, good progress is being made in consolidating the board, with a day-long strategic session being held, a business plan process is underway, and key projects are being prioritised. A number of projects are in progress, including an investigation into the proliferation of fashion events, a mission to the “Magic Fair” in Las Vegas, and monthly meetings for the industry.

The Cape Town Fashion Festival held a major gala event to raise the profile of fashion amongst business and political leaders. A catwalk was erected in the city centre to raise awareness amongst the public, and a series of workshops were held.

Flagged as a critical sector through the MEDS and more recently by ASGISA, the Tooling Initiative has led the drive to consolidate a fractured industry into one coherent industry body in the form of the Western Cape Tooling Cluster. This will oversee the recapitalisation and re-skilling of this “bedrock” of the

manufacturing sector.

Following presentations by the National Tooling Initiative (NTI), concern has been expressed regarding the honouring of financial commitments, and ability to access funding. Progress has also been made in locating the developments by the Institute for Advanced Tooling (IAT), with the board expressing their concern regarding the decision-making process, and the lack of industry input. A multiplier of 28 jobs for every job created in toolmaking makes it the highest impact sector, and for this reason it has attained such prominence.

Furntech is a national programme whose funding is being used to establish a benchmarking programme for the industry that will promote renewed competitiveness amongst key firms.

With the appointment of a project manager, rapid progress is being made in building the foundations of the **Ship Repair Initiative**. A draft business plan has been prepared, budgets are under discussion, and key projects are in the process of being prioritized.

The year ahead will continue to be a challenging one for the manufacturing sector given the ongoing strength of the Rand, and will continue to place high demands on interventions by Provincial Government.

Service Industry Development

The year was one of considerable achievement in the **Service Industry** sector, with significant successes being achieved in the **Call Centre Industry**. “Calling the Cape” achieved outstanding results, securing a total of R538 million in new investments. Major new investors included Amazon.com, Budget Group Insurance (expansion), SD Recruitment and DCM. Excellent results have been achieved in the BBBEE area, and new business has been placed with BBBEE

outsourcers, such as Syntell and 3i Solutions.

In addition, the CADET (Career Assessment Development, Education and Training) scheme which focuses on long-term unemployed individuals and those who have never worked, has achieved significant success, with 90% of the first intake working. One student, Mawande Billie, was named the top performing agent in the Homechoice call centre. Of the second intake, a number of students are working on international programmes such as calling British credit card customers and collecting outstanding debt for Barclaycard.

In the ICT sector, the Ghanaian Deputy Minister of Communications, Mr Benjamin Aggrey Ntim, visited Cape Information Technology Initiative's (CITI's) special project – the highly successful and, arguably the largest IT SMME incubator project in Africa – the Bandwidth Barn, in order to learn about how IT entrepreneurship in Cape Town works and to gather ideas for his own incubation projects in Ghana.

In 2005, the overall winner of SAB Kickstart programme, one of South Africa's largest entrepreneurial development initiatives, Mustapha Baboo, received R125, 000 to invest in his business, Maxxor Business Solutions in Cape Town. This Information Technology (IT) company provides a range of services including IT consulting, systems integration, systems development, and E-business services. The business also won R45, 000 from SAB KickStart last year in the Western Cape regional leg of the programme, which it used to set up its first offices in the Bandwidth Barn ICT incubator (linked to the Cape Information Technology Initiative) in Cape Town.

The company, which started without staff, capital or customers, has achieved significant revenues in less than a year, as well as creating employment for eight additional people.

Not only has the company developed its own line of software, it has also secured a number of significant contracts in both the public and private sectors. The company's clients range from leading blue chips such as Siemens Business Services and MWEB, to NGOs such as the Cape Town Regional Chamber and Triangle Project, an NGO working in the health services field, as well as numerous SMMEs.

The **Creative Industries** recorded numerous successful enterprises, notably the Cape Craft and Design Institute (CCDI), which participated in the "One of a Kind" Trade Show organized by the DTI in Johannesburg, where ten emerging craft enterprises secured R22, 000 of orders and 168 business leads. The CCDI was awarded a Silver Impumelelo Award in honour of its pioneering work in the craft sector – for its innovative approach to accredited skills development, marketing and product development, for its solid partnerships with the public sector at all three tiers of government, and for its replicability. The CCDI is seen as a best practice craft development organisation in South Africa and is supporting the establishment of similar institutions in the Eastern Cape, North West and Gauteng provinces.

Winter School 2005

As part of its Enterprise Development Programme, the Cape Craft and Design Institute (CCDI) hosted a Winter School for emerging and established craft entrepreneurs. This took the form of week-long business and design skills programmes, as well as short 1-day seminars. All the courses were accredited and were aligned with unit standards for the learnership qualification: NQF4 Craft Micro-Enterprise. The Winter School was attended by 70 enthusiastic learners who completed a total of 431 training days. The School also provided essential networking opportunities for the craft entrepreneurs.

In total, 49 craft entrepreneurs attended the business skills development programme, which covered operating a craft business, marketing and production; 33 attended the design programme, which focused on drawing, designing a marketable product, and designing a product range, and 21 attended the 1-day seminars. Twelve entrepreneurs from outside the Cape Metro area also attended the programme.

The success of this first Winter School has encouraged the CCDI to run a 2nd one in 2006.



Crafts Fashion | Fusion 2005

One way the CCDI helps craft enterprises to access markets is by helping them identify and target particular niche markets such as décor or fashion accessories. A very successful version of this programme – Craft Fashion| Fusion – was implemented this year.

Through this programme 15 craft entrepreneurs were partnered with 32 fashion design students from the Cape Peninsula University of Technology to develop a range of outfits and accessories for a fashion show at the Nokia Cape Town Fashion Week in August 2005. This professional event attracted the interest of the fashion media, fashion buyers and the general public and strengthened the link between the craft and fashion industries.

All participants improved their product development skills and their ability to match a product to changing fashion trends. They also have an increased understanding of the SA fashion industry and more confidence in producing for this market. Five of the craft enterprises are showing a significant increase in fashion sales. One entrepreneur took their own stand at Design Indaba Expo and secured a number of lucrative orders from this exposure. Two of the businesses will take individual stands at One-of-a-Kind 2006. In the long term, impact will be measured in increased profitability of participating enterprises.



Fashion/Fusion 2005: A model shows off one of the outfits and accessories for a fashion show at the Nokia Cape Town Fashion Week.

The benefits for the CCDI were increased linkages into the SA fashion industry and an increased understanding of the benefits and challenges in niche-market training. It is anticipated that more crafters will specialise in the fashion sector as a result of this programme. Its success strongly supports the running of such a programme on an annual basis – for the commercial benefit of crafters, and for the development of local design talent.

One-of-a-Kind

The CCDI facilitated the participation of ten emerging craft enterprises, and one association, representing six members, at One-of-a-Kind in Johannesburg in July 2005. One-of-a-Kind is a trade show organised by the DTI as a platform for providing market access and exposure to craft enterprises from all over South Africa. The show is co-located with Decorex Johannesburg and targets both national and overseas buyers.

While a total of R22, 000 worth of orders were placed at the show, a further 168 leads (potential orders) were secured for the individual businesses on the CCDI stand. The entrepreneurs were happy to participate in this event and appreciated the fact that they were subsidised. They also felt that the pre-event training conducted by the DTI was extremely useful and boosted their confidence at the show. Ninety percent of the participating enterprises are black owned. Of these, 50% are sole traders, 40% are registered businesses, and 10% are community projects.

The craft enterprises produce candles, ceramics, jewellery, wooden décor items, clothing, soft furnishings and linen. The association – Ubunye – is a group of crafters who developed a children's range under the guidance of CCDI and Tiger's Eye in 2004.

Design Indaba February 2006

Each year the Design Indaba (DI) events gain impetus assembling some of the world's most pioneering and perceptive creative minds. The Design Indaba Conference provides a platform for the exchange of ideas and insights and the Design Indaba Expo offers a market place for South Africa's top design talent.

This year, the award-winning, three-day Design Indaba Conference hosted a record 2,100 delegates, with 55 local and international speakers, establishing itself as the most significant creative event in the southern hemisphere. It also notched up another achievement by becoming the first known carbon-neutral conference in South Africa.

In an undertaking known as the Carbon Standard, Design Indaba and partners calculated the carbon generated by the event and then planted trees to offset it. Conference-generated emissions are based on participants' long-term and local travel as well as inputs such as local accommodation and the conference venue. Planting trees will reduce the environmental impact of the conference and enable organisers to offset greenhouse gases.

The Carbon Standard is a collaboration between the Design Indaba organiser Interactive Africa, leading law firm Edward Nathan, accounting giant Price Waterhouse Coopers, award-winning NGO Food and Trees for Africa (FTFA), Toyota South Africa, and petroleum producer BP, ranked among the "greenest" companies in the world.

This year, the Young Designers Simulcast was introduced at the conference for emerging designers, design students and other young people under the age of 25 and across all creative fields. This entailed a live broadcast of the 3-day conference to a nearby auditorium at the Cape Town International Convention Centre (CTICC). Excited about sharing ideas, DI speakers from New York, Christoph Niemann, Nicholas Blechman, Ji Lee and Ze Frank, interacted with delegates at the Young Designers Simulcast between sessions.

The main plenary presentations had broad appeal with specialists in graphic design, interior and product design, industrial design, architecture and photography, presenting their successes and predictions to a captive audience. In addition to the traditional design presentations, trend forecaster, Li Edelkoort and legendary music producer and founder of Island Records and Palm Pictures, Chris Blackwell, regaled capacity audiences.



Design Indaba: Delegates arriving at the Design Indaba held from 22 – 24 February 2006.

Once again, the conference extended to an adjacent auditorium for the Specialist Indabas, which focus on Jewellery, Fashion and Architecture. It was here that local and international designers debated the contribution of these creative sectors to the South African economy. A key fashion-industry speaker, Dr Valerie Steele, commented that it would be commercially shortsighted to rely too much on ethnic differences if local fashion designers were trying to break into the international market.



The Design Indaba Charity Banquet concluded the first day of the conference with design education top of mind. Four hundred high-profile guests, including business leaders, politicians, media personalities and Indaba speakers attended the fund-raising event.

The theme for this year's charity banquet was "Buy Design", reflecting not only the auction aspect of the evening, but also the fact that design's contribution to this country's economy is on the increase. On the night, guests bid for the valuable time of renowned South African designers, as well as bespoke pieces. The auction raised an overwhelming R145 000, which will be awarded to leading public institutions in the creative and design fields.

The Red Bull Design Indaba After Party entitled "Music: The Beat Economy" was an audio and visual treat for delegates. It featured top Cape Town bands: The Real Estate Agents, Lark, the Wild Eyes, the Dirty Skirts, Unit R, and Jakobson as well as celebrating music graphics from Cape Town's contemporary indie music scene. Feel free to download a compilation of songs by the bands at www.redbull.co.za/di9 and create your own music CD.

The magnitude and support of the 3rd Design Indaba Expo was testimony to the significance of the Design Indaba conference. This three-day showcase of the best original South African design attracted 15 500 visitors, including 27 international and local buyers.

International designer and Design Indaba conference speaker Tom Dixon selected the Rural Transport Prototypes as his favourites on the Design Indaba Expo floor. However from the 18 beautiful objects selected by the curator panel, Tom announced the "Hawker Bench" by Tonic Design Studio as the Most Beautiful Object in South Africa.

Visitors to the Design Indaba Expo had the opportunity to see top South African designer fashion labels strutting on the catwalk all day - and were then able to purchase these amazing designs at the Designer boutique. Thanks to the

Transnet Foundation, 48 creative arts students, ranging from architecture and visual art to fashion and advertising, showcased their designs at the Design Indaba Expo - great exposure for young South African designers entering both local and international markets. Visitors to the Expo were amazed by the beauty and innovation represented in the "Designs Made in Africa" which showcased world-class designs originating from various African countries.

Fashion for a cause

Sometimes you need to use fun to fight a crisis. Every year the Cape Town Fashion Festival goes a-straddling – between city sophistication and township spontaneity.

And this against a backdrop of a declining number of jobs in a fashion industry that has had to face a number of unique challenges. Every job in the industry supports five dependents – and over the past few years, thousands of positions have been shed.

The fashion industry is in a crisis and has been for a long time. The industry, the unions, the City, the wholesale and retail SETAs and the Western Cape Government have launched a number of initiatives to turn things around – sometimes through conventional means and at other times through what could quite accurately be described as more innovative ways.

The Fashion Festival fits this description because it is based on the philosophy that an attitude of doom and gloom can quite easily become a self-fulfilling prophecy.

The organisers believe that this annual 'glitz and high-heels' event at which Capetonians display their can-do attitude is vital for keeping the industry in the public eye.

It will all be worth it, they believe, if the public views the extravaganza as an

opportunity to say: “Look at this, it is ours. Have fun, but see what we are capable of. Let’s remember that, if we all work together by, for instance, buying local, we can grow the industry again and get it to thrive.” Typically, the Cape Town Fashion Festival lasts 10 days, and covers events such as fashion catwalks and designer showcasing that would not be out of place in the fashion capitals of the world.

But it also goes out of its way to reflect a “Cape Town is lekker” flavour. The locals tend to lap up these events, most especially that Cape Town institution, the annual Spring Queen Beauty Pageant. The organisers also get kudos for staging events not only in the City but in one or two of the Cape Town townships. And it’s not only the supermodels who can be seen strutting their stuff on the catwalks; those who cut the patterns and stitch the garments also have a chance to do some modelling. And for those who come to watch, there’s always a free music concert featuring a top jazz or kwaito group.

Call centre achievements

Career Assessment Development Education and Training (CADET) programmes train long-term unemployed and ‘never worked’ previously disadvantaged individuals from the Cape Flats for careers in the business process outsourcing (BPO) industry.

Of the 60 learners who finished the first CADET programme (CADET 1), 70% are working in the industry. One of them, Mawande Billie, was our CADET of the year in 2005. He is now the top-performing agent in the Homechoice call centre and is doing incredibly well.

CADET 2 started this year with 100 learners. Based on the fact that a number of learners are doing really well, we expect that 90% of them will be offered



Call Centre Achiever: Luke Mills (CEO: Calling the Cape) and Mawande Billie, the CADET of the Year in 2005.

full-time employment after six months in the programme. Some of the current learners are already working on international programmes – calling British credit card customers and collecting outstanding debt for Barclaycard.

CCDI Wins Impumelelo Award

In December 2005 a Silver Impumelelo Award was awarded to the Cape Craft and Design Institute for its work in the craft sector. These awards are granted annually in recognition of innovation in any field of work.

The Cape Craft and Design Institute was honoured for its pioneering work in the craft sector – for its innovative approach to accredited skills development, marketing and product development; for its solid partnerships with the public sector at all three tiers of government; and for its replicability. The CCDI is seen as a best-practice craft development organisation in South Africa and is supporting the establishment of similar institutions in the Eastern Cape, North West and Gauteng provinces.



Impumelelo Award: Erica Elk, executive director of CCDI and Mel Hagen, chairperson of the CCDI Board, attending the glittering function to receive the Silver Impumelelo Award.



Tourism Industry Development

In the past five years, overseas tourist arrivals increased from 810, 000 in 2000 to 1, 535, 000 in 2004, accompanied by a steady increase in yields over the five year period (eg. yields for 2004 show 15% growth when measured against yields for 2003). Domestic arrivals have also shown significant increases with the Western Cape enjoying a 10% share of the national trade.

This has been quantified in terms of economic contribution by the Micro-economic Development Strategy, which confirms that tourism contributes 9.6% (150, 000 jobs) to employment and 9.8% to the provincial GDP. As such, tourism is seen as one of the major sectors driving the economy of the Western Cape. Both ASGISA and the MEDS have identified tourism as a key priority sector for accelerated growth and BBBEE.

In view of the national importance of tourism, it can be reported that with the 2005/2006 budget allocation for tourism the Directorate was focused on developing and promoting the tourism sector; and identifying and implementing strategic interventions as follows:

As part of the **Integrated Tourism Development Framework** (ITDF) 11 tourism development areas were identified, of which the following nodes were highlighted in 2005/2006 and progress is reported as follows:

- In addition to the R600, 000 contribution made by the Department for infrastructure development of the Van Rhyndorp Gateway a further R1,2 million was leveraged from the Department of Environmental Affairs and Tourism and R250, 000 from Cape Town Routes Unlimited for brand application and equipment. Shell sponsors the Van Rynsdorp Gateway initiative as the private sector partner.
- The Cape Flats Tourism Development Framework, which explores tourism potential in the area, was launched in December 2005. This development of the framework was made possible through a strategic partnership between

the Department, Cape Town Routes Unlimited and the District Six Museum Foundation.

- The Department in partnership with the Cape Winelands District Municipality successfully completed the Route 62 Economic Impact Study. Besides assessing the economic impact of the route, the study also identified potential projects and programmes that will increase economic activity along the route which further enhances the current product offering.
- The Lighthouse Precinct Plan for the southern most tip of Africa has been completed. This was a joint initiative between the Department, Development Bank of Southern Africa, the Agulhas Municipality and South African National Parks (SanParks). The implementation of the plan will commence shortly.

Tourism Business Forum: An important development for the Tourism Business Forum – the partnership for tourism industry development in the Province – has been the acquisition of a number of key partners to strengthen the support currently provided to entrepreneurs. These are: FEDHASA, Cape Town Tourism, the Umsobomvu Youth Fund and First National Bank (FNB). FNB has undertaken to ensure a more favourable response to tourism entrepreneurs' applications for finance.

- **Tourism Business Management Programme:** A total of 801 entrepreneurs (93 Overberg, 139 West Coast, 155 Cape Winelands, 177 Cape Town, 119 Central Karoo and 118 Eden Region) were trained during the previous fiscal year.
- **Fast Track:** This new coaching programme was successfully piloted in April 2005. Fast Track's objective was to lead 20 fledgling, survivalist businesses closer to profitability through one-on-one coaching. The 20 businesses were selected from every District Municipality in the Province during the 2005/2006 financial year.
- **The Tourism Mentorship Programme:** The success of the innovative Western Cape Tourism Mentorship Programme has led to the programme being adopted by both KwaZulu-Natal (KZN) and the Northern Cape. KZN has also adopted the concept of the Tourism Business Forum for a partnership approach in

their Province.

In addition to these programmes, we conducted a Research Study into the effectiveness of the Tourism Tiered Support System, which entails various support programmes, including the Tourism Business Management Programme. The results of the study, which were released in March 2006, show that the Tourism Tiered Support System provides a valuable channel for the development, progress and profitability of tourism businesses who are supported by the programmes implemented in Enterprise Development.

The Integrated Tourism Entrepreneurship Support Programme (ITESP), successfully launched in April 2005, provides further integrated support to 20 small tourism businesses (from previously disadvantaged groups) who have come through the Tourism Tiered Support System. All 20 SMMEs had grown their businesses (profit, turnover, jobs created) quite significantly since receiving support from the programme. Furthermore, five of these businesses secured finance from commercial banks for the purpose of increasing their fleet of vehicles; and one of the SMMEs merged with a company that has an annual turnover of approximately R44 million (the SMME now owns 7% of this company, with a seat on the board).

As part of Tourism Empowerment Initiatives, the following was achieved:

- **Tourism Youth Indaba and Awards:** The Youth Tourism Indaba kicked off in the Karoo town of Oudtshoorn from the 13 – 15 July 2005 with 380 delegates representing all six regions of the Western Cape. The theme of the indaba was 'Future Leaders in the tourism industry'. The Tourism Youth Indaba recognises the importance of Youth as future tourism leaders and provides a platform for Youth to support each other and to make meaningful contributions to the Tourism Industry. The Youth Indaba was jointly planned, coordinated and implemented by 78 learners studying Event Management and Tourism Management at both the Cape Peninsula University of Technology and South Cape College. The event formed part of the learners' practical assignments,

under the strict supervision of their Senior Lectures and the Dean of the Management Faculty.

In October 2005, Minister Lynne Brown awarded 10 youth for their outstanding commitment and contribution towards the tourism industry in the Province. The event was launched to acknowledge, motivate and encourage youth involved in the industry to strive towards service excellence. The Overberg Region earned 4 out of the 10 awards presented on the day. This prestigious event was attended by 250 guests from the tourism industry. The Indaba and Awards Ceremony was so successful that it continues to be part of the Department's annual event calendar.

- **Provincial Tourism Bursary Fund:** Based on the major success of previous bursary programmes, the Department launched a new fund in 2005 which provided 12 historically disadvantaged students – selected according to academic potential and a need for financial assistance – with full-time bursaries to further their tertiary education. The beneficiaries of the fund are students studying in the fields of tourism management, professional cookery, public relations and food and beverage management at the Cape Peninsula University of Technology and the South Cape College in Oudtshoorn. These students achieved 33 distinctions between them, which in itself is a major accomplishment. One of the bursary holders, Lauren Louw, completed her internship in the Tourism Empowerment Initiative sub-directorate, the unit responsible for initiating and managing the bursary fund. She managed to secure five of the 33 distinctions and is committed to finishing her studies and to making a major contribution towards developing and transforming the industry.
- As part of Social Tourism, the **Provincial Schools Competition** project was launched in 2002, which has as its main objective raising awareness of tourism amongst our youth and their communities. The competition is targeted at



grades 10 and 11, and learners are asked to prepare themes with tourism activities; draft business plans for possible entrepreneurial opportunities; develop a radio-broadcasting script to market their region; and sketch an A4 poster of all tourism attractions within the region. In 2005 the six winning schools in the region were sent on a 7-day tour of the Province – visiting tourism attractions such as Table Mountain, West Coast Fossil Park, the Kleinplasië open-air museum, Congo Caves, Dias Museum complex and Hawston Abalone Village.

- **!!Kwha ttu San Cultural and Education Centre:** The Centre, located in Yzerfontein, was launched on 8th March 2006 and is an initiative aimed at educating the public about the San people of South Africa. The project also aims to provide training for San communities in tourism, entrepreneurship and community-based development. In its growth stage, the project had already established a small conference venue, education and training venues, an educare centre, accommodation for trainers, and accommodation amenities for eight San families. The project has successfully established a host of facilities including eight self-catering San cottages, hiking trails, a boma for private functions, a bush guesthouse and a campsite with appropriate ablution facilities. Other establishments include a tourism information centre, a restaurant, a San visual museum, a curio shop and an arts and culture centre.
- **Access to the Cape:** The first Access to the Cape campaign was launched in September 2004 and has become an annual programme aimed at making tourist attractions more accessible and at creating tourism awareness amongst local communities. In September 2005, several programmes were implemented in the following regions: the Cape Karoo, the Overberg, the Winelands, the Garden Route, the West Coast and Cape Town. Since its inception, more than 2,100 learners experienced the major tourist attractions of the Western Cape first-hand. This included 120 learners from the Zwartberg High School in Prince Albert who were taken on an educational expedition to

Youth Awards Ceremony

After the Youth Indaba Minister Lynne Brown officiated at the Tourism Youth Awards, awarding 10 young role-players and contributors in the South African tourism industry for their contributions. She motivated the youth to be responsible tourism practitioners who can help stabilise and broaden the South African tourism industry. This prestigious event was attended by 250 guests from the tourism industry.

The Indaba and Awards Ceremony proved so successful that it has been incorporated into the Department's annual events calendar.



Winners of Youth in Tourism Awards: The winners are showing off their awards during a ceremony held on 30 September 2005.



◀ **Dedicated Achiever:** Jo-Ann Johnston (CD: Economic Sector Development) and Jonathan de Koker who was awarded the Minister's Special Award. Jonathan, a student studying towards his B.Sc.Agric. at the University of Stellenbosch, received the award because of his proven commitment and dedication towards his studies.



Reward: Brent Walters (Director: Tourism) with the trophy and staff members: Noxolo Ntenetya, Sheraaz Ismail and Elton Gordon proudly presenting the trophy Tourism received from the Cape Peninsula University of Technology (CPUT) for continued partnership in promoting tourism enterprises in the Western Cape.



▲ Cape Tourism Showcase: Minister Lynne Brown interacting with exhibitors at the Cape Tourism Showcase. Yumnaa Firfirey (Tourism Enterprise Development) looks on.



▲ Access to the Cape: celebrated in Oudtshoorn on 27 October 2005.

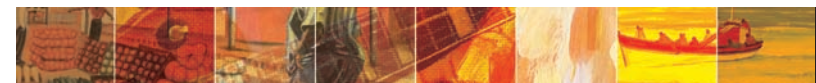
Tourism – the future

Access to the Cape

The Department and Cape Town Routes Unlimited (CTRU) launched Access to the Cape in September 2004. The objectives of the campaign are to market special tourism packages, encourage local inhabitants to travel and to promote cultural diversity and exposure, as well as addressing the need to make local communities aware of access to major tourism attractions.

The initiative has since allowed more than 2,100 historically disadvantaged individuals to get first hand experience of what the tourism industry has to offer. CTRU has approached major role-players and they appointed Switch and Isithombe Marketing Agencies to develop various marketing tools to communicate the campaign to the broader public. One of the many excursions on the programme took place on the 14 October 2005 in Karoo National Park in Beaufort West and the beneficiaries were 120 learners from Zwartberg High School in Prince Albert. On arrival the group was given a brief information session on the South African National Parks (SANPARKS) and what the core function of their business entails.

Thereafter they were taken on the fossil trail, which is unique to the area. They also visited the interpretation centre. The next stop was Oudtshoorn on 27 October 2005. The excursion was an educational expedition, which enriched the learners physically and taught them about the pivotal role they could play in decision-making. It also provided them with the exposure to tourist attractions within their own region.





▲ **Access to the Cape:** Celebration in the Overberg (Caledon).



▲ **Access to the Cape:** Metropole to Cape Point on 21 September 2005.

Stable Craft and Culture Centre opens in Grassy Park

The Department launched the Stable Craft and Cultural Centre on 10 November 2005 in Grassy Park. The initiative aims at creating a tourism cluster, that offers tourists and locals a range of experiences.

The Tourism Empowerment Initiative financially supported the Cape Flats Development Association (CAFDA) with an amount of R70, 000.00 for the establishment of a "Koffie Kombuis" at their local Stable Craft and Cultural Centre. The products offered include a variety of craft stalls, traditional and local cuisines, a cultural and heritage centre, guided tours to the Rondevlei Nature

Reserve, an internet café and a possible tourism information centre.

Eight local SMMEs have already started to operate from the premises and one of the key attractions is the "Koffie Kombuis" which is managed by two women from the area. This initiative marks an important milestone in the journey to ensure that tourism becomes an integrated part of the Cape Flats.



Tourism Milestone: From the left, Cllr Lee (City of CT), Imam Solomon (MP), Cllr Van Wyk (City of CT), Brent Walters (Dir: Tourism) and Cllr Joubert (City of CT) captured at the launch of the Stable Craft and Culture Centre in Grassy Park.



The ITESP assists: Grassroutes Tours and African Eagle Days Tours merged on the 02 November 2005. Philipi Charron (Director: African Eagle), Enver Mally (Director: Grassroutes), Stephane Kacedon (Director: African Eagle), Henry Menard (Director: African Eagle) and Brent Walters (Director: Tourism: DED&T) were captured with MEC Lynne Brown (centre) during the media conference on 02 November. Tourism Entrepreneurship Support Programme forms part of the broader tourism enterprise development efforts of the Department. These efforts are based on a tiered support strategy to address the various levels of entrepreneurship in the industry, from the entry level and necessity entrepreneurs to the promotion of established and employment creating SMMEs. Some of the elements of tiered support strategy include Tourism Help Desks, Tourism Clinics, the Tourism Business Training Programme and Tourism Trade Shows. The ITESP assisted in the areas of financial planning, business, tax and legal advice. The agents also acted on behalf of Grassroutes Tours in the negotiation of the merger deal.

the Karoo National Park as part of the Cape Karoo programme. In the Winelands programme, 60 elderly people from the Robertson community experienced a day in the Pat Bush Nature Reserve.

Destination Marketing Organisation (Cape Town Routes Unlimited)

The main achievements for Cape Town Routes Unlimited (CTRU) are:

- Festive Season Study: The outcome of this survey provides the tourism industry with a benchmark against which to measure future visitor trends. These surveys will be conducted on a quarterly basis. One of the most interesting trends to emerge from the study was that visitor opinions on pricing in the Western Cape were positive, with more than 45% of the respondents saying that the Western Cape was less expensive than other countries they have visited. More than 23% of visitors to the Western Cape originated from within the Province, which bodes well for national and regional domestic tourism initiatives.
- Cape to Namibia En Route is the first cross-border initiative to be developed. This route packages the West Coast of South Africa and Southern Namibia. The Cape to Namibia Route will target the 190, 000 South Africans who visit Namibia by road. In addition, the initiative will have significant spin-off benefits for international tourists who combine South Africa and Namibia in their itineraries.
- Route 62: Following initial discussions at the World Travel Market, Cape Town Routes Unlimited entered into a joint promotion with the British operator Trail Finders who were featuring a Route 62 product in their brochure for the first time. Each of the 650 agents for the British Trail Finders were sent a bottle of wine sponsored by Nelsons Creek, with a special postcard urging them to find out about Route 62 before their clients did. The bottles, which landed on their desks at the end of January, were timed to coincide with a national British newspaper supplement on Route 62. With the season only being a third of the way through, the promotion has already been a big success with a Return

on Investment (ROI) of 1:42 and bookings that will bring an additional R3 million spend into the Western Cape.

- Last minute.com: A second joint venture with the UK's best-known last-minute booking operator, last minute.com, has also brought good news for the Western Cape. During January and February 2006, a special Cape Town and Western Cape section was added to their product offering. Over 6,364 visits to the site were recorded with bookings up by 126% in 2006 as compared to 2005. This will bring an additional R5 million plus spend into the destination.
- Finally, Cape Town Routes Unlimited participated in the SA Tourism Trade Exhibition in Nairobi, in Kenya during March. The key success experienced by a Cape Town-based BBBEE in-bound operator in the Kenyan market shows that some of the best opportunities for emerging entrepreneurs lie within emerging markets.



Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Resource Beneficiation	Development of partnerships with International Development Agencies, Government Departments, NGOs and Industry.	Development of a Western Cape Beneficiation initiative.	Development of sector plan with specific emphasis on the fynbos industry.	Developed in principle partnerships with foreign institutes. WCBI still in concept stage and needs Strategic Sector Support inputs.	More MEDS research is required to develop sector plans. Conceived in the framework of Science and Technology-Research and Framework.
	Establishment of Mari-culture Institute. Development of business plans for Mussel Enterprises, Trout Farming and Fish Processing Plant.	Establishment of a Mari-culture agency to promote the sector together with development of three key projects.	Maintenance of Institute, 1st phase implementation of projects.	Mariculture Institute – on hold. Trout project exceeded targets.	No funding for Mussels and Fish Processing plant. This was a non-priority sector and funds were therefore reprioritised to sectors that showed higher job creation and growth potential identified by the MEDS.
Manufacturing Industry Development	Maintenance of CCDI. Development of tooling training initiatives. Support of 3 projects in clothing and textile industry.	Development of sector plans for Clothing, Tooling and Craft and support to industry bodies like CCDI.	Development of sector plan for tooling and for Clothing and Textile. Support for 1 tooling project and 3 clothing and textile projects.	Business plan finalised for Tooling industry, and launch of Western Cape Tooling Cluster. Ongoing support for 3 key projects in clothing and textiles being Clotex, the Cape Clothing and Textile Cluster and the launch of the Cape Town Fashion Council.	
	Establishment of the CTBBI. Documenting of available Jewellery research.	Development and implementation of sector plans for Boatbuilding and jewellery, and maintenance of industry bodies.	Maintenance and expansion of CTBBI – training, HR development, industry transformation. Development of sector plans for Boat Building and Jewellery.	CTBTi successfully entrenched in the industry. Launch of boat-building academy. Preparations for a transformation strategy underway.	Research on Jewellery Sector will be performed as part of Phase III of the MEDS.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Manufacturing Industry Development	Establishment of Cape Oil and Supply Initiative (COGSI).	Development and implementation of sector plan for Oil and Gas together with maintenance and expansion of COGSI.	Finalisation of sector plan, implementation of training and skills development in the sector, feasibility study on infrastructure requirements.	COGSI has entrenched itself both locally and nationally and has developed the South African Oil and Gas Alliance brand in order to market internationally. Training and skills plans still in process, with accreditation of companies and support programme ready for implementation. Study completed on state of port infrastructure.	
Service Industry Development	Establishment of Calling the Cape (CtC) and maintenance of Cape IT Initiative (CITI).	Development of sector plans maintenance and expansion of Calling the Cape and Cape IT Initiative.	Development of sector plans for BPOs and Call Centres, development of graduate training and placement programme and transformation initiatives for the sectors. Maintenance and support for CTC and CITI.	Training programmes were successfully developed and implemented with a 90% success rate. Considerable progress in BBBEE and SMME development. Significant restructuring of CITI's business plan has taken place, which now boasts being more focused to the Promotion, Growth and Transformation needs of the Western Cape ICT Industry, as well as displaying greater alignment with the MEDS ICT Strategy. This culminated in the launch of the "Think Global" Strategy for ICT in February 2006.	



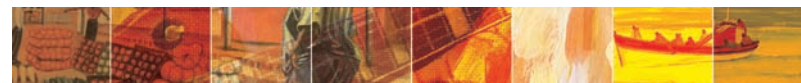
Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Service Industry Development	Establishment of business model for film studio, support to CFC, funding of specific projects like Sithengi and the Cape Film Development Fund.	Development of Film studio. Maintenance and expansion of Cape Film Commission and development of sector plans for film and creative industries.	Completion of business model for film studio, maintenance of Cape Film Commission (CFC), review of film sector plan, initiation of sector plan for creative industries (those involving the arts and culture) and planning for arts and craft biennale.	Business model for Film Studio completed and accepted. EIA completed and final go-ahead for the Film Studio given. CFC successfully maintained, audience development initiative designed for implementation in 2006/2007.	
				<p>Sector plan for the creative industries completed.</p> <p>First phase of Arts Biennale (Cape Africa Platform international conference) successfully held plans for biennale to be held in 2006/2007 confirmed.</p> <p>Sithengi successfully completed.</p>	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Tourism Industry Development	Localised plans developed in 3 areas: Agulhas, Beaufort West, Cape Flats. Annual review of plans.	Developing, updating and evaluating tourism spatial development and investment framework (ITDF).	Localised plans developed in 4 Areas: Eastern Gateway, Western Gateway, Route 62, Winelands triangle. Annual review of plans.	<p>The Route 62 Economic Impact study has been completed.</p> <ol style="list-style-type: none"> 1. Business plans for the Van Rhynsdorp Gateway. 2. The Cape Flats Tourism Development Framework, which explores tourism potential in the area, was completed in December 2005. The District Six Museum Foundation was a partner to this process. 3. The Beaufort West Northern Gateway have been approved and implementation will commence shortly. 4. The precinct plan for the southern-most tip of Africa has been completed and implementations are currently in progress for completion by December 2006. 	
	Integration of ITDF into IDPs of municipalities where planning has taken place.	Conducting planning, nodal development, urban renewal and infrastructure tourism development programmes.	Integration of ITDF into IDPs of municipalities where planning has taken place.	Development of the Northern Gateway in Beaufort West and the Western Gateway in Van Rhynsdorp.	



Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Tourism Industry Development	Develop framework in consultation with WESGRO and related structures.	Developing, updating and evaluating tourism investment and packaging programmes.	Development of strategic tourism investment framework.	No development has taken place.	To be reformulated into the Department's reorganised Tourism structure. Investment Framework to include an examination of the various elements that could be packaged into investment opportunities, as well as an examination of available funding instruments.
	Assisting national government to develop indicators.	Developing and promoting sustainable and responsible tourism indicators.	Development of regional indicators.		The development and implementation of sustainable and responsible tourism indicators will form part of MEDS research which will input into MEDS tourism implementation. These indicators will be used as part of the criteria when conducting Monitoring and Evaluation of quality of facilities and experiences of the destination as a whole.
	Collection and collation of available data and resources.	Analysing the tourism sector globally, nationally and regionally.	Identification of necessary industry indicators and niche research requirements.	This forms part of the Departmental MEDS research process.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Tourism Industry Development	Development of policy in BBBEE and HRD and sector development.	Investigating, developing and updating tourism policy and legislation and formulating strategic interventions.	Development of policy on policing the industry, protection services, sustainable and responsible guidelines and Social Tourism.	Various aspects covered at different levels of implementation, for example Access the Cape with regard to the Social Tourism.	Planning research and policy development to be part of the MEDS Tourism Implementation Plan.
	Consultation with tourism industry, DMO and related agencies on topics to be researched.	Conducting and commissioning tourism industry research.	Conducting, commissioning and publishing research.	This forms part of the Departmental MEDS research process.	
	Develop a system to monitor and evaluate tourism programmes.	Monitoring and Evaluating tourism programmes.	Develop a system to monitor and evaluate tourism programmes.	Tourism Monitoring and evaluation of projects to form part of DPMES that is currently being developed.	
	Management of the Service Level Agreement of Destination Marketing Organisation. Annual review and evaluation.	Establishment of the Destination Marketing Organisation.	Management of the Service Level Agreement of Destination Marketing Organisation. Annual review and evaluation.	Receive quarterly reports from the Destination Marketing Organisation. These reports are used as a monitoring mechanism.	



Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Tourism Industry Development	Development of training programmes and establishment of forums in all 6 regions of the Province.	Establishing and maintaining of network of tourism helpdesks.	Establishment of Tourism Help Desks (THD) performance management system with training and ongoing maintenance of forum in all 6 regions.	THD Forums happened on a quarterly basis and were rotated in the regions: 26-27 May 2006 (Kleinmond Overberg), 25-26 August 2006 (St Helena Bay, West Coast), 24-25 November 2006 (Cape Town), 16-17 February 2006 (Beaufort West, Central Karoo). The second day of the Forums were set aside for training. Trainers and external speakers were invited to present at the Forums.	The THD performance management system is part of the THD tender and will be implemented in the 2006/2007 financial year.
	Implementation of training programmes in Unicity, Boland, West Coast, Overberg, Central Karoo and Southern Cape.	Implementing and maintaining tourism entrepreneurship training programme.	Maintenance, evaluation and refinement of programme.	Training programmes were implemented successfully in all regions with a total of 801 entrepreneurs (93 Overberg, 139 West Coast, 155 Cape Winelands, 177 Cape Town, 119 Central Karoo and 118 Eden Region) trained during the 2005/2006 financial year.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Tourism Industry Development	Establishment of ITESP fund, appointment of agents, announcement of pilot study and support measures to first 30 beneficiaries.	Managing the Integrated Tourism Entrepreneurship Support Programme (ITESP).	Expansion of programme to all six regions of the province. Monitoring and performance evaluation, 50 beneficiaries.	Integrated support provided to small tourism businesses who have come through the Tiered System.	
	14 Mentees and mentors appointed to the programme, performance management and evaluation.	Establishing and maintaining tourism enterprise development mentorship programme.	Mentees linked to ITESP, 20 new mentees, performance management and evaluation.	Twelve of the fourteen mentees completed the programme successfully. The Tourism Mentorship Programme's success had led it to being implemented by the Province of KwaZulu-Natal.	
	Establishment of concept document, terms of reference and refinement of plan.	Implementing and maintaining a tourism enterprise development monitoring and evaluation programme.	Implementation and maintenance of monitoring and evaluation programme in all six regions of the Province.	Monitoring and evaluation and empirical research conducted. Results received and analysed and published in a report, while electronic versions have been posted on www.capegateway.gov.za/tourism_business .	
	Implementation of ITDF projects in all six regions (one per region).	Implementing ITDF projects.	Implementation of ITDF projects in all six regions (one per region).	Beaufort West, Northern Gateway, Van Rhyndorp Cederberg Gateway, Eastern Gateway, Most Southern Tip of Africa Agulhas Lighthouse development, Cape Flats Tourism Development Framework, Development of Economic Impact Study for Route 62.	



Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Tourism Industry Development	Implementation of 6 community projects.	Implementing community tourism projects.	Implementation of 6 community projects.	iiKhwa ttu San Culture and Education Centre, Lwandle Migrant Labour Museum, Green Futures Eco-tourism Programme, Cape Flats Development Association Tourism Centre, Ceres Tourism Cluster Initiative.	
	Implementation of Access to the City project.	Implementing and maintaining social tourism projects.	Establishment and implementation of 3 social tourism projects.	Tourism Youth Indaba and Awards Ceremony, Access to the Cape, Western Cape Tourism Schools Competition.	

Turning back the hand of time

If there's one lesson that the Provincial Government of the Western Cape has taken to heart, it is that it's never too late to do something about redressing the injustices of the past. And if there's one group of people that can claim to have been shamefully treated consistently over the past 350-plus years, it is the original inhabitants of the Western Cape.

In the early years of colonisation, the San people were hunted down to the point of extermination by trigger-happy settlers. Although a small number survived, this was only because they were able to flee to the safety of the desert-like conditions of the far Northern Cape and beyond. South Africa's new democracy has seen steady numbers of the present San generation returning to their ancestral beginnings, determined to come home. It is a homecoming that has not been without irony. Consider this: of all the inhabitants of the Province who have embraced the vision of "A Home for All", the least is known about those who were here first.

But this may change soon ...

A San representative group calling itself WIMSA (Working Group of Indigenous Minorities in Southern Africa), together with a Swiss humanitarian initiative known as the Ubuntu Foundation, have started a San Culture and Education Centre along the West Coast. The !Khwatla San Culture and Education Centre is an ambitious venture to attract culture-hungry tourists, but those running it will be helped to pull its various strands together by the Tourism Development Directorate of the Department of Economic Development and Tourism.

The Centre was opened in March 2006, with promises to:

- restore and highlight the heritage, culture, folklore, visual arts, cosmology and languages of the San people
- educate the general public about the world of the San
- train the San to acquire skills in literacy, entrepreneurship, tourism, health, community development, crafts, marketing and gender issues
- turn the Centre into a destination of choice for people wanting to learn about the Western Cape's first inhabitants.

Route 62 – seeing the Western Cape through new eyes

IN 1946, legendary American singer Nat King Cole had a big hit with a song about a 2,300km-long highway running between Chicago and Los Angeles, which provided dozens of small US towns with access to a major thoroughfare.

"Get your kicks on Route 66," sang crooner Cole – and although he would hardly have realised it at the time, the sound of his golden voice rolling off towns with fascinating names gave Route 66 a massive, decades-long boost as a tourist attraction.

Some of the best tourism ideas are cribbed. And, the Western Cape, to its credit, has moved smartly to market its own version of what is obviously a great concept. "Tourism" has become a buzzword in the democratic South Africa – and in the Western Cape especially, even the smallest towns in the middle of nowhere believe that they have something that will persuade visitors to stop, look and sample. These attractions range from donkey-cart rides to wildflower tours, from hiking trails to 4x4 routes – and a whole lot in between, such as bird watching, San rock art, fynbos, fishing, and caving. Even wide-open spaces or star-filled night skies can be successfully marketed. Often, though, business skills do not quite match enthusiasm – and this is where the Department of Economic Development and Tourism initiatives such as RED Door and the Integrated Tourism Entrepreneurship Support Programme have played a valuable role in assisting entrepreneurs and their helpers to maximise the pulling potential of local attractions. Route 62, which runs between Cape Town and Port Elizabeth, takes motoring tourists on an enchanting, winding journey to – and through – a host of "off-the-beaten-track" towns and villages.

Although no one has written a song about this route yet, a musical tribute saying "Catch the view on Route 62" would capture its essence perfectly. The road meanders through the Little Karoo, the Winelands, the Overberg and parts of the Garden Route passing through areas with intriguing pasts and an interesting present.

In many ways, the route is the heart and soul of the Western Cape.

Amalienstein, for instance, is the product of a 19th century rush by missionaries to save the souls of indigenous people. It was founded by the Berlin Missionary Society as a counter to the nearby village of Zoar, which was founded by the London Missionary Society. Then there's Ladismith (with its funny spelling), one of two towns named after Juanita Smith, the Spanish wife of a Cape Governor, Sir Harry Smith. The decision to spell it this way was taken to distinguish it from Ladysmith in present-day KwaZulu-Natal. Other Route 62 towns that enchant tourists are Barrydale, Montagu, Ashton, Bonnievale, McGregor and Ceres.

And for those who fancy a tipple, the wine route encompassing the grape-growing areas of Wellington, Tulbagh, Worcester, Robertson and the Little Karoo is claimed to be the longest in the world.



Using research to plot a new course

In July 2005, the Department of Economic Development released a synthesis report of a Micro-economic Development Strategy (MEDS) for the Western Cape – together with a strong declaration of intent.

“The government of the Province,” the Department promised, “is ready to travel new paths to achieve a prosperous home for all.” In 2006, almost a year later, it could recount its declaration with a strong sense of satisfaction. The MEDS was devised as an ongoing series of sector studies and sector-support services to stimulate economic development and transformation in the Western Cape.

To this end, its arrival formed part of a package of evolving strategies – the Provincial Spatial Development Framework, the Strategic Infrastructure Plan, the Social Capital Formation Strategy, the Human Resources Development Strategy and the Agricultural Strategy – all of which have received the backing of the provincial government. The MEDS project was launched in the first half of 2004, when eight research studies (covering six sectors and two cross-cutting activities) were commissioned. A further 10 studies (eight sectors and two cross-cutting activities) were added to the programme in 2005, to bringing the total to 18.

The synthesis report, described at its presentation as “a first attempt at developing a comprehensive and definitive perspective on desirable provincial policy in the domain of micro-economic policy”, contained studies on:

- Primary sectors
 1. Agriculture
 2. Fishing and Aquaculture
- Secondary sectors
 1. Clothing Textiles
 2. Metals and Engineering
 3. Electronics
 4. Biotechnology
 5. Film
 6. Craft
 7. Oil and Gas
 8. Cultural Industries – Arts, Culture and Creative Arts

- Tertiary sectors
 1. Tourism
 2. Call Centres/Business Process Outsourcing
 3. Financial Services
 4. Information Communication Technology
- Cross-cutting activities
 1. Small Business Development (SMMEs)
 2. Human Resource Development (HRD)
 3. Energy
 4. Transport

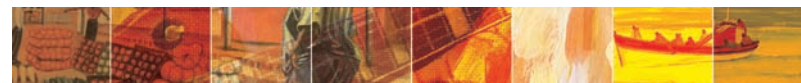


MEDS: Registration time at the V&A Waterfront- Vuyolwethu Bakaco assisting a delegate.

Although it is worth noting that the report also came with a warning – that “simply having a plan is in itself no guarantee of success” – this was not meant to diminish its significance in any way. The MEDS is an important new strategic weapon in the drive to create a home for all in the Western Cape. Certainly, a year ago, its compilers and their sponsors were hoping that their submissions would act as a stimulus to the promotion of open discussion about the role the Provincial Government should play in economic development and transformation. They would be pleased to note that the where’s, how’s and why’s of the Province’s relationship with key players such as National Government, local authorities, the private sector and worker organisations, has indeed sparked the debate they hoped for.

Of course, much work still needs to be done – and even though the extent of the challenges that lie ahead has never been disputed – there is a strong belief both inside and outside the Department that the new journey is unearthing exciting opportunities.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Tourism Industry Development	Collation of existing plans, indicators and policies.	Implementing and maintaining sustainable and responsible tourism indicators.	Implementation in 2 pilot areas.		The development and implementation of sustainable and responsible tourism indicator will form part of MEDS research, which will input into MEDS tourism implementation. These indicators will be used as part of the criteria when conducting Monitoring and Evaluation of quality of facilities and experiences of the destination as a whole.
	Establishment of terms of reference, development of system.	Implementing and maintaining a project monitoring and evaluation programme.	Establishment of terms of reference, development of system.	Tourism Monitoring and Evaluation of projects to form part of Departmental Planning, Monitoring and Evaluation System (DPMES) which is currently being developed.	
	Establishment and implementation of HRD policy and strategy.	Implementing the Tourism HRD Strategy.	Implementation of projects in 2 pilot sites linked to ITDF.	No projects implemented.	It was decided to firstly establish a People Development Forum where industry stakeholders could determine HRD priorities.
	Reference group established and maintained.	Establishing and maintaining a provincial HRD forum.	Ongoing monitoring and evaluation by reference group.	HRD Forum not established.	This initiative was postponed until after the restructuring of the Tourism Chief Directorate. It was agreed instead to establish a People Development Forum that includes BBBEE, HRD and Social Tourism.



Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	Remedial action against deviation from actual targets
Tourism Industry Development	Identification of education, skills and training programmes to be conducted.	Conducting tourism education, training and skills programmes.	Implementation of training in 2 pilot sites linked to ITDF.	Skills programmes were identified but not implemented.	Pending the establishment of a People Development Forum that will determine education, skills and training programme priorities.
	Engagement of THETA, SATI, DEAT and other regional bodies like SATSA, FEDHASA, Municipalities, RTOs and LTAs.	Promoting stakeholder interaction.	Engagement of THETA, SATI, DEAT and other regional bodies like SATSA, FEDHASA, Municipalities, RTOs and LTAs.	Informal engagements with Theta, DEAT, and FEDHASA.	The formal engagement will take place in the People Development Forum.



Provincial Government Western Cape*Department Of Economic Development And Tourism (Vote 12)***Shared Audit Committee Report***For The Financial Year Ending 31 March 2006*

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 12) 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, which was extended by Resolution 95/2005 for 2 more years to 31 March 2007.

Audit Committee Members and Attendance:

The Committee consists of the independent members listed hereunder, is required to meet at least 4 times per annum as per its approved Terms of Reference. During the current year 11 meetings were held:

Member	Number of Meetings Attended
Mr J.A. Jarvis (Chairperson)	11
Mr J. January	9
Mr P. Jones	11
Mr R. Warley	7
Mr V.W. Sikobi	(resigned May 2005)

Audit Committee Responsibility

The 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 Committee has also regulated its affairs and discharged its responsibilities in terms of the Audit Committee Charter.

Effectiveness of Internal Control

During the year under review the Risk Assessment and Control Mapping exercises and the 1-year Operational Internal Audit Plan, were completed.

The 1-year Operational Internal Audit Plan which was approved by the Committee in April 2005 identified 20 high risk areas. However, due to budgetary constraints, the Plan was amended in September 2005, to cover only 7 audit areas.

Internal Audit and the Auditor General highlighted a few critical and significant control weaknesses in respect of: Supply Chain Management, Accounting, Human Resource Management and Support Services. The reconciliation of Liquor License income between SARS and the Department continues to be unresolved.

The Committee noted that management undertook to implement the recommended corrective actions.

Internal audits were conducted on the transversal IT systems of the Province.

The Committee acknowledges that e-Innovation provides the IT service to this department. The Committee wishes to emphasize the importance of the Department ensuring that a service level agreement is concluded with e-Innovation to address future technology and training requirements.

The Committee further acknowledges that the responsibility for addressing control weaknesses identified by the Internal audit vests with e-Innovation. The Committee will follow-up on the implementation of corrective action in the 2006/2007 financial year.

The quality of in-year management and monthly / quarterly reports submitted in terms of the PFMA and the Division of Revenue Act.

The Committee has not reviewed the quality of in-year management and monthly/ quarterly reports submitted in terms of the PFMA and the Division of Revenue Act, but has relied on the feedback of the Auditor General who has not reported adversely in this regard.

Evaluation of Financial Statements

The Committee has,

- Reviewed and discussed the audited annual financial statements included in the annual report with the Auditor General and the Accounting Officer
- Reviewed the Auditor General's management letter and management's response thereto;
- Reviewed the Auditor General's report.

The Committee concurs and accepts the Auditor General's conclusions 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 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: 10 AUGUST 2006





PART 4: ANNUAL FINANCIAL STATEMENTS

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NATIONAL TREASURY

Specimen Annual Financial Statements For

Western Cape: Provincial Department of Economic Development and Tourism

for the year ended 31 March 2006

4.1

Report of the Accounting Officer

Report by the Accounting Officer to the Executive Authority and Parliament/ Provincial Legislature of the Republic of South Africa. (Where the information required hereunder is included in another part of the financial statements, reference should be made between this report and that section of the financial statements.)

4.1.1 General review of the state of financial affairs

The publishing of the Micro-economic Development Strategy (MEDS) synthesis report: version 1, in the later part of the first quarter of the financial year, provided the department with a sound foundation on which to build its intervention strategies in the Western Cape economy.

A total of 18 economic sectors, sub-sectors and themes were evaluated and with resources at the Department's discretion being limited, the prioritisation of these sectors and themes became of utmost importance.

In order to best align the resources available to the Department, a few critical questions needed to be addressed, namely:

- Which sectors and or themes would significantly impact on employment opportunities, revenue and empowerment, and
- What would the cost and or investment requirements be?

Based on the above-mentioned, a matrix outlining the cost/ benefit factors were developed ranking of all sectors and themes analysed, prioritising sectors and themes chosen.

In terms of the Department's Participation initiatives, the RED Initiative has taken tremendous strides in the period under review to establish itself as a well-known brand in the development of SMME's. A total of 4 new RED door offices were opened in Knysna, Oudtshoorn, Beaufort West and Vredenburg.

A mobile Red Door was launched in December 2005. The aim of this mobile Red Door is to take the services offered by the RED Initiative to rural and local areas that are not covered by an existing physical RED Door.

With a focus this financial year in stabilising and consolidating the RED Door programme, tremendous strides have been taken in developing new services offered by the RED Door. Most notable of these, is the Voucher Programme that was launched in the Metropole region. The Voucher programme is a joint initiative between the Department and the City of Cape Town to produce a business support programme focusing on the needs of business people aged 35 and older.

It is expected that the voucher programme will:

- Provide relevant information to SMMEs,
- Address the lack of access to information,
- Provide business management skills, counseling, advice and mentoring,
- Provide business support infrastructure and manage existing infrastructure,
- Provide assistance and support to community-based economic development projects,
- Provide capital and operational assistance to urban farmers,
- Subsidised training and support learnerships and Expanded Public Works

Coupled to the RED Initiative the Department embarked on an ambitious project to host the 1000 X 1000 competition. The 1000 X 1000 project sought to develop entrepreneurs and address unemployment simultaneously by to providing multi-faceted support to prospective entrepreneurs. This support entailed the provision of support, both financial and non-financial, to a selected group of 1 000 entrepreneurs, across the Western Cape, who are classified as being unemployed. The selected entrepreneurs primarily included HDIs, women, youth and the disabled.

This project was directed at drawing the entrepreneurial talent from the unemployed and providing these entrepreneurs with comprehensive support hands-on in-business support.

The primary objectives of this project were to:

- Stimulate entrepreneurship among the unemployed;
- Reduce unemployment by giving people the option of starting their own businesses;
- Provide comprehensive support to the 1 000 participants in the programme for a period of 4 months

The secondary objectives were to:

- Contribute to the 2005/2006 National Budget' focus on self-reliance;
- Serve as a component of the Red Door outreach programme addressing the business needs of the informal/survivalist businesses;
- Build capacity in the Red Door staff via an intensive training programme;
- Move towards establishing a network of support for small businesses in all municipalities;
- Provide capacity building to potential and existing small business support persons, eg. mentors, trainers;
- Document the "recipe" for successful start-ups;



- Obtain insight into the challenges and problems facing informal, rural and township based enterprises;
- Document the experiences of informal enterprises from the start-up through to the growth phase; and,
- Impact positively on the income levels of the participants.

At the ministerial conferences held in April and May 2005, the Minister of Finance and Economic Development launched Die Plek Plan, a key departmental intervention that focuses on economic development in rural areas.

This intervention aims to identify economic opportunities that local people can take up in their regions. It also intends to assist the local municipalities to far more articulately define their local economic development strategies and the implementation strategies.

It is expected that this programme will facilitate the flow of economic information that will be informed globally, aligned provincially and nationally and, sensitised locally. It will then translate this information into intelligence that will identify local opportunities and support the creation of enterprises.

With provincial unemployment, characterized by an increasing mismatch between the skills the economy demands and the skills of the unemployed, moving towards the 500 000 mark and with very little chance of the market solving the problem, drastic interventions are required. To this end, the Department once again played a pivotal role in the hosting of the Learning Cape Festival where the emphasis is on developing a career focus that links education and training with work, job and career opportunities. This festival is directly linked to the Human Resource Development Strategy that intends to address the skills mismatch, re-skilling and scarce skills as key focus areas.

In terms of the Liquor Industry Development interventions, the Department took huge strides in not only the regulation of the Liquor Industry such as issuing of liquor licenses and enforcing compliance, but also in the tackling of social issues affecting the Liquor Industry. To this end, the Department in conjunction with the Wine Industry Ethical Trading Association (WIETA), a multi-stakeholder, not for profit organisation based in the wine industry, embarked on a programme to establish a widely accepted code of ethics for the industry that addresses the following broad areas of child labour, forced labour, health and safety, freedom of association, discrimination, fair disciplinary measures, working hours, a living wage, job security and housing and tenure security.

The Department also supported an initiative by the FASfacts organisation to run an awareness campaign among school going children, farm workers and communities living in rural areas of the dangers of Fetal Alcohol Syndrome (FAS). The programme was concentrated in the Breede Valley area that includes Worcester, De Doorns, Touwsriver, Rawsonville, Slanghoek and the Breede River Wine Lands including Robertson, Ashton, McGregor and Montagu among others. Other institutions supporting this project are the Departments of Health, Education, Social Services and Poverty Alleviation and an international Non Governmental Organisation.

Expenditure

The Department's original allocation for the 2005/2006 financial year was R145,148 million. This was further divided into 5 programmes, namely Administration (R18,120 million), Economic Participation (R 33,989 million), Economic Stimulation (R13,474 million), Fair Business Environment (R12,420 million) and Economic Sector Development (R67,145 million).

The main sources of income to capitalise this budget was from the Equitable Share (R116,148), Provincial Financing (R20 million) and the Department's own

revenue (R9 million).

During the Adjustment Estimate process, the Department surrendered and amount of R2,743 million. Due to the Liquor Bill not being enacted by the Provincial Legislature, the Department's ability to collect on its Liquor Revenue was hindered. This source of revenue originally estimated at R9 million, was decreased by R5 million to R4 million during the Adjustment Estimate process.

R2,257 million from the Department's over-collection of revenue in the previous financial year was retained to support the 1000 X 1000 project.

The Department effected an overall saving of R0,399 million for the 2005/2006 financial year. This represents a saving of 0, 003%

Revenue

The Department budgeted an amount of R 9 million for Departmental Revenue in the 2005/2006 financial year. This was later revised to R 4 million in the Adjustment Estimate process. This amount was to be collected from the following sources:

- Liquor License Fees (R3,730 million), and
- Tourist Guide Registration (R0,270 million).

As at the end of the 2005/2006 financial year, the Department reflected an over-collection of R0,628 million of the adjusted budget for revenue. This was primarily due to an increase in the number of applications received for liquor licenses and the efficiencies in the collection ability of the department's collection agent namely the South African Revenue Services (SARS).

Investments

The Department made an investment of R142 million in Cape Town International Convention Centre (CTICC), which was not disclosed in previous annual financial statements of the Department. After consultation with the Office of the Auditor-General, the Provincial Accountant General of Provincial Treasury and Legal Service, it was agreed that although the shares are issued in the name of the Provincial Government, the oversight function of CTICC resorts within the core business of the Department of Economic Development and Tourism. The amount was disclosed in the Department's 2005/2006 annual financial statements, with a note that the comparative figures for 2004/2005 are restated in terms of the accounting policy pertaining to comparative figures and to achieve fair presentation and disclosure.

4.1.2 Service rendered by the department

Services rendered by the Department include the registration of Tourist Guides and the issuing of Liquor Licenses to compliant applicants.

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 implemented its re-organisation and restructuring process on 01 April 2005. The Department has experienced delays in the evaluation and filling of key posts. Coupled to these delays, there was a change in the Executive Authority of the Department and to enable her to get to understand the business of the Department and the re-organisation process that was implemented on 01 April 2005, froze all posts. This human resource capacity constraint was also further exacerbated by the loss of key personnel. This loss of key personnel also resulted in an enormous drain to the institutional memory



of the department. Remedial steps have been implemented to remedy this constraint.

4.1.4 Utilisation of donor funds

No Donor funding was received in the 2005/2006 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 R24,5 million was transferred to Wesgro in the 2005/2006 financial year. This represents a decrease of 21.5% when compared to the 2004/2005 financial year where an amount of R31,7 million was appropriated.

An amount of R24,5 million was appropriated to Wesgro for the 2005/2006 financial year. This figure was later revised after the Adjust Estimate process to R19,5 million as a result of the Department revising its own revenue estimates. The allocation for the film studio was later increased to its original allocation of R15 million due to an extensive re-prioritisation exercise undertaken in January 2006.

Destination Marketing Organisation (DMO)

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

An amount of R26,510 million was appropriated in the 2005/2006 financial year. The primary purpose of this allocation was to provide for the operational costs including salaries and to provide for projects identified by Department.

Western Cape Liquor Board

This is an in-house public entity that is 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 1E, 1G, 1H, 1I, 1K and 1O**, of the Annual Financial Statements.

Most notable of these are the transfers to **Municipalities** that amounted to R1,850 million. Primary among these transfers was the allocations to District Municipalities amounting R1 million to assist with the establishment of Economic Development Units at District Municipality level.

Transfers to **CASIDRA** amounted to R16,9 million to assist the Department in the establishment and maintenance of the RED door initiative and the management of the 1000 x 1000 project in the Western Cape.

Transfers to **CSIR** that amounted to R2 million for the establishment of Die Plek Plan programme.

An amount of R 15 million was transferred to **WESGRO** as part of the

Department's second tranche payment for the establishment of the Film Studio.

4.1.7 Public private partnerships (PPP)

No PPP's were undertaken in the 2005/2006 financial year.

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 this Department.

The comprehensive inherent risk assessment was completed for the 2005/2006 financial year. The risk assessment for 2006/2007 is under review.

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 is operational within the Department and tasked to

continuously monitor compliance with prescripts and post auditing of financial records.

For the financial year in review, the Internal Control Unit has conducted compliance audits within the Financial Management and Human Resource Management Directorates. 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

To better realign the services of the Department, the Programme: Economic Stimulation was dismantled as at the start of the 2006/2007 financial year. The main services provided by this programme were incorporated under the Programme that will manage the department's interventions into the various economic sectors of the economy.

4.1.10 New/proposed activities

As of 01 April 2006 the Tourism Sub-programme, previously housed under the Programme Economic Sector Development, was established as a separate Programme. This is to align the Department's structure better in terms of reporting lines to the relevant executive authority.

The new Departmental structure will therefore be Administration, Economic Participation, Fair Business Environment, Economic Sector Development and Tourism.



4.1.11 Asset management

All departmental assets were captured and accounted in the asset register. Inventory controllers were appointed to assist the asset management unit to perform stocktaking procedures and asset verification processes. In all reasonable aspects, the asset management is in compliance with the minimum requirements and the asset management reforms (AMR) milestones.

4.1.12 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.

4.1.13 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 2006/2007 to 2008/09, with measurable objectives, was timeously tabled in the Provincial Legislature by the Executive Authority.

The office of the Head of the 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.

4.1.14 Scopa resolutions

The following table provide the concern addressed by the Standing Committee on Public Accounts:

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
Resolution 7 Audit report 2005: Paragraph 4.1 SCOPA Second report December 2005	Liquor license income	The committee recommended that the draft legislation should be finalised as a matter of urgency in order to ensure proper and full control over liquor license income and the department must consider implementing control measures, to be able to reconcile the income received from SARS.

4.1.15 Other

4.1.15.1 Inventory balances on hand at year end

The department did not have any inventories on hand at year-end.

4.1.15.2 Financial statements of public entities

The annual financial statements of the public entities, Destination Marketing Organisation (DMO) and 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.

4.1.15.3 Impairment of Investments

The Department invested R142 million in the construction of the Cape Town International Convention Centre (CTICC) with the objective of improving the long term socio economic environment of the Western Cape Province. The investment is expected to result in increased future economic benefits to the province.

A possible need for the recognition of an impairment loss, relating to the above CTICC investment was identified during the year under review. Based on the current year's financial results and the forecasted figures for the CTICC, it is anticipated that the actual losses incurred to date will continue in the foreseeable future. Notwithstanding these anticipated losses, management is of the opinion that the CTICC will continue to operate as a going concern and there are no indications of significant risk that indicates that the CTICC might curtail operations.

Due to the fact that this investment was made with the expectations of improving the broader socio economic environment of the province, it is realised that the full value of the investment might not be fully recoverable in an arms length transaction. A previous valuation exercise that was performed on the CTICC during March 2003 was used as a basis for determining the fair value of the current shareholding in the CTICC. This exercise revealed a possible impairment loss.

Since the valuation exercise performed is not in accordance with any recognised accounting framework methodology to determine an accurate fair value, it has been decided not to recognise the possible impairment loss revealed by the above exercise and to delay the recognition thereof until a proper fair value appraisal process has been concluded.

4.1.16 Approval

The Annual Financial Statements set out on pages 154 to 213 have been approved by the Accounting Officer.



JO-ANN JOHNSTON

ACTING HEAD OF DEPARTMENT

30 MAY 2006



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
The Department Of Economic Development And Tourism (Vote 12)
For The Year Ended 31 March 2006**

1. Audit Assignment

The financial statements as set out on pages 154 to 213 for the year ended 31 March 2006, 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). The fixed asset opening balances have not been audited because of the timing of guidance from National Treasury to the departments relating to the treatment, valuation and disclosure of fixed assets. These financial statements are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. Scope

The audit was conducted in accordance with the International Standards on Auditing read with General Notice 544 of 2006, issued in Government Gazette no. 28723 of 10 April 2006 and General Notice 808 of 2006, issued in Government Gazette no. 28954 of 23 June 2006. 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
- evaluating the overall financial statement presentation.

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

3. Basis Of Accounting

The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as described in note 1.1 to the financial statements.

4. Audit Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Economic Development and Tourism at 31 March 2006 and the results of its operations and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury of South Africa, as described in note 1.1 to the financial statements, and in the manner required by PFMA.

5. Emphasis Of Matter

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

5.1 Liquor licence income

During the audit it was identified that the department was unable to reconcile the income pertaining to registered liquor license holders with income collected by its collecting agent, the South African Revenue Services (SARS). SARS transfers the collections to the department in a lump sum, and does not supply the department with a complete and detailed breakdown of the income collected. The department is therefore uncertain who has settled their debt in respect of the liquor license at the end of their financial year.

5.2 Investment in Cape Town International Convention Centre (CTICC).

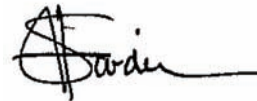
Attention is drawn to Note 11 to the financial statements, and note 15.3 of the Accounting Officers report.

In the prior year, the department acted as a transferring agent for the Western Cape Provincial Administration (WCPA) for the purchase of a R142m investment in CTICC. Since the WCPA is not an entity, but a collective name given for all the departments in the Western Cape, the department received instruction from the Provincial Treasury, in the current financial year, to recognize the investment in their accounting records. The department has adjusted the financial statements to incorporate the investment retrospectively, and have disclosed additional information in this regard.

It should further be noted, as disclosed in the accounting officer's report, a valuation exercise was performed during March 2003 on the investment in CTICC where a possible impairment loss was identified. No accounting entries have been made in this regard.

6. Appreciation

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



**AA HARDIEN FOR AUDITOR-GENERAL
CAPE TOWN
31 JULY 2006**



4.3 **Statement of Accounting Policies** for the year ended 31 March 2006

The 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 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), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The 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 or when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

A comparison between actual and budgeted amounts per major classification of expenditure is included in the appropriation statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund, unless approval has been given by the Provincial Treasury to rollover the funds to the subsequent financial year. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial

position.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the statement of financial performance when received.

2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.3 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

2.2.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.6 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. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

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 reissued the payment is made from Revenue.

2.2.7 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the Provincial Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised in the financial records when the department directly receives the cash from the donor(s). The total cash amounts received during the year is reflected in the statement of financial performance as revenue.

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements



The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. A receivable is recognised in the statement of financial position to the value of the amounts expensed prior to the receipt of the funds.

A payable is raised in the statement of financial position where amounts have been inappropriately expensed using local and foreign aid assistance. Unutilised amounts are recognised in the statement of financial position.

3. Expenditure

3.1 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 (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the statement of financial performance.

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.

3.1.1 Short term employee benefits

Short term employee benefits comprise of leave entitlements (capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the notes to the financial statements. These amounts are not recognised in the statement of financial performance.

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.1.2.2 Post employment retirement benefits

The department provides retirement benefits (pension 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 (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.2 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 (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used on a capital project.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures.

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

3.8 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.9 Expenditure for capital assets

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 (by no later than 31 March of each year).

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.



4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.4 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.5 Loans

Loans are recognised in the statement of financial position at the nominal amount. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.6 Asset Registers

Assets are recorded in an asset register, at cost, on receipt of the item. Cost of an asset is defined as the total cost of acquisition. Assets procured in previous financial periods, may be stated at fair value, where determinable, or R1, in instances where the original cost of acquisition or fair value cannot be

established. No revaluation or impairment of assets is currently recognised in the asset register. Projects (of construction/development) running over more than one financial year relating to assets, are only brought into the asset register on completion of the project and at the total cost incurred over the duration of the project.

Annexure 4 and 5 of the disclosure notes, reflect the total movement in the asset register of assets with a cost equal to and exceeding R5000 (therefore capital assets only) for the current financial year. The movement is reflected at the cost as recorded in the asset register and not the carrying value, as depreciation is not recognized in the financial statements under the modified cash basis of accounting. The opening balance reflected on Annexure 4 and 5 will include items procured in prior accounting periods and the closing balance will represent the total cost of the register for capital assets on hand.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the statement of financial position.

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures to the financial statements.

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.4 Contingent liabilities

A 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 contingent liability is 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 included in the disclosure notes.

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are

included in the disclosure notes.

6. Net Assets

6.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the National/Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

6.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made and recognised in a previous financial year becomes recoverable from a debtor.

7. Related party transactions

Related parties are departments that control or significantly influence other entities in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

8. Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

9. Public private partnerships

A public private partnership (PPP) is a commercial transaction between the department and a private party in terms of which the private party:



- Performs an institutional function on behalf of the institution; and/or
- acquires the use of state property for its own commercial purposes; and
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- receives a benefit for performing the institutional function or from utilizing the state property, either by way of:
 - consideration to be paid by the department which derives from a Revenue Fund;
 - charges fees to be collected by the private party from users or customers of a service provided to them; or
 - a combination of such consideration and such charges or fees.

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

4.4

Appropriation Statement

for the year ended 31 March 2006

Appropriation per programme									
	2005/2006							2004/2005	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	17,980	-	(1,510)	16,470	16,459	11	99.9%	10,096	10,077
Transfers and subsidies	90	-	-	90	73	17	81.1%	20	16
Payment for capital assets	50	-	343	393	392	1	99.7%	682	681
2. Economic Participation									
Current payment	16,215	-	(4,173)	12,042	12,034	8	99.9%	8,500	8,484
Transfers and subsidies	19,981	-	2,000	21,981	21,968	13	99.9%	31,862	31,861
Payment for capital assets	50	-	33	83	83	-	100%	485	485
3. Economic Stimulation									
Current payment	3,917	-	(282)	3,635	3,628	7	99.8%	1,195	1,191
Transfers and subsidies	9,507	-	-	9,507	9,503	4	100%	21,201	21,201
Payment for capital assets	50	-	(50)	-	-	-	-	2	-
4. Fair Business Environment									
Current payment	11,664	-	(1,037)	10,627	10,313	314	97%	11,492	11,470
Transfers and subsidies	696	-	-	696	686	10	98.6%	414	414
Payment for capital assets	-	-	57	57	67	(10)	117.5%	249	249
5. Economic Sector Development									
Current payment	9,821	-	(364)	9,457	9,443	14	99.9%	12,350	12,337
Transfers and subsidies	52,334	-	5,000	57,334	57,324	10	100%	23,745	23,745
Payment for capital assets	50	-	(17)	33	33	-	100%	114	112
6. iKapa elihHlumayo									
Current payment	-	-	-	-	-	-	-	1,871	1,858
Transfers and subsidies	-	-	-	-	-	-	-	2,258	2,258
Subtotal	142,405	-	-	142,405	142,006	399	99.7%	126,536	126,439
TOTAL	142,405	-	-	142,405	142,006	399	99.7%	126,536	126,439
Reconciliation with Statement of Financial Performance									
Add: Departmental receipts				628				2,257	
Actual amounts per Statements of Financial Performance (Total revenue)				143,033				128,793	
Actual amounts per Statements of Financial Performance (Total expenditure)					142,006				126,439



Appropriation per economic classification									
	2005/2006							2004/2005	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	36,692	-	(9,503)	27,189	27,084	105	99.6%	22,188	22,182
Goods and services	22,905	-	2,115	25,020	24,771	249	99%	23,269	23,188
Financial transactions in assets and liabilities	-	-	22	22	22	-	100%	47	47
Transfers and subsidies									
Provinces and municipalities	1,972	-	-	1,972	1,918	54	97.3%	2,570	2,565
Departmental agencies and accounts	45,350	-	5,660	51,010	51,010	-	100%	52,232	52,232
Universities and technikons	410	-	(110)	300	300	-	100%	550	550
Public corporations and private enterprises	18,400		2,480	20,880	20,880	-	100%	17,330	17,330
Non-profit institutions	16,476	-	(1,030)	15,446	15,446	-	100%	6,818	6,818
Payment for capital assets									
Machinery and equipment	200	-	366	566	565	1	99.8%	1,505	1,500
Software and other intangible assets	-	-	-	-	10	(10)	-	27	27
TOTAL	142,405	-	-	142,405	142,006	399	99.7%	126,536	126,439

DETAIL PER PROGRAMME 1 – Administration

for the year ended 31 March 2006

Programme per sub-programme	2005/2006							2004/2005	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Management: Administration									
Current payment	2,872	-	1,596	4,468	4,465	3	99.9%	-	-
Transfers and subsidies	59	-	-	59	56	3	94.9%	-	-
Payment for capital assets	-	-	232	232	231	1	99.6%	-	-
1.2 Corporate Affairs									
Current payment	9,879	-	(1,557)	8,322	8,314	8	99.9%	9,711	9,692
Transfers and subsidies	25	-	-	25	15	10	60%	17	15
Payment for capital assets	50	-	104	154	154	-	100%	682	681
1.3 Delivery Enabling Services									
Current payment	5,229	-	(1,549)	3,680	3,680	-	100%	-	-
Transfers and subsidies	6	-	-	6	2	4	33.3%	-	-
Payment for capital assets	-	-	7	7	7	-	100%	-	-
1.4 Office of the Minister of Tourism									
Current payment	-	-	-	-	-	-	-	385	385
Transfers and subsidies	-	-	-	-	-	-	-	3	1
Payment for capital assets	-	-	-	-	-	-	-	-	-
TOTAL	18,120	-	(1,167)	16,953	16,924	29	99.8%	10,798	10,774



	2005/2006							2004/2005	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	13,130	-	(3,824)	9,306	9,298	8	99.9%	6,709	6,709
Goods and services	4,850	-	2,306	7,156	7,153	3	100%	3,340	3,321
Financial transactions in assets and liabilities	-	-	8	8	8	-	100%	47	47
Transfers and subsidies									
Provinces and municipalities	40	-	-	40	23	17	57.5%	20	16
Non-profit institutions	50	-	-	50	50	-	100%	-	-
Payment for capital assets									
Machinery and equipment	50	-	343	393	392	1	99.7%	675	674
Software and other intangible assets	-	-	-	-	-	-	-	7	7
TOTAL	18,120	-	(1,167)	16,953	16,924	29	99.8%	10,798	10,774

DETAIL PER PROGRAMME 2 – Economic Participation

for the year ended 31 March 2006

	2005/2006							2004/2005	
Programme per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Management: Econ Development									
Current payment	1,904	-	(718)	1,186	1,184	2	99.8%	2,764	2,764
Transfers and subsidies	7	-	-	7	2	5	28.6%	2	2
Payment for capital assets	-	-	23	23	24	(1)	104.3%	-	-
2.2 Enterprise Development									
Current payment	7,980	-	(1,034)	6,946	6,946	-	100%	1,436	1,430
Transfers and subsidies	16,862	-	-	16,862	16,859	3	100%	15,206	15,206
Payment for capital assets	25	-	8	33	33	-	100%	456	456
2.3 Local Economic Development									
Current payment	4,200	-	(2,342)	1,858	1,852	6	99.7%	2,825	2,822
Transfers and subsidies	2,011	-	1,998	4,009	4,004	5	99.9%	6,102	6,102
Payment for capital assets	12	-	(13)	(1)	-	(1)	-	14	14
2.4 Economic Empowerment									
Current payment	2,131	-	(79)	2,052	2,052	-	100%	1,475	1,468
Transfers and subsidies	1,101	-	2	1,103	1,103	-	100%	10,552	10,551
Payment for capital assets	13	-	15	28	26	2	92.9%	15	15
TOTAL	36,246	-	(2,140)	34,106	34,085	21	99.9%	40,847	40,830



	2005/2006							2004/2005	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	9,480	-	(2,479)	7,001	6,998	3	100%	4,417	4,417
Goods and services	6,735	-	(1,701)	5,034	5,029	5	99.9%	4,084	4,067
Financial transactions in assets and liabilities	-	-	7	7	7	-	100%	-	-
Transfers and subsidies									
Provinces and municipalities	1,231	-	-	1,231	1,218	13	98.9%	1,111	1,111
Departmental agencies and accounts	-	-	-	-	-	-	-	10,000	10,000
Universities and technikons	-	-	-	-	-	-	-	200	200
Public corporations and private enterprises	17,900	-	2,000	19,900	19,900	-	100%	17,250	17,250
Non-profit institutions	850	-	-	850	850	-	100%	3,300	3,300
Payment for capital assets									
Machinery and equipment	50	-	33	83	83	-	100%	471	471
Software and other intangible assets	-	-	-	-	-	-	-	14	14
TOTAL	36,246	-	(2,140)	34,106	34,085	21	99.9%	40,847	40,830

DETAIL PER PROGRAMME 3 – Economic Stimulation

for the year ended 31 March 2006

	2005/2006							2004/2005	
Programme per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Management: Economic Stimulation									
Current payment	737	-	128	865	862	3	99.7%	-	-
Transfers and subsidies	2	-	-	2	2	-	100%	-	-
3.2 Strategic Competitiveness									
Current payment	2,380	-	(488)	1,892	1,888	4	99.8%	506	502
Transfers and subsidies	805	-	-	805	801	4	99.5%	1	1
Payment for capital assets	50	-	(50)	-	-	-	-	2	-
3.3 WESGRO									
Current payment	800	-	78	878	878	-	100%	689	689
Transfers and subsidies	8,700	-	-	8,700	8,700	-	100%	21,200	21,200
TOTAL	13,474	-	(332)	13,142	13,131	11	99.9%	22,398	22,392

	2005/2006							2004/2005	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	1,086	-	(134)	952	949	3	99.7%	325	323
Goods and services	2,831	-	(148)	2,683	2,679	4	99.9%	869	868
Transfers and subsidies									
Provinces and municipalities	7	-	-	7	3	4	42.9%	2	1
Departmental agencies and accounts	9,500	-	-	9,500	9,500	-	100%	21,200	21,200
Payment for capital assets									
Machinery and equipment	50	-	(50)	-	-	-	-	2	-
TOTAL	13,474	-	(332)	13,142	13,131	11	99.9%	22,398	22,392



DETAIL PER PROGRAMME 4 – Fair Business Environment

for the year ended 31 March 2006

Programme per sub-programme	2005/2006							2004/2005	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Management: Fair Business Environment									
Current payment	1,053	-	(530)	523	520	3	99.4%	1,741	1,741
Transfers and subsidies	-	-	-	-	-	-	-	1	1
4.2 Liquor Regulation									
Current payment	3,089	-	(10)	3,079	3,049	30	99%	3,779	3,772
Transfers and subsidies	11	-	-	11	6	5	54.5%	6	6
Payment for capital assets	-	-	25	25	35	(10)	140%	35	35
4.3 Liquor Industry Development									
Current payment	1,004	-	(901)	103	56	47	54.4%	-	-
Transfers and subsidies	674	-	-	674	672	2	99.7%	-	-
4.4 Office of the Consumer Protector									
Current payment	4,491	-	85	4,576	4,397	179	96.1%	4,060	4,053
Transfers and subsidies	7	-	-	7	5	2	71.4%	4	4
Payment for capital assets	-	-	17	17	17	-	100%	178	178
4.5 Tourism Regulation									
Current payment	2,027	-	319	2,346	2,291	55	97.7%	1,912	1,904
Transfers and subsidies	4	-	-	4	3	1	75%	403	403
Payment for capital assets	-	-	15	15	15	-	100%	36	36
TOTAL	12,360	-	(980)	11,380	11,066	314	97.2%	12,155	12,133

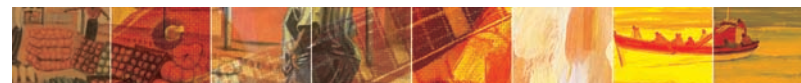
Economic Classification	2005/2006							2004/2005	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	7,441	-	(1,650)	5,791	5,713	78	98.7%	5,713	5,711
Goods and services	4,223	-	607	4,830	4,594	236	95.1%	5,779	5,759
Financial transactions in assets and liabilities	-	-	6	6	6	-	100%	-	-
Transfers and subsidies									
Provinces and municipalities	24	-	-	24	14	10	58.3%	214	214
Universities and technikons	-	-	-	-	-	-	-	200	200
Non-profit institutions	672	-	-	672	672	-	100%	-	-
Payment for capital assets									
Machinery and equipment	-	-	57	57	57	-	100%	249	249
Software and other intangible assets	-	-	-	-	10	(10)	-	-	-
TOTAL	12,360	-	(980)	11,380	11,066	314	97.2%	12,155	12,133



DETAIL PER PROGRAMME 5 – Economic Sector Development
for the year ended 31 March 2006

Programme per sub-programme	2005/2006							2004/2005	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Management: Economic Sector Development									
Current payment	2,326	-	(533)	1,793	1,794	(1)	100.1%	-	-
Transfers and subsidies	8	-	-	8	3	5	37.5%	-	-
Payment for capital assets	-	-	13	13	13	-	100%	-	-
5.2 Resource Beneficiation									
Current payment	1,234	-	750	1,984	1,976	8	99.6%	-	-
Transfers and subsidies	403	-	-	403	402	1	99.8%	-	-
5.3 Manufacturing Industry Development									
Current payment	3,440	-	(2,548)	892	892	-	100%	7,237	7,231
Transfers and subsidies	5,368	-	-	5,368	5,365	3	99.9%	607	607
Payment for capital assets	-	-	-	-	-	-	-	66	66
5.4 Service Industry Development									
Current payment	508	-	413	921	913	8	99.1%	-	-
Transfers and subsidies	15,650	-	5,000	20,650	20,650	-	100%	-	-
5.5 Tourism Industry Development									
Current payment	2,313	-	554	2,867	2,868	(1)	100%	5,113	5,106
Transfers and subsidies	5,055	-	-	5,055	5,054	1	100%	3,106	3,106
Payment for capital assets	50	-	(30)	20	20	-	100%	48	46
5.6 Destination Marketing Organisation									
Current payment	-	-	1,000	1,000	1,000	-	100%	-	-
Transfers and subsidies	25,850	-	-	25,850	25,850	-	100%	20,032	20,032
TOTAL	62,205	-	4,619	66,824	66,800	24	100%	36,209	36,194

Economic Classification	2005/2006							2004/2005	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	5,555	-	(1,416)	4,139	4,126	13	99.7%	5,024	5,022
Goods and services	4,266	-	1,051	5,317	5,316	1	100%	7,326	7,315
Financial transactions in assets and liabilities	-	-	1	1	1	-	100%	-	-
Transfers and subsidies									
Provinces and municipalities	670	-	-	670	660	10	98.5%	1,223	1,223
Departmental agencies and accounts	35,850	-	5,660	41,510	41,510	-	100%	20,532	20,532
Universities and technikons	410	-	(110)	300	300	-	100%	150	150
Public corporations and private enterprises	500	-	480	980	980	-	100%	80	80
Non-profit institutions	14,904	-	(1,030)	13,874	13,874	-	100%	1,760	1,760
Payment for capital assets									
Machinery and equipment	50	-	(17)	33	33	-	100%	108	106
Software and other intangible assets	-	-	-	-	-	-	-	6	6
TOTAL	62,205	-	4,619	66,824	66,800	24	100%	36,209	36,194



DETAIL PER PROGRAMME 6 – iKapa elihHlumayo

for the year ended 31 March 2006

	2005/2006							2004/2005	
Programme per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 iKapa elihHlumayo									
Current payment	-	-	-	-	-	-	-	1,871	1,858
Transfers and subsidies	-	-	-	-	-	-	-	2,258	2,258
TOTAL	-	-	-	-	-	-	-	4,129	4,116

	2005/2006							2004/2005	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Goods and services	-	-	-	-	-	-	-	1,871	1,858
Transfers and subsidies									
Departmental agencies and accounts	-	-	-	-	-	-	-	500	500
Non-profit institutions	-	-	-	-	-	-	-	1,758	1,758
TOTAL	-	-	-	-	-	-	-	4,129	4,116

4.5 Notes to the Appropriation Statement

for the year ended 31 March 2006

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 Annexure 1 (E-O) to the Annual Financial Statements.

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.

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

4.1 Per Programme	Final Appropriation	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Programme 1 Administration	16,953	16,924	29	0.17%
	Saving due to implementation of MEDS strategy across the economic sectors and themes			
Programme 2 Economic Participation	34,106	34,085	21	0.06%
	Saving due to implementation of MEDS strategy across the economic sectors and themes			
Programme 3 Economic Stimulation	13,142	13,131	11	0.08%
	Saving due to implementation of MEDS strategy across the economic sectors and themes			
Programme 4 Fair Business Environment	11,380	11,066	314	2.76%
	Saving due to implementation of MEDS strategy across the economic sectors and themes			
Programme 5 Economic Sector Development	66,824	66,800	24	0.04%
	Saving due to implementation of MEDS strategy across the economic sectors and themes			



4.2

Per Economic classification	2005/2006	2004/2005
	R'000	R'000
Current payment:		
Compensation of employees	105	6
Goods and services	249	81
Transfers and subsidies:		
Provinces and municipalities	54	5
Payment for capital assets:		
Machinery and equipment	1	5
Software and other intangible assets	(10)	-

4.3 The Department has undergone changes to its structure during the 2005/2006 financial year and the following sub-programme comparatives has shifted to other programmes in 2005/2006:

4.3.1 Economic Development Co-ordination (Sub-programme 2.3) in 2004/2005 (R40 847) has now become Economic Participation (Programme 2) in 2005/2006 (R34 106).

Business Regulation (Sub-programme 2.1) in 2004/2005 (R9 804) and Tourism Regulation (R2 351) has now become Fair Business Environment (Programme 4) in 2005/2006 (R11 380)

Industry Development (Sub-programme 2.2) in 2004/2005 (R 8 419) has been accumulated into two programmes in 2005/2006 as follows:

- Foreign Trade in 2004/2005 (R509) was absorbed by Economic Stimulation (Programme 3) in 2005/2006 (R3 642)

The following sub-programmes in 2004/2005 have been aggregated to consolidate the comparative for Economic Sector Development (Programme 5) (R66 824) in 2005/2006:

- Sector Development in 2004/2005 (R7 910) was absorbed by Economic Sector Development in 2005/2006.
- Tourism Development (Sub-programme 3.1) in 2004/2005 (R8 267) has been shifted to Economic Sector Development in 2005/2006.
- The Tourism Board (Sub-programme 3.3) in 2004/2005 (R20 032) has been shifted to Economic Sector Development as the DMO in 2005/2006.

4.6 **Statement of Financial Performance**
for the year ended 31 March 2006

	Note	2005/2006 R'000	2004/2005 R'000
REVENUE			
Annual appropriation	1	142,405	126,536
Departmental revenue	2	628	2,257
TOTAL REVENUE		143,033	128,793
EXPENDITURE			
Current expenditure			
Compensation of employees	3	27,084	22,182
Goods and services	4	24,771	23,188
Financial transactions in assets and liabilities	5	22	47
Total current expenditure		51,877	45,417
Transfers and subsidies	6	89,554	79,495
Expenditure for capital assets			
Machinery and equipment	7	565	1500
Software and other intangible assets	7	10	27
Total expenditure for capital assets		575	1,527
TOTAL EXPENDITURE		142,006	126,439
SURPLUS/(DEFICIT)		1,027	2,354
SURPLUS/(DEFICIT) FOR THE YEAR		1,027	2,354

Reconciliation of Surplus/(Deficit) for the year			
Voted Funds	12	399	97
Departmental Revenue	13	628	2,257
SURPLUS/(DEFICIT) FOR THE YEAR		1,027	2,354



4.7 **Statement of Financial Position**
at 31 March 2006

	Note	2005/2006 R'000	2004/2005 R'000
ASSETS			
Current assets		559	346
Cash and cash equivalents	8	313	96
Prepayments and advances	9	19	20
Receivables	10	227	230
Non-current assets		142,000	142,000
Investments	11	142,000	142,000
TOTAL ASSETS		142,559	142,346
LIABILITIES			
Current liabilities		559	346
Voted funds to be surrendered to the Revenue Fund	12	399	97
Departmental revenue to be surrendered to the Revenue Fund	13	160	249
TOTAL LIABILITIES		559	346
NET ASSETS		142,000	142,000
Represented by:			
Capitalisation reserve		142,000	142,000
TOTAL		142,000	142,000

4.8	Statement Of Changes In Net Assets for the year ended 31 March 2006
------------	---

	Note	2005/2006	2004/2005
		R'000	R'000
Capitalisation Reserves			
Opening balance		142,000	-
Non-cash movement	11	-	142,000
Closing balance		142,000	142,000
TOTAL		142,000	142,000



4.9

Cash Flow Statement

for the year ended 31 March 2006

	Note	2005/2006	2004/2005
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		147,033	132,458
Annual appropriated funds received	1	142,405	126,536
Departmental revenue received		4,628	5,922
Net (increase)/decrease in working capital		4	1,300
Surrendered to Revenue Fund		(4,814)	(7,105)
Current payments		(51,877)	(45,417)
Transfers and subsidies paid		(89,554)	(79,495)
Net cash flow available from operating activities	14	792	1,741
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(575)	(1,527)
Proceeds from sale of capital assets	2	-	15
(Increase)/decrease in investment		(142,000)	-
Net cash flows from investing activities		(142,575)	(1,512)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase / (decrease) in net assets		142,000	-
Net cash flows from financing activities		142,000	-
Net increase/(decrease) in cash and cash equivalents		217	229
Cash and cash equivalents at the beginning of the period		96	(133)
Cash and cash equivalents at end of period	15	313	96

4.10 Notes to the Annual Financial Statements

for the year ended 31 March 2006

1. Annual Appropriation

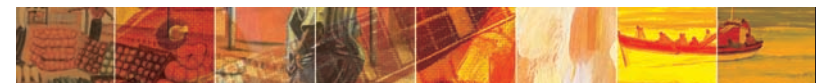
Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted funds) and Provincial Departments

Programme	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received 2004/2005
	R'000	R'000	R'000	R'000
Administration	16,953	16,953	-	10,798
Economic Participation	34,106	34,106	-	40,847
Economic Stimulation	13,142	13,142	-	22,398
Fair Business Environment	11,380	11,380	-	12,155
Economic Sector Development	66,824	66,824	-	36,209
iKapa elihHlumayo	-	-	-	4,129
TOTAL	142,405	142,405	-	126,536

2. Departmental revenue to be surrendered to revenue fund

Description (Specify material amounts separately)

	Note	2005/2006	2004/2005
		R'000	R'000
Tax revenue		4,297	3,781
Sales of goods and services other than capital assets	2.1	239	284
Interest, dividends and rent on land	2.2	2	2
Sales of capital assets	2.3	-	15
Financial transactions in assets and liabilities	2.4	90	1,855
Total revenue collected		4,628	5,937
Less: Departmental Revenue Budgeted	13	4,000	3,680
Departmental revenue collected		628	2,257



2.1 Sales of goods and services other than capital assets

	Note	2005/2006	2004/2005
		R'000	R'000
Sales of goods and services produced by the department		239	284
Administrative fees		234	279
Other sales		5	5
TOTAL		239	284

2.2 Interest, dividends and rent on land

	Note	2005/2006	2004/2005
		R'000	R'000
Interest		2	2
TOTAL		2	2

2.3 Sale of capital assets

	Note	2005/2006	2004/2005
		R'000	R'000
Other capital assets		-	15
TOTAL		-	15

2.4 Financial transactions in assets and liabilities

Nature of loss recovered

	Note	2005/2006	2004/2005
		R'000	R'000
Other Receipts including Recoverable Revenue		90	1,855
TOTAL		90	1,855

3. Compensation of employees

3.1 Salaries and Wages

	Note	2005/2006 R'000	2004/2005 R'000
Basic salary		18,987	15,985
Performance award		367	338
Service Based		33	29
Compensative/circumstantial		290	249
Periodic payments		606	391
Other non-pensionable allowances		4,349	2,613
TOTAL		24,632	19,605

3.2 Social contributions

3.2.1 Employer contributions

	Note	R'000	R'000
Pension		1,705	1,887
Medical		743	639
Bargaining council		4	51
TOTAL		2,452	2,577
Total compensation of employees		27,084	22,182
Average number of employees		161	121



4. Goods and services

	Note	2005/2006	2004/2005
		R'000	R'000
Advertising		1,833	1,592
Attendance fees (including registration fees)		119	48
Bank charges and card fees		58	56
Bursaries (employees)		136	72
Communication		269	1,763
Computer services		295	13
Consultants, contractors and special services		12,703	12,210
Courier and delivery services		9	9
Entertainment		310	314
External audit fees	4.1	854	434
Equipment less than R5000		509	426
Inventory	4.2	806	881
Legal fees		58	522
Maintenance, repairs and running cost		120	1
Medical Services		1	-
Operating leases		2,374	2,047
Photographic services		82	19
Plant flowers and other decorations		35	32
Printing and publications		738	654
Professional bodies and membership fees		3	1
Resettlement cost		53	61
Subscriptions		48	32
Storage of furniture		7	-
Owned leasehold property expenditure		2	-
Translations and transcriptions		138	21
Transport provided as part of the departmental activities		39	-
Travel and subsistence	4.3	2,189	1,619
Venues and facilities		789	285
Training & staff development		194	76
TOTAL		24,771	23,188

4.1 External audit fees

	Note	2005/2006	2004/2005
		R'000	R'000
Regulatory audits		854	434
TOTAL EXTERNAL AUDIT FEES		854	434

4.2 Inventory

	Note	2005/2006	2004/2005
		R'000	R'000
Domestic consumables		4	-
Parts and other maintenance material		44	15
Stationery and printing		757	866
Medical supplies		1	-
TOTAL		806	881

4.3 Travel and subsistence

	Note	2005/2006	2004/2005
		R'000	R'000
Local		1,729	1,449
Foreign		460	170
TOTAL TRAVEL AND SUBSISTENCE		2,189	1,619



5. Financial transactions in assets and liabilities

	Note	2005/2006	2004/2005
		R'000	R'00
Other material losses written off	5.1	20	19
Theft	5.2	2	28
TOTAL		22	47

5.1 Other material losses

	Note	2005/2006	2004/2005
		R'000	R'00
Nature of losses			
Vehicle damage		16	19
Stamp duty		4	-
TOTAL		20	19

5.2 Detail of Theft

	Note	2005/2006	2004/2005
		R'000	R'00
Office equipment		2	28
TOTAL		2	28

6. Transfers and Subsidies

	Note	2005/2006	2004/2005
		R'000	R'000
Municipalities	Annex 1E	1,918	2,565
Departmental agencies and accounts	Annex 1G	51,010	52,232
Universities and Technikons	Annex 1H	300	550
Public corporations and private enterprises	Annex 1I	20,880	17,330
Non-profit institutions	Annex 1K	15,296	6,818
Gifts, donations and sponsorships made and remissions, refunds and payments made as an act of grace	Annexure 1O	150	-
TOTAL		89,554	79,495

7. Expenditure for capital assets

	Note	2005/2006	2004/2005
		R'000	R'000
Machinery and equipment	Annex 4	565	1,500
Software and other intangible assets	Annex 5	10	27
TOTAL		575	1,527

8. Cash and cash equivalents

	Note	2005/2006	2004/2005
		R'000	R'000
Consolidated Paymaster General Account		(1,106)	(510)
Cash on hand		2	2
Cash with commercial banks		1,417	604
TOTAL		313	96

9. Prepayments and advances

	Note	2005/2006	2004/2005
		R'000	R'000
Description			
Travel and subsistence		19	20
TOTAL		19	20

10. Receivables

					2005/2006	2004/2005
					R'000	R'000
	Note	Less than one year	One to three years	Older than three years	Total	Total
Staff debt	10.1	(6)	11	5	10	46
Other Debtors	10.2	82	-	-	82	17
Claims recoverable	Annex 6	135	-	-	135	167
TOTAL		211	11	5	227	230



10.1 Staff Debt

	Note	2005/2006	2004/2005
		R'000	R'000
Private Telephone calls		-	10
Departmental Debt		16	36
Disallowance Control account		-	23
Other		(6)	(23)
TOTAL		10	46

10.2 Other debtors

	Note	2005/2006	2004/2005
		R'000	R'000
Disallowance Damages and Losses		61	17
Sal Income Tax		21	-
TOTAL		82	17

11. Investments

	Note	2005/2006	2004/2005
		R'000	R'000
Non-Current			
Shares and other equity			
Cape Town International Convention Centre		142,000	142,000
TOTAL NON-CURRENT		142,000	142,000
Analysis of non current investments			
Opening balance		142,000	-
Non-cash movement		-	142,000
Closing balance		142,000	142,000
Footnote: This strategic investment by the Department of Economic Development and Tourism was made with the long term view of improving the socio-economic environment of the Western Cape Province. This in turn is expected to result in increased future economic benefits to the region. Refer to paragraph 15.3 of the Report of the Accounting Officer which details the issue of the potential impairment of the Cape Town International Convention Centre.			

12. Voted funds to be surrendered to the Revenue Fund

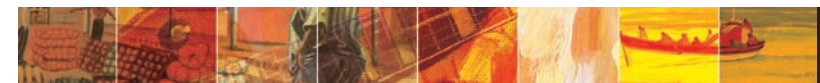
	Note	2005/2006	2004/2005
		R'000	R'000
Opening balance		97	1,244
Transfer from Statement of Financial Performance		399	97
Paid during the year		(97)	(1,244)
Closing balance		399	97

13. Departmental revenue to be surrendered to the Revenue Fund

	Note	2005/2006	2004/2005
		R'000	R'000
Opening balance		249	173
Transfer from Statement of Financial Performance		628	2,257
Departmental revenue budgeted	2	4,000	3,680
Paid during the year		(4,717)	(5,861)
Closing balance		160	249

14. Net cash flow available from operating activities

	Note	2005/2006	2004/2005
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		1,027	2,354
(Increase)/decrease in receivables – current		3	1,373
(Increase)/decrease in prepayments and advances		1	(20)
Increase/(decrease) in payables – current		-	(53)
Proceeds from sale of capital assets		-	(15)
Surrenders to Revenue Fund		(4,814)	(7,105)
Expenditure on capital assets		575	1,527
Departmental Revenue Budgeted		4,000	3,680
Net cash flow generated by operating activities		792	1,741



15. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2005/2006	2004/2005
		R'000	R'000
Consolidated Paymaster General account		(1,106)	(510)
Cash on hand		2	2
Cash with commercial banks		1,417	604
TOTAL		313	96

4.11
Disclosure Notes To The Annual Financial Statements

for the year ended 31 March 2006

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

16. Contingent liabilities

		Note	2005/2006	2004/2005
			R'000	R'000
Liable to	Nature			
Motor vehicle guarantees	Employees	Annex 3A	-	66
Housing loan guarantees	Employees	Annex 3A	110	180
Other departments (interdepartmental unconfirmed balances)		Annex 7	314	281
TOTAL			424	527

17. Commitments

	Note	2005/2006	2004/2005
		R'000	R'000
Current expenditure			
Approved and contracted		2,809	174
Approved but not yet contracted		-	4
		2,809	178
Capital expenditure			
Approved and contracted		22	162
		22	162
TOTAL COMMITMENTS		2,831	340



18. Accruals

Listed by economic classification	30 Days	30+ Days	2005/2006	2004/2005
			R'000	R'000
			Total	Total
Goods and services	313	254	567	63
Machinery and equipment	9	31	40	10
Software and other intangible assets	-	-	-	9
TOTAL	322	285	607	82
Listed by programme level				
Programme 1			158	22
Programme 2			215	28
Programme 3			38	32
Programme 4			110	-
Programme 5			86	-
TOTAL			607	82
Confirmed balances with other departments				
		Annex 7	11	3
TOTAL			11	3

19. Employee benefits

	2005/2006	2004/2005
	R'000	R'000
Leave entitlement	1,074	1,099
Thirteenth cheque	641	538
Performance awards	628	308
Capped leave commitments	741	828
TOTAL	3,084	2,773
Footnote: Persal Report 7.6.12 was utilised for the comparative figures for the "Performance Awards". For the current financial year, provision was made by utilising the 1.5% of the budgeted amount for compensation of employees less SMS members' salaries.		

20. Lease Commitments

Operating leases	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	2005/2006 Total R'000	2004/2005 Total R'000
Not later than 1 year	-	-	483	483	459
Later than 1 year and not later than 5 years	-	-	817	817	995
TOTAL PRESENT VALUE OF LEASE LIABILITIES	-	-	1,300	1,300	1,454

21. Receivables for departmental revenue

	2005/2006	2004/2005
	R'000	R'000
Liquor License income	52	-
TOTAL	52	-

22. Key management personnel

	No. of Individuals	2005/2006	2004/2005
		R'000	R'000
Political office bearers (provide detail below)	1	-	414
Officials			
Level 15 to 16	1	640	1,049
Level 14	3	1,406	728
TOTAL		2,046	2,191



4.12
Annexures to the Annual Financial Statements

for the year ended 31 March 2006

ANNEXURE 1E
STATEMENT OF TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	TRANSFER ALLOCATION				TRANSFER		SPENT			2004/2005
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Cape Winelands District Municipality	200	-	-	200	200	100%	-	-	-	470
Central Karoo District Municipality	450	-	-	450	450	100%	-	-	-	560
City of Cape Town	200	-	-	200	200	100%	-	-	-	200
Eden District Municipality	200	-	-	200	200	100%	-	-	-	380
Overberg District Municipality	300	-	-	300	300	100%	-	-	-	480
West Coast District Municipality	500	-	-	500	500	100%	-	-	-	420
RSCL: Cape Metropolitan	68	-	-	68	68	100%	-	-	-	41
TOTAL	1,918	-	-	1,918	1,918		-	-	-	2,551

ANNEXURE 1G

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2004/2005
	Adjusted Appropriation Act	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
WESGRO	18,800	-	5,700	24,500	24,500	100%	31,700
Western Cape Tourism Board	26,510	-	-	26,510	26,510	100%	20,532
TOTAL	45,310	-	5,700	51,010	51,010		52,232

ANNEXURE 1H

STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

UNIVERSITY/ TECHNIKON	TRANSFER ALLOCATION				TRANSFER			2004/2005
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Cape Peninsula University of Technology	300	-	-	300	300	-	100%	350
University of Stellenbosch	-	-	-	-	-	-	-	200
TOTAL	300	-	-	300	300	-		550



ANNEXURE 1I

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2004/2005
	Adjusted Appropriation Act	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									
Airports Company SA	400	-	500	900	900	100%	-	-	80
CASIDRA (Pty) Ltd	15,380	-	1,600	16,980	16,980	100%	-	-	11,700
Council Science and Industry Research (CSIR)	-	-	2,000	2,000	2,000	100%	-	-	5,550
TOTAL	15,780	-	4,100	19,880	19,880		-	-	17,330
Private Enterprises									
Western Cape Business Opportunities Forum (WECBOF)	-	-	400	400	400	100%	-	-	-
Old Mutual Asset management (OMAM)	-	-	600	600	600	100%	-	-	-
TOTAL	-	-	1,000	1,000	1,000		-	-	-
TOTAL	15,780		5,100	20,880	20,880		-	-	17,330

ANNEXURE 1K

STATEMENT OF TRANSFERS TO NON-PROFIT ORGANISATIONS

NON-PROFIT ORGANISATIONS	TRANSFER ALLOCATION				EXPENDITURE		2004/2005
	Adjusted Appropriation Act	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	99	-	-	99	99	100%	90
Business Beat	-	-	-	-	-	-	90
Cape Africa Platform	-	-	-	-	-	-	100
Cape Africa Platform	-	-	500	500	500	100%	150
Cape Craft and Design Institute	-	-	-	-	-	-	250
Cape Craft and Design Institute	250	-	100	350	350	100%	180
Cape Film and TV Initiative	400	-	-	400	400	100%	400
Cape Film Commission Development Fund	2,500	-	-	2,500	2,500	100%	250
CAPEMAC	-	-	-	-	-	-	1,600
Cape Oil and Gas Supply Initiative	1,500	-	-	1,500	1,500	100%	200
Library Business Corners	250	-	-	250	250	100%	300
National SMME Fishing Forum	-	-	-	-	-	-	200
South African Labour Research Institute	-	-	-	-	-	-	600
South African Tourism Services Association	350	-	-	350	350	100%	270
South African National Parks	250	-	-	250	250	100%	250
South Cape Business Centre	300	-	-	300	300	100%	210
The Business Place	-	-	-	-	-	-	1,200
The Cape Town Peace Plan	-	-	-	-	-	-	178



NON-PROFIT ORGANISATIONS	TRANSFER ALLOCATION				EXPENDITURE		2004/2005
	Adjusted Appropriation Act	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
Tooling Association of South Africa	-	-	-	-	-	-	200
West Coast Business Development	-	-	-	-	-	-	100
Meerkat	100	-	-	100	100	100%	-
Calling the Cape	1,000	-	250	1,250	1,250	100%	-
Cape Clothing Cluster	-	-	1,039	1,039	1,039	100%	-
Cape Flats Development Association	70	-	-	70	70	100%	-
Cape Information and Technology Initiative (CITI)	1,000	-	-	1,000	1,000	100%	-
Cape Tooling Initiative	-	-	500	500	500	100%	-
Cape Town Boatbuilding and Technology Initiative	250	-	-	250	250	100%	-
Clotex	-	-	875	875	875	100%	-
District Six Museum Foundation	500	-	-	500	500	100%	-
FASfacts	600	-	-	600	600	100%	-
Furntech	250	-	-	250	250	100%	-
Grootbos Green Futures Foundation	70	-	-	70	70	100%	-
Lwandle Migrant Museum	80	-	-	80	80	100%	-
Overberg Regional Tourism Organisation	50	-	-	50	50	100%	-
Robben Island Museum	80	-	-	80	80	100%	-
Saldanha Bay Tourism Organisation	-	-	100	100	100	100%	-
South African Labour Research Institute (SALRI)	600	-	-	600	600	100%	-
South African Mariculture Institute	-	-	400	400	400	100%	-

NON-PROFIT ORGANISATIONS	TRANSFER ALLOCATION				EXPENDITURE		2004/2005
	Adjusted Appropriation Act	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
The Business Place eKapa	500	-	-	500	500	100%	-
Western Cape Nature Conservation Board	150	-	-	150	150	100%	-
Wine Industry Ethical Trading Association (WIETA)	72	-	-	72	72	100%	-
CPUT	261	-	-	261	261	100%	-
TOTAL	11,532	-	3,764	15,296	15,296		6,818

ANNEXURE 10

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2006

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation).	2005/2006	2004/2005
	R'000	R'000
Department of the Premier (Mali project – Timbuktu)	50	-
The Micro Enterprise Network of NGO's (MENGOS)	100	-
TOTAL	150	-



ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 01 April 2005	Guarantees issued during the year	Guarantees released/paid/cancelled/reduced during the year	Guaranteed interest for year ended 31 March 2006	Closing balance 31 March 2006	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles							
Stannic		90	66	-	66	-	-	-
TOTAL		90	66	-	66	-	-	-
	Housing							
ABSA		87	87	-	-	-	87	-
Nedbank Limited		93	93	-	70	-	23	-
TOTAL		180	180	-	70	-	110	-
TOTAL		270	246	-	136	-	110	-

ANNEXURE 4

CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	2,792	565	(30)	3,327
Transport assets	1,139	-	-	1,139
Computer equipment	956	330	-	1,286
Furniture and office equipment	595	113	(25)	683
Other machinery and equipment	102	122	(5)	219
TOTAL CAPITAL ASSETS	2,792	565	(30)	3,327
Footnote: Adjustments were made to the opening balance of assets during the year. Assets transferred to the department on establishment, with estimated values, were downwards adjusted to R1.				

ANNEXURE 4.1

ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash	In-Kind	Total
	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	565	-	565
Computer equipment	330	-	330
Furniture and office equipment	113	-	113
Other machinery and equipment	122	-	122
TOTAL CAPITAL ASSETS	565	-	565



ANNEXURE 4.2

DISPOSALS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Carrying Amount	Cash	Profit/(loss) on Disposal
	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	30	-	(30)
Furniture and office equipment	25	-	(25)
Other machinery and equipment	5	-	(5)
TOTAL CAPITAL ASSETS	30	-	(30)

ANNEXURE 4.3

CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005

	Additions	Disposals	Total Movement
	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	1,500	(413)	1,087
Transport assets	529	(398)	131
Computer equipment	706	(8)	698
Furniture and office equipment	265	(7)	258
TOTAL CAPITAL ASSETS	1,500	(413)	1,087

ANNEXURE 5

SOFTWARE AND OTHER INTANGIBLE ASSETS MOVEMENT SCHEDULE AS AT 31 March 2006

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer Software	27	10	-	37
TOTAL	27	10	-	37

ANNEXURE 5.1

ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash	In-Kind	Total
	R'000	R'000	R'000
Computer Software	10	-	10
TOTAL	10	-	10

ANNEXURE 5.3

CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005

	Additions	Disposals	Total Movement
	R'000	R'000	R'000
Computer Software	27	-	27
TOTAL	27	-	27



ANNEXURE 6

INTER-GOVERNMENT RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Local Government and Housing	-	-	4	-	4	-
Cultural Affairs and Sport	-	-	122	-	122	-
Free State Health	-	-	9	-	9	-
City of Cape Town	-	-	-	37	-	37
Housing	-	-	-	76	-	76
Land Affairs	-	-	-	14	-	14
Education	-	-	-	1	-	1
Sub Total	-	-	135	128	135	128
Other Government Entities						
Cape Film Commission	-	-	-	39	-	39
Sub Total	-	-	-	39	-	39
TOTAL	-	-	135	167	135	167

ANNEXURE 7

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Transport and Public Works	-	-	237	262	237	262
Justice and Constitutional Development	-	-	6	17	6	17
Local Government and Housing	11	-	-	-	11	-
Provincial Treasury	-	-	-	2	-	2
Provincial Parliament	-	3	-	-	-	3
Tourism, Environment and Economic Affairs	-	-	71	-	71	-
TOTAL	11	3	314	281	325	284





PART 5: HUMAN RESOURCE MANAGEMENT

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Recognition for Department: The Department received a certificate from MEC Tasneem Essop, during the opening of the Learning Cape Festival (LCF) on 02 August 2005. The certificate was presented to Romeo Adams (Director: HRM and Support Services). The certificate is an acknowledgement of an internship programme within the department and it also demonstrates the Department's commitment to making an impact in terms of addressing unemployment and building skills in the country. The Department has been participating in an Internship Programme since 2002. The programme was expanded to include the accommodation of interns throughout the year and also provides unemployed graduates with work-based experience.



▲ **Interns:** The Department supported the training programme of 17 interns during 2005/2006.



▲ **Going all out:** Neo Raphale (Supply Chain Management) is seen in action during the soccer match against Social Services and Poverty Alleviation at the Provincial Sports Day on 15 November 2005.



▲ **Supporters:** From left: Nazley du Toit (Supply Chain Management), Ebrahim Hardy (Finance), Leonora Hess (Finance) and Linah Maqashu (Tourist Guide Registration) supporting the soccer team during the Provincial Sports Day.



The move: Economic Participation and Economic Stimulation moved to the Southern Life Building during 2005/2006. The Department had to pack up and get used to living in different spaces. Thandi Mzizi (Economic Stimulation) is preparing for the move.

5.1 SERVICE DELIVERY

The Department has established its Service Delivery Improvement Programme, and is in the process of developing service standards. Departmental units interacting with the public on a daily basis were targeted during this financial year to develop service standards that were measurable and realistic.

The following tables reflect the service standards that have been drafted to date. It should be noted that official service standards will be published at a later stage in the Departmental Service Delivery Charter.



Table 1.1 – Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Consumer complaints	The public	To be determined.	We will respond to all complaints from consumers within 48 hours, whereupon we will notify the consumers of the steps we will take to follow up their complaints.	To be determined.
Liquor regulation: licensing	All liquor licence applicants in the Western Cape	To be determined.	We will respond with a decision within 90 days of receipt to 75% of liquor licence applications.	To be determined.
Liquor regulation: administration	All liquor licence applicants in the Western Cape	To be determined.	We will ensure that a written progress report is sent out to all liquor licence applicants within a week.	To be determined.
	All liquor licence holders	To be determined.	We will ensure that all licence holders receive their original Form 22s within the first 2 weeks of October each year.	To be determined.
Liquor regulation: inspectorate	All licensed liquor traders in the Western Cape	To be determined.	We will inspect all liquor outlets on a bi-annual basis to check whether they comply with their licence conditions.	To be determined.
	The public	To be determined.	We will record and respond in writing or telephonically to all liquor licensing complaints within 30 working days.	To be determined.
Tourist guide registration	All qualified tourist guides	To be determined.	All qualified tourist guides in the Western Cape will be provided with a name badge and card within 7 days of registration.	To be determined.
	Registered tourist guides	To be determined.	We will train and register 70 new tourist guides from previously disadvantaged backgrounds across the Province within this financial year.	To be determined.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Tourism Enterprise Development	Previously Disadvantaged Tourist SMMEs	To be determined.	We will refer all enquiries for Tourist SMMEs support from previously disadvantaged individuals in the Province to the relevant regional Tourism Entrepreneurial support agent (THDs) for further development and support, within 14 days of receiving such an enquiry.	To be determined.
Economic Sector Development: RED Door Initiative	The public	To be determined.	100 enterprises and potential enterprises will have access to the financial and non-financial support and technical skills at each of the identified delivery sites in the Province (i.e. RED Door offices).	To be determined.
Economic Sector Development: Special Purpose Vehicles	The public	To be determined.	Funding and support for all official SPVs within the Province will be made available on an annual basis to stimulate economic growth in the sectors.	To be determined.

Table 1.2 – Consultation arrangements with customers

Once the Service Delivery Charter encompassing all relevant service standards has been published and distributed for public consumption, a Customer Satisfaction Survey is planned to evaluate the Department's progress against set service standards.

Table 1.3 – Service delivery access strategy

An evaluation report based on the outcomes of the Customer Satisfaction Survey will inform the Department on how best to improve access to certain services offered to the public. Strategies will be devised based on customer inputs/recommendations to better affect the SDIP of the Department.

Table 1.4 – Service information tool

It is envisaged that a Customer Satisfaction Survey as well as a Citizen's Report will be utilised to gear up for improved service delivery.

Table 1.5 – Complaints mechanism

Complaints mechanisms, such as call centres and helpdesks, will have to be explored, based on the findings of the SDIP. Adherence to set service standards will be monitored and evaluated in relation to the complaints received.



5.2 EXPENDITURE

The following tables summarise final audited expenditure by programme (Table 2.1) and by salary bands (Table 2.2). In particular, they provide an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the Department.

Table 2.1 – Personnel costs by programme, 2005/2006

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
Administration	16,924	9,298	296	3,313	54.93%	115
Economic Participation	34,085	6,998	4	2,979	20.53%	226
Economic Stimulation	13,131	949	0	1,514	7.23%	237
Fair Business Environment	11,066	5,713	29	2,709	51.63%	173
Economic Sector Development	66,800	4,126	0	3,041	6.18%	142
TOTAL	142,006	27,084	329	13,556	19.07%	152

Table 2.2 – Personnel costs by salary bands, 2005/2006

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Salary bands	79	0.28%	39.5
Lower skilled (Levels 1 - 2)	2,869	10.22%	53
Highly skilled production (Levels 6 - 8)	5,551	19.78%	94
Highly skilled supervision (Levels 9 - 12)	14,342	51.10%	202
Senior Management (Levels 13 - 16)	4,633	16.5%	38.6
Periodical Payments	592	2.10%	21.14
TOTAL	28,066	100%	448,24

The following tables provide a summary per programme (Table 2.3) and salary bands (Table 2.4), of expenditure incurred as a result of salaries, overtime, homeowners' allowances and medical assistance. In each case, the table gives an indication of the percentage of the personnel budget that was used for these items.

Table 2.3 – Salaries, Overtime, Home Owners Allowances and Medical Assistance by programme, 2005/2006

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
Administration	6,950	24.8%	30	0.1%	151	0.54%	334	1.2%
Economic Participation	5,036	18%	0	0%	60	0.21%	165	0.6%
Economic Stimulation	654	2.3%	0	0%	67	0.24%	13	0.05%
Fair Business Environment	3,822	13.6%	0	0%	58	0.20%	183	0.65%
Economic Sector Development	3,022	10.8%	0	0%	74	0.26%	67	0.24%
TOTAL	19,484	69.4%	30	0.11%	409	1.4%	755	2.7%



Table 2.4 – Salaries, Overtime, Home Owners Allowances and Medical Assistance by salary bands, 2005/2006

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
Lower skilled (Levels 1 - 2)	50	0.18%	0	0%	0	0%	0	0%
Skilled (Levels 3 - 5)	2,144	163.5%	1	0.004%	18	0.06%	99	0.35%
Highly skilled production (Levels 6 - 8)	4,172	14.9%	11	0.05%	70	0.25%	212	0.76%
Highly skilled supervision (Levels 9 - 12)	10,447	37.2%	17	0.08%	66	0.24%	319	1.14%
Senior Management (Levels 13 - 16)	2,672	9.5%	0	0%	255	0.91%	125	0.45%
TOTAL	19,484	69.4%	29	0.14%	409	1.4%	755	2.7%

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 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Departments have identified critical occupations that need to be monitored. Table 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 3.1 – Employment and vacancies by programme, 31 March 2006

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Economic Participation	34	14	58.8%	12
Economic Sector Development	50	22	56%	5
Fair Business Environment	32	20	37.5%	5
Corporate Affairs	87	48	44.8%	5
TOTAL	203	105	48.27%	27

Table 3.2 – Employment and vacancies by salary bands, 31 March 2006

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1 – 2)	2	2	0	0
Skilled (Levels 3 – 5)	40	25	37.5%	11
Highly skilled production (Levels 6 – 8)	74	35	52.7%	5
Highly skilled supervision (Levels 9 – 12)	73	35	52%	11
Senior Management (Levels 13 – 16)	14	8	42.8%	0
TOTAL	203	105	48.27%	27



Table 3.3 – Employment and vacancies by critical occupation, 31 March 2006

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Communications	1	1	0%	0
Sector Specialists	10	5	50%	0
Senior Management	14	8	42.8%	0
TOTAL	25	14	44%	0

The information in each case reflects the situation as at 31 March 2006. For an indication of changes in staffing patterns over the year under review, please refer to section 5 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 their 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 the Public Service and Administration that all Senior Management Service (SMS) jobs must be evaluated before 31 December 2002. The following table (Table 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 4.1 – Job Evaluation, 01 April 2005 to 31 March 2006

Salary band	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)	2	2	100%	2	100	0	0%
Skilled (Levels 3 - 5)	40	16	40%	0			
Highly skilled production (Levels 6 - 8)	74	28	38%	0	0	1	4%
Highly skilled supervision (Levels 9 - 12)	73	25	34%	1	4	0	0%
Senior Management Service Band A	10	8	80%	0	0	0	0%
Senior Management Service Band B	3	2	66.67%	0	0	0	0%
Senior Management Service Band C	1	0	0%	0	0	0	0%
Senior Management Service Band D	0	0	0%	0	0	0	0%
TOTAL	203	81	40%	3	3.7	1	1.23%

The following table provides a summary of the number of employees whose salary positions were upgraded owing 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 upgraded posts could be vacant.

Table 4.2 – Profile of employees whose salary positions were upgraded owing to their posts being upgraded, 01 April 2005 to 31 March 2006

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	3	1	4
Male	0	0	2	0	
TOTAL	0	0	5	1	0
Employees with disabilities					0

The following table summarises the number of cases in which remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

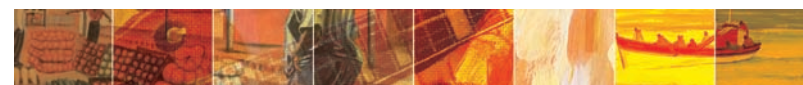
Table 4.3 – Employees whose salary level exceeds the grade determined by job evaluation, 01 April 2005 to 31 March 2006 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Highly skilled production (Levels 6 – 8)	3	4, 7	6, 8	Transferred from other departments with retention of salary levels and re-evaluation of posts as a result of restructuring.
Highly skilled supervision (Levels 9 – 12)	1	9	10	Transferred with retention of salary level
Total number of employees whose salaries exceeded the level determined by job evaluation in 2004/2005				4
Percentage of total employment				2%

Table 4.4 summarises the beneficiaries of the above in terms of race, gender and disability.

Table 4.4 – Profile of employees whose salary levels exceed the grade determined by job evaluation, 01 April 2005 to 31 March 2006 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	0	2	0	3
Male	0	0	1	0	1
TOTAL	1	0	3	0	4



5.5 EMPLOYMENT CHANGES

This section provides 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 5.1) and by critical occupations (Table 5.2). (These “critical occupations” should be the same as those listed in Table 3.3).

Table 5.1 – Annual turnover rates by salary band for the period 01 April 2005 to 31 March 2006

Beneficiaries	African	Asian	Coloured	White
Lower skilled (Levels 1 - 2)	2	1	0	0%
Skilled (Levels 3 - 5)	44	11	62	88.7%
Highly skilled production (Levels 6 - 8)	52	3	29	52.7%
Highly skilled supervision (Levels 9 - 12)	58	1	55	93.2%
Senior Management Service Band A	5	0	2	40%
Senior Management Service Band B	2	0	0	50%
Senior Management Service Band C	1	0	0	0%
Senior Management Service Band D	0	0	0	0%
Other (Periodicals)	0	0	5	0%
TOTAL	164	16	153	85%

Table 5.2 – Annual turnover rates by critical occupation for the period 01 April 2005 to 31 March 2006

Occupation:	Number of employees per occupation as on 01 April 2005	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	10	0	2	20%
TOTAL	21	1	3	13.6%

Table 5.3 identifies the major reasons that staff left the Department.

Table 5.3 – Reasons that staff are leaving the Department

Termination Type	Number	% of total
Death	0	0%
Resignation	14	9.4%
Expiry of contract	134	93%
Dismissal – operational changes	0	0%
Dismissal – misconduct	0	0%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	1	0.6%
Transfers to other Public Service Departments	4	100%
Other	0	0%
TOTAL	153	100%
Total number of employees who left as a % of the total employment		93%

Table 5.4 – Promotions by critical occupation

Occupation	Employees as at 01 April 2005	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 Officers	0	0	0%	0	0%
Sector Specialists	0	0	0%	0	0%
Senior Management	0	0	0%	0	0%
TOTAL	0	0	0%	0	0%



Table 5.5 – Promotions by salary band

Salary Band	Employees 01 April 2005	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 band
Lower skilled (Levels 1 - 2)	2	0	0%	1	50%
Skilled (Levels 3 - 5)	44	0	0%	8	18%
Highly skilled production (Levels 6 - 8)	52	2	3.8%	19	36.5%
Highly skilled supervision (Levels 9 - 12)	58	1	1.7%	14	24%
Senior management (Levels 13 - 16)	8	0	0%	0	0%
TOTAL	164	3	1.8%	42	25.6%

5.6 EMPLOYMENT EQUITY

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

Table 6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2006

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	2	0	1	1	2	0	1	7
Professionals	0	2	0	0	0	1	0	1	4
Technicians and associate professionals	14	30	0	3	14	36	1	15	113
Clerks	4	4	0	0	8	22	0	1	39
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	18	38	0	4	23	61	1	18	164

Employees with disabilities	1	0	0	0	0	0	0	0	1
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Table 6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2006

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	1	1	2	0	0	6
Professionally qualified and experienced specialists and middle management	7	14	0	3	10	16	0	8	58
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	4	12	0	0	3	24	1	8	52
Semi-skilled and discretionary decision-making	6	10	0	0	9	18	0	1	44
Unskilled and defined decision-making	1	0	0	0	0	1	0	0	2
TOTAL	18	39	0	4	23	61	1	18	164

Table 6.3 – Recruitment for the period 01 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	1	0	0	2
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and middle management	4	6	0	1	7	11	0	3	32
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	4	4	0	0	1	9	0	2	20
Semi-skilled and discretionary decision-making	8	9	0	0	10	13	0	1	41
Unskilled and defined decision-making	1	0	0	0	0	0	0	0	1
TOTAL	17	19	0	1	19	34	0	6	95

Employees with disabilities	0	0	0	0	0	0	0	0	0
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Table 6.4 – Promotions for the period 01 April 2005 to 31 March 2006

Occupational Bands	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
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 middle management	0	1	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	0	2	0	0	2
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	1	0	0	0	2	0	0	3
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 6.5 – Terminations for the period 01 April 2005 to 31 March 2006

Occupational Bands	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	3	1	0	2	1	0	0	0	7
Professionally qualified and experienced specialists and middle management	6	9	0	1	17	14	0	5	52
Skilled technical and academically qualified workers, junior management, supervisors, foremen and sperintendents	10	4	0	0	4	7	0	3	28
Semi-skilled and discretionary decision-making	9	13	0	0	12	25	0	3	62
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0
TOTAL	28	27	0	3	34	46	0	11	149
Employees with disabilities	0	0	0	0	0	0	0	0	0



Table 6.6 – Disciplinary action for the period 01 April 2005 to 31 March 2006

	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Disciplinary action	0	0	0	0	0	0	0	0	0

Table 6.7 – Skills development for the period 01 April 2005 to 31 March 2006

Occupational categories	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Legislators, senior officials and managers	0	0	0	0	1	1	0	0	2
Professionals	0	10	0	0	0	1	0	0	11
Technicians and associate professionals	11	35	0	6	29	111	5	44	241
Clerks	52	59	0	0	53	153	3	12	332
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	63	105	0	6	83	266	8	56	587
Employees with disabilities	1	0	0	0	0	0	0	0	1

5.7 PERFORMANCE REWARDS

To encourage good performance, the Department granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 7.1), salary bands (Table 7.2) and critical occupations (Table 7.3).

Table 7.1 – Performance Rewards by race, gender, and disability, 01 April 2005 to 31 March 2006

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost	Average cost per employee
African	6	41	14.6%	26,204.05	4,367.34
Male	2	18	11%	17,995.91	8,997.96
Female	4	23	17.4%	8,208.14	2,052.04
Indian	1	1	100%	5,018.76	5,018.76
Male	0	0	0%	0	0
Female	1	1	100%	5,018.76	5,018.76
Coloured	39	100	39%	239,368.71	6,137.66
Male	14	39	35.9%	103,350.79	7,382.20
Female	25	61	41%	136,017.92	5,440.72
White	7	22	31.8%	96,243.03	13,749.00
Male	1	4	25%	8,726.40	8,726.40
Female	6	18	33.3%	87,516.63	14,486.11
TOTAL	53	164	32.3%	366,834.55	23,212.51
Employees with a disability	1	0	0%	0	0



Table 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service level, 01 April 2005 to 31 March 2006

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1 - 2)	1	2	50%	1,467.32	1,467.32	1.8
Skilled (Levels 3 - 5)	8	44	18,2%	19,394.79	2,424.35	0.7
Highly skilled production (Levels 6 - 8)	18	52	34.6%	79,147.44	4,397.08	1.4
Highly skilled supervision (Levels 9 - 12)	24	58	41.4%	191,017.76	7,959.07	1.5
TOTAL	51	156	32.7%	291,027.31	5,706.42	1.4

Table 7.3 – Performance Rewards by critical occupations, 01 April 2005 to 31 March 2006

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost	Average cost per employee
Communication Officer	1	1	100%	8,726.40	8,726.40
Senior Management Services	2	8	25%	75,807.24	36,903.62
TOTAL	3	9	33.3%	84,533.64	28,177.88

Table 7.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service levels

Salary Band	Beneficiary Profile			Total Cost	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	1	4	25%	18,125.88	18,125.88	0.9%
Band B	0	2	0%	0	0	0%
Band C	1	2	50%	57,681.36	57,681.36	3.9%
Band D	0	0	0%	0	0	0%
TOTAL	2	8	25%	75,807.24	37,901.20	0.3%

5.8 FOREIGN WORKERS

The tables below summarise the employment of foreign nationals in the Department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

Table 8.1 – Foreign Workers, 01 April 2005 to 31 March 2006, by salary band

Salary Band	01 April 2005		31 March 2006		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1 - 2)	0	0%	0	0%	0	0%
Skilled (Levels 3 - 5)	0	0%	0	0%	0	0%
Highly skilled production (Levels 6 - 8)	0	0%	0	0%	0	0%
Highly skilled supervision (Levels 9 - 12)	0	0%	1	100%	1	100%
Senior management (Levels 13 - 16)	0	0%	0	0%	0	0%
TOTAL	0	0%	1	0%	1	100%

Table 8.2 – Foreign Workers, 01 April 2005 to 31 March 2006, by major occupation

Major Occupation	01 April 2005		31 March 2006		Change	
	Number	% of total	Number	% of total	Number	% change
NOT APPLICABLE						
TOTAL						



5.9 SICK LEAVE AND DISABILITY LEAVE

Leave utilisation for the period 01 January 2005 to 31 December 2005

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 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

Table 9.1 – Sick leave, 01 January 2005 to 31 December 2005

Salary Band	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)	10	25%	1	10%	10	1
Skilled (Levels 3 - 5)	187	66%	33	18%	6	4
Highly skilled production (Levels 6 - 8)	199	63%	34	17%	6	7
Highly skilled supervision (Levels 9 - 12)	262	75%	44	17%	6	3
Senior Management (Levels 13 - 16)	22	75%	4	18%	6	4
TOTAL	680	50%	116	70%	34	19

Table 9.2 – Disability leave (temporary and permanent), 01 January 2005 to 31 December 2005

Salary Band	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)	0	0%	0	0%	0	0
Highly skilled production (Levels 6 - 8)	0	0%	0	0%	0	0
Highly skilled supervision (Levels 9 - 12)	0	0%	0	0%	0	0
Senior Management (Levels 13 - 16)	0	0%	0	0%	0	0
TOTAL	0	0%	0	0%	0	0

Table 9.3: Annual Leave, 01 January 2005 to 31 December 2005

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1 - 2)	22	11
Skilled Levels 3 - 5)	610	14
Highly skilled production (Levels 6 - 8)	792	18
Highly skilled supervision(Levels 9 - 12)	1,033	17
Senior Management (Levels 13 - 16)	209	21
TOTAL	2,666	16

Table 9.4 – Capped leave, 01 January 2005 to 31 December 2005

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2005
Lower skilled (Levels 1 - 2)	0	0	0
Skilled Levels (3 - 5)	4	4	109
Highly skilled production (Levels 6 - 8)	7	2	26
Highly skilled supervision(Levels 9 - 12)	5	2	30
Senior management (Levels 13 - 16)	5	3	30
TOTAL	21	2	37

Table 9.5 – Leave payouts for the period 01 April 2005 to 31 March 2006

The following table summarises payments made to employees as a result of leave that was not taken.

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2005/2006 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2005/2006	0	0	0
Current leave payout on termination of service for 2005/2006	0	0	0
TOTAL	0	0	0



5.10 HIV /AIDS AND HEALTH PROMOTION PROGRAMMES

Table 10.1 – Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV and 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 disease.	Display of posters, banners, pamphlets and brochures
	Distribution of condoms amongst staff
	Special advocacy arrangements designed for commemorative days
	Voluntary Counselling and Testing (VCT) sessions
	Role plays

Table 10.2 – Details of Health Promotion and HIV/Aids Programmes (Tick the applicable boxes and provide the required information.)

Question	Yes	No	Details, if yes
1. Has the Department designated a member from 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 Gwynne-Evans (Director) for the Provincial Employee Aids Committee and Mr R Adams for the Provincial Employee Assistance Programme.
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 six members. The budget for this purpose is 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 (VCT and information sessions are being performed by Life Line), which, is co-ordinated by the Provincial Department of Health. The Department is currently in the process of entering into a Service Level Agreement with ICAS.
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) they represent.	X		An HRFU committee has been established, which deals with all HR issues as well as HIV/Aids. Mr R Adams (Director), represents the Department on the PEAP 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		The Recruitment and Selection Policy as well as 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 you achieved.	X		VCT 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

The following collective agreements were entered into with trade unions within the Department.

Table 11.1 – Collective agreements, 01 April 2005 to 31 March 2006

Subject Matter	Date
Official Working Hours Policy	08 September 2005

The following table summarises the outcome of disciplinary hearings conducted within the Department during the year under review.

Table 11.2 – Misconduct and disciplinary hearings finalised, 01 April 2005 to 31 March 2006

Outcomes of disciplinary hearings	Number	% of total
No disciplinary hearings were conducted during the reporting period.		

Table 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
None	0	0
TOTAL	0	0

Table 11.4 – Grievances lodged for the period 01 April 2005 to 31 March 2006

	Number	% of Total
Number of grievances resolved	2	100%
Number of grievances not resolved	0	0%
Total number of grievances lodged	2	100%

Table 11.5 – Disputes lodged with Councils for the period 01 April 2005 to 31 March 2006

	Number	% of Total
Number of disputes upheld	2	100%
Number of disputes dismissed	0	0%
Total number of disputes lodged	2	100%

Table 11.6 – Strike actions for the period 01 April 2005 to 31 March 2006

Total number of person working days lost	
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of 'no work no pay'	0

Table 11.7 – Precautionary suspensions for the period 01 April 2005 to 31 March 2006

Number of people suspended	1
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	27
Cost (R'000) of suspensions	23



5.12 SKILLS DEVELOPMENT

This section highlights the efforts of the Department with regard to skills development.

Table 12.1 – Training needs identified 01 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at 01 April 2006	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4	0	0	0	0
	Male	7	0	0	0	0
Professionals	Female	1	0	15	0	15
	Male	2	0	10	0	10
Technicians and associate professionals	Female	56	0	286	0	286
	Male	41	0	124	0	124
Clerks	Female	26	0	170	0	170
	Male	6	0	80	0	80
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	87	0	471	0	471
	Male	57	0	214	0	214
TOTAL		144	0	685	0	685

Table 12.2 – Training provided 01 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at 01 April 2005	Training provided within the reporting period			
			Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4	0	2	0	2
	Male	3	0	0	0	0
Professionals	Female	16	0	1	0	1
	Male	13	0	10	0	10
Technicians and associate professionals	Female	50	0	189	0	189
	Male	28	0	52	0	52
Clerks	Female	32	0	221	0	221
	Male	15	0	111	0	111
Service and sales workers	Female	1	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	1	0	0	0	0
	Male	1	0	1	0	1
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	104	0	413	0	413
	Male	60	0	174	0	174
TOTAL		164	0	587	0	587



5.13 INJURY ON DUTY

The following tables provide basic information on injury on duty.

Table 13.1 – Injury on duty, 01 April 2005 to 31 March 2006

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

Table 14.1 – Report on consultant appointments using appropriated funds

Project Title	Total number of consultants who worked on the project	Duration: Work days	Contract value in Rand
The recruitment of Business Coaches to the 1000 X 1000 project of the Department.	46	217/ 339 Days	4,000,000 .00
The recruitment of a project manager responsible for the implementation of the 1000 X 1000 project.	1	306/ 428 days	260,000.00
Procure the services of Cape Initiative in Materials and Manufacturing to develop linkages between manufacturing firms and engineering departments of the Western Cape Higher Education Institutions.	2	259 Days	250,000.00
The recruitment of a chief economist for the final round of phase one of the Micro Economic Development Strategy (MEDS) process.	1	365 Days	306,000.00
The recruitment of sector specific researchers for the third round of the Micro Economic Development Strategy (MEDS) process.	16	150 Days	933,000.00
Project manage and co-ordinate the third round of the Micro Economic Development Strategy (MEDS) process.	1	550 Days	270,000.00
The recruitment of oversight committee members for the third round of the Micro Economic Development Strategy (MEDS).	3	230 Days	500,000.00
Development of a domestic audience for the film industry.	14	89 Days	200,000.00
Conduct research on the underpinning skills and qualifications required by the projected job targets established by the Micro Economic Development Strategy (MEDS) sectors.	6	266 Days	500,000.00
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
9	90	2432/ 2676 Days	7,219,000



Table 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 who work on the project
The recruitment of Business Coaches to the 1000 X 1000 project of the Department.	60%	65%	34
The recruitment of a project manager responsible for the implementation of the 1000 X 1000 project.	0%	0%	0
Procure the services of Cape Initiative in Materials and Manufacturing to develop linkages between manufacturing firms and engineering departments of the Western Cape Higher Education Institutions.	33%	0%	0
The recruitment of a chief economist for the final round of phase one of the Micro Economic Development Strategy (MEDS) process.	0%	0%	0
The recruitment of sector specific re-researchers for the third round of the Micro Economic Development Strategy (MEDS) process.	49%	59%	11
Project manage and co-ordinate the third round of the Micro Economic Development Strategy (MEDS) process.	100%	100%	1
The recruitment of oversight committee members for the third round of the Micro Economic Development Strategy (MEDS).	0%	0%	0
Development of a domestic audience for the film industry.	71%	100%	12
Conduct research on the underpinning skills and qualifications required by the projected job targets established by the Micro Economic Development Strategy (MEDS) sectors.	45%	50%	5

ANNEXURE A: Staff of the Department during the reporting period

HEAD OF DEPARTMENT



BRENDON ROBERTS

OFFICE OF THE HOD



Prof. Dave Kaplan
Chief Economist

DELIVERY ENABLING SERVICES



Labeeqah Schuurman
Chief of Staff

ECONOMIC PARTICIPATION



Tembeka Mhlekwa
Chief Director

ECONOMIC SECTOR DEVELOPMENT



Jo-Ann Johnston
Chief Director

FINANCIAL MANAGEMENT



Mymoena Abrahams
Chief Financial Officer

HRM & SUPPORT SERVICES



Romeo Adams
Director



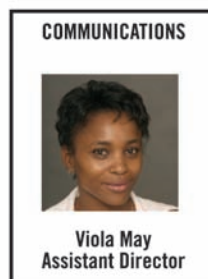
OFFICE OF THE HoD



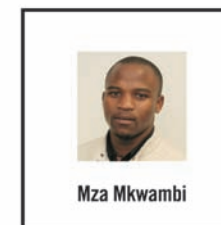
RESEARCH AND INFO MANAGEMENT




COMMUNICATIONS



INTERNS



HUMAN RESOURCE MANAGEMENT

		HRM & SUPPORT SERVICES  Romeo Adams Director	HRM & SUPPORT SERVICES  Tania Afrika Administrative Assistant	
PERSONNEL MANAGEMENT  Patricia Wyngaardt Assistant Director	LABOUR RELATIONS  Cheryl Julies Assistant Director	HR DEVELOPMENT  Sifiso Mkhonza Assistant Director	SUPPORT SERVICES  Charnine Sobey Assistant Director	TRANSFORMATION  Jennifer Nonong Assistant Director
PERSONNEL MANAGEMENT  Diane Terblanche Personnel Controller	LABOUR RELATIONS  Krushev Nkuku LR Practitioner	HR DEVELOPMENT  HRD Practitioner	SUPPORT SERVICES  Khaya Mahanjana Senior Admin Officer: Records Management	TRANSFORMATION  Maria Vlok Transformation Officer

HUMAN RESOURCE MANAGEMENT

PERSONNEL MANAGEMENT



Nicole Heyns
Chief Personnel Officer

LABOUR RELATIONS



Administrative Assistant

HR DEVELOPMENT



Reygana Adams
HRD Practitioner

SUPPORT SERVICES



Isabelle Brown
Registry Clerk

PERSONNEL MANAGEMENT



Anneke Roodman
Chief Personnel Officer

HR DEVELOPMENT



Lita Whitlow
HRD Practitioner

SUPPORT SERVICES



Msingathi Sishuba
Registry Clerk

PERSONNEL MANAGEMENT



Qaphela Luthuli
Personnel Officer

HR DEVELOPMENT



Melissa Wicomb
HRD Practitioner

SUPPORT SERVICES



Mojalefa Lentore
Registry Clerk



HUMAN RESOURCE MANAGEMENT

PERSONNEL MANAGEMENT



Franco Le Roux
Personnel Officer

PERSONNEL MANAGEMENT



Morne Crook
Personnel Officer

PERSONNEL MANAGEMENT



Cynthia Jonas
Personnel Officer

HR DEVELOPMENT



Warren Wilson
Administrative Clerk

HR DEVELOPMENT



Nceba Gqomo
Administrative Clerk

SUPPORT SERVICES



Xoliswa Makamole
Administrative Assistant/
Receptionist

SUPPORT SERVICES



Leandra Engelbrecht
Administrative Assistant/
Receptionist

SUPPORT SERVICES



Stanley Matafin
Messenger/Driver: Records
Management

SUPPORT SERVICES



Melanie Pienaar
Messenger /Driver:
Records Management

SUPPORT SERVICES



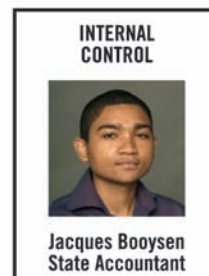
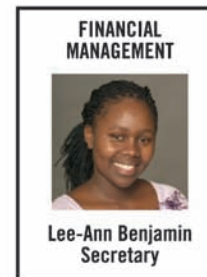
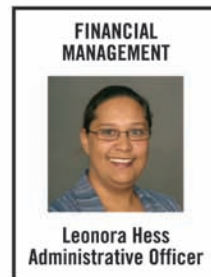
Sonwabile Gudla
Messenger /Driver:
Records Management

INTERNS


















Lungiswa Nodilinga





FINANCIAL MANAGEMENT

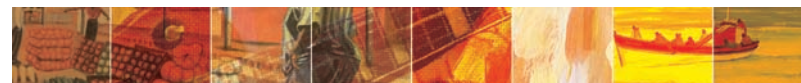


FINANCIAL MANAGEMENT

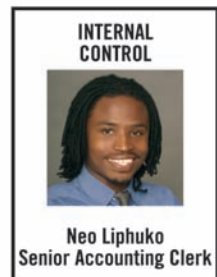
INTERNAL CONTROL  Ebrahim Hardy State Accountant	MANAGEMENT ACCOUNTING  Dale Pause State Accountant	FINANCIAL ACCOUNTING  Mandisa Nompunga Senior State Accountant	FINANCIAL ACCOUNTING  Adurahman Daniels Senior State Accountant	SUPPLY CHAIN MANAGEMENT  Nazlie Du Toit Principal Procurement Officer
INTERNAL CONTROL  June Williams Senior State Accountant	MANAGEMENT ACCOUNTING  Theresa Fowler Senior State Accountant	FINANCIAL ACCOUNTING  Leoné Meyering Senior State Accountant	FINANCIAL ACCOUNTING  Samantha May Senior Accounting Clerk	SUPPLY CHAIN MANAGEMENT  Senior Procurement Officer
INTERNAL CONTROL  Senior State Accountant	MANAGEMENT ACCOUNTING  Nastasshia Miggel State Accountant	FINANCIAL ACCOUNTING  Senior State Accountant	FINANCIAL ACCOUNTING  Senior State Accounting	SUPPLY CHAIN MANAGEMENT  Xolelwa Majiya Senior Procurement Officer

FINANCIAL MANAGEMENT

INTERNAL CONTROL  Penny Khumalo State Accountant	MANAGEMENT ACCOUNTING  Feziwe Ndwandwa State Accountant	FINANCIAL ACCOUNTING  Angelique Julies Accounting Clerk	FINANCIAL ACCOUNTING  Accounting Clerk	SUPPLY CHAIN MANAGEMENT  Neo Rhapale Senior Procurement Officer
INTERNAL CONTROL  State Accountant		FINANCIAL ACCOUNTING  Rodney Truebody Accountant Clerk		SUPPLY CHAIN MANAGEMENT  Nomawonga Phinyane Senior Procurement Officer
INTERNAL CONTROL  State Accountant		FINANCIAL ACCOUNTING  Wesley Baatjes Accountant Clerk		SUPPLY CHAIN MANAGEMENT  Senior Procurement Officer



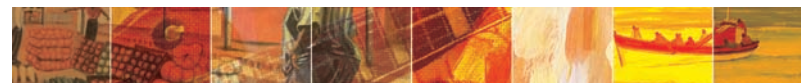
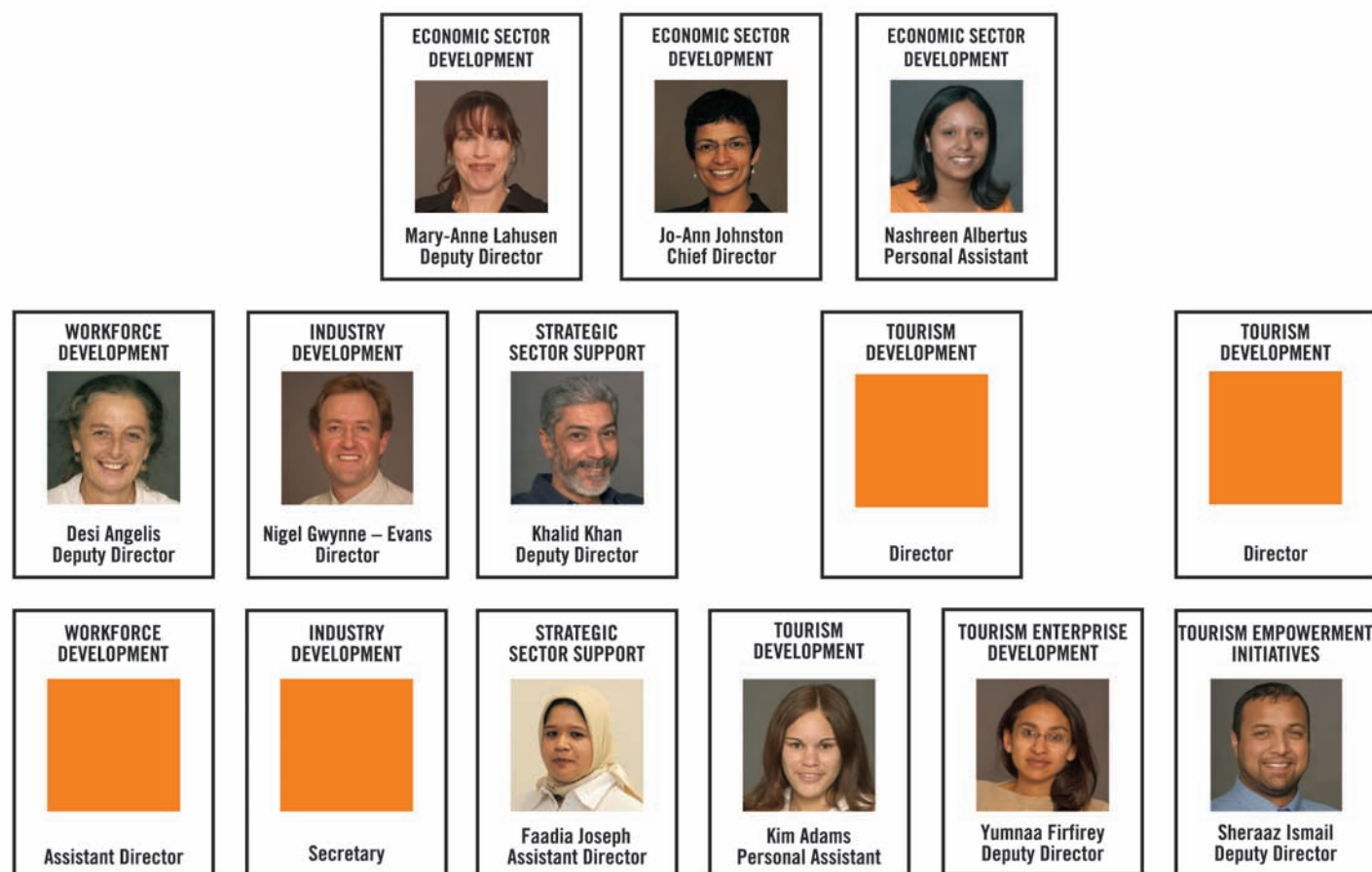
FINANCIAL MANAGEMENT


















INTERNS



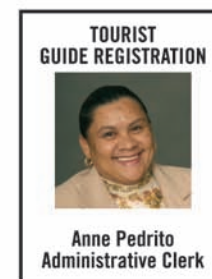
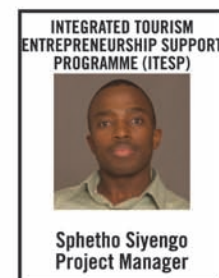
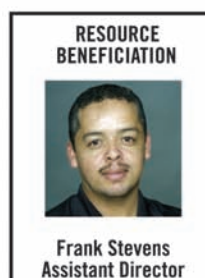
ECONOMIC SECTOR DEVELOPMENT



ECONOMIC SECTOR DEVELOPMENT

HIV/ AIDS INDUSTRY SUPPORT  Thandi Mzizi Assistant Director	INDUSTRY DEVELOPMENT  Moyra Dick Administrative Assistant	STRATEGIC SECTOR SUPPORT  Assistant Director	TOURISM DEVELOPMENT  Administrative Clerk	TOURISM ENTERPRISE DEVELOPMENT  Hantie Nelson Assistant Director	TOURISM EMPOWERMENT INITIATIVES  Noxolo Ntenetya Assistant Director
HIV/ AIDS INDUSTRY SUPPORT  Delia Fish Administrative Clerk	MANUFACTURING INDUSTRY DEVELOPMENT  Deputy Director Manufacturing	STRATEGIC SECTOR SUPPORT  Administrative Officer	TOURISM SAFETY & SIGNAGE  Rod Douglas Deputy Director	TOURISM ENTERPRISE DEVELOPMENT  Clifford Cuba Administrative Officer	TOURISM EMPOWERMENT INITIATIVES  Elton Gordon Administrative Officer
HIV/ AIDS INDUSTRY SUPPORT  Administrative Officer	MANUFACTURING INDUSTRY DEVELOPMENT  Goodwell Dingane Assistant Director: Food	RESOURCE BENEFICIATION  Deputy Director	TOURISM SAFETY & SIGNAGE  Pat Gee Assistant Director	TOURISM ENTERPRISE DEVELOPMENT  Ramese Mathews Administrative Officer	TOURISM EMPOWERMENT INITIATIVES  Administrative Clerk

ECONOMIC SECTOR DEVELOPMENT



ECONOMIC SECTOR DEVELOPMENT



ECONOMIC SECTOR DEVELOPMENT

SERVICES INDUSTRIES



Deputy Director

SERVICES INDUSTRIES



Deputy Director

SERVICES INDUSTRIES



Gail Smith
Assistant Director

TOURISM SPATIAL & ECONOMIC PLANNING



Unathi Khetsi
Administrative Officer

INTERNS



Gareth Baatjies



Nwabisa Madinga
















Mmaletsatsi Mokoka



Asanda Soyiyo



FAIR BUSINESS ENVIRONMENT

LIQUOR REGULATION  Raybin Windvogel Acting Director	LIQUOR REGULATION  Secretary	LIQUOR BOARD  Cedrick Evertson Chairperson	CONSUMER FAIR TRADE  Raybin Windvogel Deputy Director	CONSUMER TRIBUNAL  Secretariat to Tribunal
LIQUOR REGULATION  Administrative Officer	LIQUOR LICENSING  Cedrick Evertson Deputy Director	SECRETARIAT TO BOARD  Bronwyn Louw Secretariat for the Liquor Board	CONSUMER FAIR TRADE  Lorna Jephthas-Crail Administrative Clerk	
LIQUOR ENFORCEMENT AND COMPLIANCE  Antoinette Van Dalen Deputy Director	LIQUOR LICENSING  Alexis Maneveldt Senior Administrative Clerk	LIQUOR BOARD  Hayley Lawrence Secretary	CONSUMER FAIR TRADE  Marchelaine Dawood Receptionist	

FAIR BUSINESS ENVIRONMENT

LIQUOR ENFORCEMENT AND COMPLIANCE



Nicholas Spencer
Assistant Director
(Chief Inspector)

LICENSING ADMINISTRATION



Senior Administrative
Officer

COMPLAINTS MANAGEMENT



Reeva Welman
Deputy Director

LIQUOR ENFORCEMENT AND COMPLIANCE



Ernest Muller
Assistant Director
(Chief Inspector)

LICENSING ADMINISTRATION



Cynthia Makweya
Chief Administrative
Clerk

COMPLAINTS MANAGEMENT



Lilian Johnson
Consumer Advisor

LIQUOR ENFORCEMENT AND COMPLIANCE



Assistant Director:
Licencing

LICENSING ADMINISTRATION



Michelle Herman
Chief Administrative
Clerk

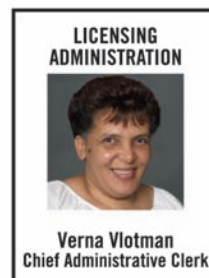
COMPLAINTS MANAGEMENT



Simone De Wet
Consumer Advisor



FAIR BUSINESS ENVIRONMENT



FAIR BUSINESS ENVIRONMENT

CONSUMER
EDUCATION



Deputy Director

CONSUMER
EDUCATION



Assistant Director

CONSUMER
EDUCATION



Lyndon Johnson
Consumer Education Officer

INTERNS



Zikhona Sigenu



Joe-Mark Arnold



Xolelwa Banzana



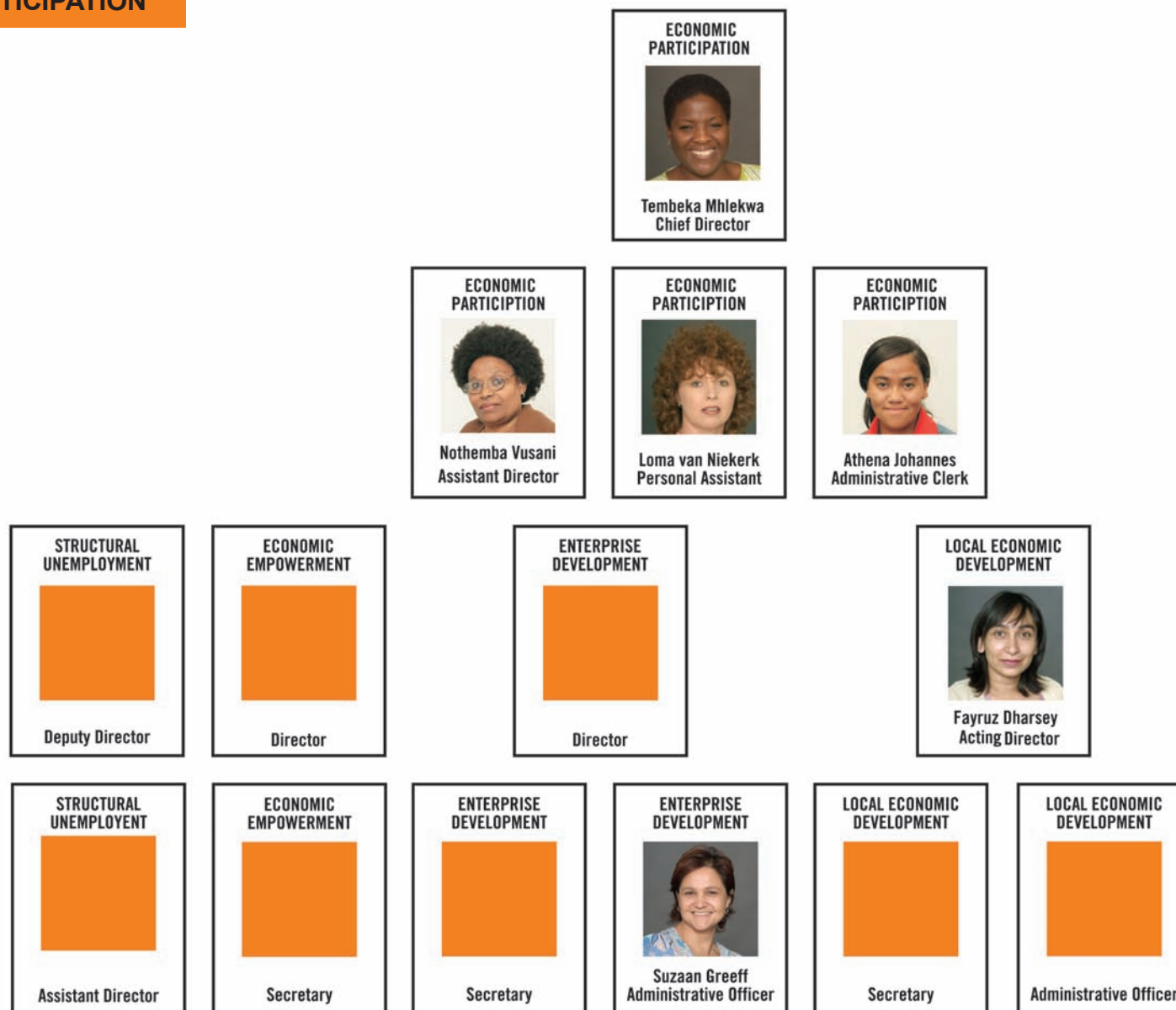
Thabisa Nekani
























Ncebakazi Meveni



ECONOMIC PARTICIPATION



ECONOMIC PARTICIPATION

STRUCTURAL UNEMPLOYMENT  Administrative Assistant	ECONOMIC EMPOWERMENT  John v/d Rheede Deputy Director	BUSINESS TRAINING & SKILLS DEVELOPMENT  Deputy Director	LINKAGES & BUSINESS FINANCE  Deputy Director	LOCAL ECONOMIC RELATIONS  Fayruz Dharsey Deputy Director	LOCAL STRATEGY DEVELOPMENT  Mark Lakay Deputy Director
	ECONOMIC EMPOWERMENT  Zoleka Moon Deputy Director	BUSINESS TRAINING & SKILLS DEVELOPMENT  Dominique Vincent Assistant Director: SMME	LINKAGES & BUSINESS FINANCE  Denver Moses Assistant Director	LOCAL ECONOMIC RELATIONS  Assistant Director: LED	LOCAL STRATEGY DEVELOPMENT  Nombasa Mdingane Assistant Director: LED
	ECONOMIC EMPOWERMENT  Lolita Dyi Assistant Director	BUSINESS TRAINING & SKILLS DEVELOPMENT  Assistant Director: SMME	LINKAGES & BUSINESS FINANCE  Margot Thomas Administrative Assistant	LOCAL ECONOMIC RELATIONS  Assistant Director: LED	LOCAL STRATEGY DEVELOPMENT  Assistant Director
	ECONOMIC EMPOWERMENT  Yeoland Arries Administrative Officer	BUSINESS TRAINING & SKILLS DEVELOPMENT  Assistant Director	LINKAGES & BUSINESS FINANCE  Garth Durell Administrative Officer	LOCAL ECONOMIC RELATIONS  Assistant Director: LED	LOCAL STRATEGY DEVELOPMENT  Administrative Officer



ECONOMIC PARTICIPATION

BUSINESS TRAINING & SKILLS DEVELOPMENT  Ntombi Kelembe Administrative Officer	LINKAGES & BUSINESS FINANCE 	LOCAL ECONOMIC RELATIONS  Assistant Director: LED	RED PROGRAMME  Regional Manager	RED PROGRAMME  Regional Manager
RED PROGRAMME  Cheryl Phillips Regional Manager	RED PROGRAMME  Deon Damons Regional Manager	LOCAL ECONOMIC RELATIONS  Adele-Louise Bothma Senior Administrative Officer	RED PROGRAMME  Neo Seleke Regional Manager Mobile RED Door	
RED PROGRAMME  Bonita Daniels Regional Manager	RED PROGRAMME  Litha Kutta Regional Manager	LOCAL ECONOMIC RELATIONS  Administrative Officer		