

PORTFOLIO COMMITTEE :
FINANCE & ECONOMIC DEVELOPMENT

Chairperson :

Cllr D Coetzee

Committee Members :

**Ald P May, Cllrs L Krige,
R de Coning, S Gxamesi**

PORTEFEULJEKOMITEE :
FINANSIES & EKONOMIESE ONTWIKKELING

Voorsitter :

Rdl D Coetzee

Komiteelede :

**Rdh P May, Rdle L Krige,
R de Coning, S Gxamesi**

FINANCE & ECONOMIC DEVELOPMENT PORTFOLIO COMMITTEE
FINANSIES & EKONOMIESE ONTWIKKELING PORTEFEULJEKOMITEE

19 APRIL 2016

I N D E X

ITEM

**PAGE
NUMBER**

OPENING

APPLICATIONS FOR LEAVE OF ABSENCE

**STATEMENTS AND COMMUNICATIONS BROUGHT FORWARD BY THE
CHAIRPERSON**

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| 2. | SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)
THIRD QUARTERLY REPORT: JANUARY- MARCH 2016 | 16 |

**AGENDA of the
Portfolio Committee : Finance & Economic Development
19 April 2016
(Also the agenda for the Mayoral Committee Meeting : 28 April 2016)**

**1.
ECONOMIC DEVELOPMENT AND TOURISM SERVICE DELIVERY AND ACTIVITY
REPORT: JANUARY TO MARCH 2016**

9/1/2/2

**Solomzi Madikane
28 April 2016**

(028) 3138066

Corporate Head Office

1. Executive Summary

The purpose of the report is to inform Council on the activities as performed by the Directorate for the third quarter.

2. Service Delivery and Budget Implementation Plan - IGNITE

Economic Development and Tourism

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Promotion of tourism, economic and social development

4. Delegated Authority

Executive Mayor

5. Legal Requirements

Section 152 (c) of the Constitution of the Republic of South Africa, 1996
Section 4 of the Local Government: Municipal Systems Act, No 32 of 2000
Section B of the White Paper on Local Government, 1998

6. Background/Discussion/Evaluation/Conclusion

Background

The Overstrand municipal area enjoyed positive economic growth over the years, but this has not translated into growth of job opportunities. This report is an indication of development initiatives that contributes to economic development focussing on the needs of the communities.

Discussion

The demands of the poor for increased government support to improve their living conditions increased tremendously. Local Government unfortunately cannot create job opportunities and the answer to this complex question of

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changing the lives of the poor is complex and many role players are needed to tackle it. The drive to adopt policies and strategies aimed at stimulating the local economy can only be realised through partnerships with like-minded stakeholders. The underpinning philosophy is that in the process of stimulating and growing the local economy, employment opportunities will be created. Skills development will then take place and this will ultimately contribute to poverty reduction.

7. Financial Implications

As budgeted in the 2015/16 financial year

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: LED Report
Annexure B: CIDB Evaluation Reports
Annexure C: Tourism Report

RECOMMENDATION:

that the Economic Development and Tourism Service Delivery and Activity Report for the period January to March 2016, **be noted**.

RESPONSIBLE OFFICIAL :

X KOSI

TARGET DATE FOR IMPLEMENTATION :

31 MARCH 2016

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**1.
ECONOMIC DEVELOPMENT AND TOURISM SERVICE DELIVERY AND ACTIVITY
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9/1/2/2

**Solomzi Madikane
28 April 2016**

(028) 3138066

Corporate Head Office

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
19 APRIL 2016, WHICH COMMITTEE SUPPORTED THE RECOMMENDATION**

RESPONSIBLE OFFICIAL :

X KOSI

TARGET DATE FOR IMPLEMENTATION :

31 MARCH 2016

LOCAL ECONOMIC DEVELOPMENT REPORT

Overview

The department focuses on strengthening the economic capacity of our local community to make optimal use of the existing and potential characteristics of the area. We strive to provide strategies, tools and approaches to improve conditions for job creation and inclusive economic growth. We visit and interact with projects supporting small entrepreneurs and agricultural programmes.

1. Emerging Contractor Development Programme

There is a compelling need to unlock growth constraints, to develop sustainable contracting capacity and to elevate enterprise development of previously disadvantaged individuals. Responding to this, Council approved an Emerging Contractor/Services Provider Development Policy as an intervention to accelerate and share growth initiatives. Specifically, the programme is geared at enhancing capacity and promoting equity ownership across the different contracting categories, as well as improving skills and performance in the delivery of capital works and maintenance within the Municipality. The programme, focus typically on CIDB Grade 1 to 3 contractors.

The Emerging Contractor Development Programme comprising of a partnership between the Overstrand Municipality, National Public Works and CIDB, in which the participating stakeholders commit their resources to develop previously disadvantaged contractors.

1.1 Emerging Contractor Development Database

The development of an auditable database is crucial to the advancement and tracking of emerging contractors/suppliers. The database assists the Directorate towards planning to support and sustain the various levels of contractors within the database. 47 Emerging contractors are currently registered on the database. A number of contractors are not registered with CIDB yet. The LED Department is currently busy evaluating the need of the contractors to accelerate their registration with the CIDB. The current 5 contractors have demonstrated great progress and achievement. In line with this they can gain higher gradings and be more competitive in the sector.

1.2 Progress Report

Projects have been awarded to four emerging contractors as sub-contractors on the Upgrading of Residential Roads in Mount Pleasant and Small Works & Maintenance Contracts. It is anticipated that the two other emerging contractors will also be appointed to work on the Rehabilitation of existing paved roads in Zwelihle as sub-contractors by end of March 2016.

BUSINESS NAME	PROJECT
1. W W EUROPA	SMALL WORKS AND MAINTENANCE
2. KLEVA WAYS PROJECTS	SMALL WORKS AND MAINTENANCE
3. BRIGHT IDEA PROJECTS 2642 cc	UPGRADING OF RESIDENTIAL ROADS IN MOUNT PLEASANT
4. KHUTHALA HOLDING cc	UPGRADING OF RESIDENTIAL ROADS IN MOUNT PLEASANT
5. KHUTALA HOLDINGS cc	INSTALLATION OF WATER TANKS

Emerging Contractors' growth and development is evaluated under the following categories:

1. Learner ID copy
2. Contract appointment letter and acceptance
3. Construction Bill of quantities
4. A4 Drawing (Construction layout only)
5. OHS approval letter
6. Programme of works and cashflow projections
7. Site dairy (completed daily sheet)
8. Site instruction book (completed instruction)
9. Payment certificates
10. SARS certificate
11. Applicable GCC
12. Construction material delivery
13. Construction work activities
14. Workers wearing PPE
15. Construction safety signage
16. Completion certificate

1.3 Programme Evaluation

The Municipality is currently, in partnership with the CIDB, implementing the programme. Two evaluations were conducted in September 2015 (result - 16% ready) and in March 2016 (result - 50% ready). Annexure C

The programme is moving forward in line with the Municipality's projects and capacity to develop all the various components of the programme. The size of the Municipality and lack of funding will always be a

factor, but in terms of the resources they have, progressed from the last assessment and will continue to do so.

2. Agri-parks

#	Ngqungqushe Co-operative Limited	
1.	Sector of interest	Crop production and livestock production
2.	Demographical area	Masakhane , Gansbaai
3.	Membership composition	Females 57%, Males 43%, Youth 29%
4.	Number of members	7
5.	Business registration	Yes
6.	Business plan	Yes
7.	Formal market	No
8.	Tax clearance certificate	Yes
9.	Land or lease agreement	Discussions underway
10.	Activity state	Active
	<ul style="list-style-type: none"> ➤ The co-operative's discussions to lease agriculture land to start their activities have not amounted to any success yet, however there are still other property owners around Gansbaai to be approached. ➤ The co-operative applied for chicks (layer) to the Western Cape Department of Agriculture Elsenburg (all the members were eligible to apply individually) .The approved applications will include material to erect the structure, the feed for a few months and chicks. The economic advantage behind the layers is that they will be able to produce a larger number of eggs enabling them to supply small business with eggs in and around their communities. 	

#	Kleinmond Vrou co-operative	
1.	Sector of interest	Secondary Fishing –Processing
2.	Demographical area	Kleinmond
3.	Membership composition	Females 100% ,Males 0% ,Youth 0%
4.	Number of members	5
5.	Business registration	Yes
6.	Formal market	Yes
7.	Tax clearance certificate	Yes
8.	Land or lease agreement	Yes
9.	Business bank account	Yes
10.	Activity state	Active
	<ul style="list-style-type: none"> ➤ The women with their white mussels' interim relief fishing permit have been selling raw white mussels, however recently they have started processing their primary product, producing smoked, cooked and pickled mussels. Currently they do not have facilities to process large quantities and therefore have been selling within their community also as way of establishing a brand. ➤ The co-operative is one of the potential beneficiaries to receive financial assistance from the DRDLR under Agriparks. Their needs as outlined in the application are sea safety clothing, processing and packaging of mussels and office equipment. 	

#	Ikwezi Co-operative	
1.	Sector of interest	Agriculture
2.	Demographical area	Zwelihle , Hermanus
3.	Membership composition	Females 57%, Males 43%, Youth 29%
4.	Number of members	7
5.	Registered	Yes
6.	Formal market	Yes
7.	Tax clearance certificate	Yes
8.	Land or lease agreement	No
9.	Business bank account	No
10.	Activity state	Active
➤ The co-operative is still waiting for their layers application to be approved.		

#	Mount Pleasant Sea Harvest	
1.	Sector of interest	Fishing & Aquaculture
2.	Demographical area	Mount pleasant , Hermanus
3.	Membership composition	Females 0%, Males 100% , Youth 5%
4.	Number of members	19
5.	Business registration	Yes
6.	Formal market	Yes
7.	Tax clearance certificate	Yes
8.	Land or lease agreement	Yes
9.	Business bank account	Yes
10.	Activity state	Active
➤ The office has facilitated meetings between Uthando Ulwandle Company, which is a company with a model for abalone mariculture business, the two entities have finally signed their working agreements, backing the enterprise Department of Agriculture Elsenburg has been part of the meeting from the onset and preparations for the project to be funded under the Elsenburg Aquaculture specialised funding.		

#	Sandown Bay Co-operative	
1.	Sector of interest	Fishing & Crop production
2.	Demographical area	Hawston
3.	Membership composition	Males 100% , Youth 0%
4.	Number of members	6
5.	Business registration	Yes
6.	Formal market	Yes
7.	Tax clearance certificate	Yes
8.	Land or lease agreement	Yes
9.	Business bank account	Yes
10.	Activity state	Active
	<ul style="list-style-type: none"> ➤ The major problem for the co-operative was water and current soil fertility status of the gardens they currently working on. At the moment 2500 Litres water tanks are currently being installed in each house that they co-op has a garden in, installation includes gutters, cement slabs and the tank. The stakeholders involved are BGCMA and Casidra as implementing agency. ➤ The installation of the water tanks has given the office to open the opportunity to two of the Overstrand's emerging contractors to erect the tanks and gutters at the households contracted by Casidra. 	

New activities

- The prominent members of two co-operative M&G and Mix Agriculture Co-operative have decided to join forces in their future agribusiness ventures. These two individuals have registered a new company with the name **J A AND R P AGRIMIXTECH** both of them being residents of Hawston. For a long time they have been leasing farms in the Overstrand and have expressed strong interests of owning their own farm. There is a farm on sale and through the office they are being assisted to apply for the Land Bank 90% loan to purchase the farm.
- Department of Agriculture, Forestry and Fisheries (Hermanus) have requested an MOU with the Directorate, necessary arrangements are being done to get the MOU drawn and signed
- Two groups have approached the office with the intention to establish cooperatives, from Hawston and Pearly beach, with the main interest of activities being Agriculture and Fisheries. The office will facilitate the process of establishment of the entities.

3. Enterprise Development Project

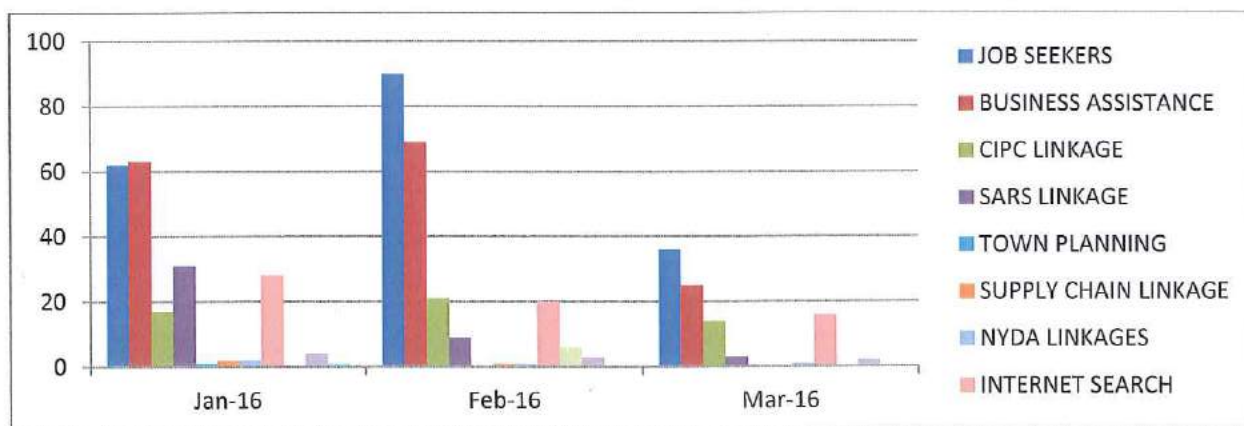
In this section we want to highlight the EDP Programme operating in the different areas (Zwelihle, Hawston and Gansbaai). These young people are qualified in NQF level 6 (Management Assistance) with Boland College. Part of their studies requires practical experience and we have partnered with Boland College. They are supposed to be the eyes and ears of the municipality in delivering information relevant to business growth and other information.

The Economic Development Practitioners do daily client visits and field work, offering support for access to markets, linkages to business development support service, enhancing entrepreneurial skills and assisting with capacity building related to business management and assisting SMME's with developing their business plans. The practitioners are responsible for the various walk-in centres based in Hawston, Zwelihle and Gansbaai.

ZWELIHLE:	HAWSTON:	GANSBAAI:
21 Businesses: <ul style="list-style-type: none"> • CIPC Registration • CIDB Registration • Assist job seekers with CV's and registration on unemployment database • Daily client visits and field work • Register emerging contractors on emerging contractor development database • Creating business email addresses for new businesses • Assist with Supplier Database registration • Refer clients to open Business bank accounts • Assist with BBBEE certificates and shareholder certificates • Refer clients to SARS for income tax and tax clearance certificates 	19 Businesses: <ul style="list-style-type: none"> • Assisted with fishing rights allocation process • CIPC Registration • CIDB Registration • Assist businesses with Business plans • Assist job seekers with CV's and registration on unemployment database • Daily client visits and field work • Register emerging contractors on emerging contractor development database • Creating business email addresses for new businesses • Assist with Supplier Database registration • Refer clients to open Business bank accounts • Refer clients to SARS for income tax and tax clearance certificates 	12 Businesses: <ul style="list-style-type: none"> • CIPC Registration • CIDB Registration • Assist job seekers with CV's and registration on unemployment database • Daily client visits and field work • Register emerging contractors on emerging contractor development database • Creating business email addresses for new businesses • Assist with Supplier Database registration • Refer clients to open Business bank accounts • Refer clients to SARS for income tax and tax clearance certificates

4. Walk-In Centres

Walk-in facilities are available in Hermanus, Hawston, Zwelihle and Gansbaai (Pearly Beach & Buffeljacht). Kleinmond and Stanford to follow and we are currently doing outreach.



This approach is working perfectly well in addressing community needs and accessing livelihoods. Job seekers and business assistance are currently the two most popular indicating a need to make a living. The updated database mainly used for recruiting EPWP beneficiaries does need upgrading to be accessed by other users, i.e. other Directorates and private sector.



TOURISM REPORT

JANUARY – MARCH 2016

OVERVIEW

The 2015/2016 holiday season was described by business owners as the “best season ever”. The first quarter of 2016 was highlighted with two Hermanus Tourism products short listed for the African Responsible Tourism Awards. Grotto Beach and the campaign “Ask Me I’m A Local” were amongst the quality entries received from more than 60 tourism initiatives.

TOURISM DEVELOPMENTS

- Development of Cape Whale Coast brand and strategy.
- All four tourism offices reported increased bookings and walk-ins.
- Accommodation facilities from Hangklip-Kleinmond to Gansbaai were fully booked from 15 December 2015 till 10 January 2016.
- Hemel-en-Aarde Road, the R320, linking Caledon and Hermanus and serving the Hermanus Wine Route, completely tarred after 47 years of planning and negotiations. Wineries had increased visitors and sales as a direct result.
- Thirteen close circuit surveillance cameras installed in Hermanus to curb crime and increase security.
- Developing as a kite surfing destination. In February an international film crew, accompanied by the world’s best kite surfers visited the Klein River Lagoon.
- Stanford hosted a second Street Festival in December and attracted more than 5000 people.
- Third annual Hemel-en-Aarde Pinot Noir Celebration hosted at Bona Dea estate with 160 tickets selling out at R1800 each in just four hours.
- 16 December marked a historical event - the full 55-piece Cape Town Philharmonic Orchestra gave a Rural Heritage Concert at Gansbaai Primary School and Grootbos Forest Lodge. This was the orchestra’s debut performance in the Overberg.
- Kleinmond started a weekly Sunday market – The Big Tree Market.
- Cape Whale Coast social media expanded with Instagram.
- Hermanus introduced Parkrun – weekly 5km runs taking place globally with online membership.

TOURISM TRENDS

- Shorter stays by more visitors during the season.
- Adventure experiences are becoming increasingly popular.

- Bigger diversity of international visitors. Cape Whale Coast's largest overseas source markets are the UK, Dutch and German with a noticeable influx of Indian and Scandinavian tourists.

MARKETING ACTIVITIES AND EVENTS

- Host Integrated Destination Marketing Workshop with National Tourism Department and Overberg Tourism organisations.
- Attended Die Beeld Show 26 – 28 February, Gallagher Estate Midrand.
- Promoted I AM LOCAL campaign through Hermanus Times and Hermanus News.
- Facilitated visit by Sunday Times journalist to Heart of Abalone. Article published 20 March.
- Hermanus featured on SABC2 Pasella.
- Stanford featured on SABC2 Mooiloop.
- Call for Whale Festival Proposals advertised in Hermanus Times, closing 31 March.

ONLINE MARKETING TOOLS

www.whalecoast.info – average page views of 1000 per month, Increase of 17%

Twitter – Total Followers 1849, Increase of 11.3%

Facebook – Total Likes 2311, Increase of 4.5%

Instagram – 168 Follows

CAPACITY BUILDING

- Facilitated training for Fernkloof Rangers.
- Assisting Ally Nkosinathi Msweli with business development of Masakhane township tours.
- Assisting On The Edge at Stony Point, Betty's Bay, with business development.
- Facilitated development of the Betty's Bay Tourism Forum.

LOCAL TOURISM OFFICES

- Funding and staffing remain the biggest challenges of Local Tourism Offices.
- Hangklip - Kleinmond Tourism Manager Madelaine Coetzee and Stanford Tourism Manager Chantel Oosthuysen both resigned in this quarter. Hangklip – Kleinmond has not made a new appointment. Phillipa Murray has been appointed at Stanford.
- Offices working on membership packages and proposals to become more sustainable. Development is required to change from a grant system to a project/campaign system for financial stability.
- Agreement to obtain more reliable and more varied tourism statistics.

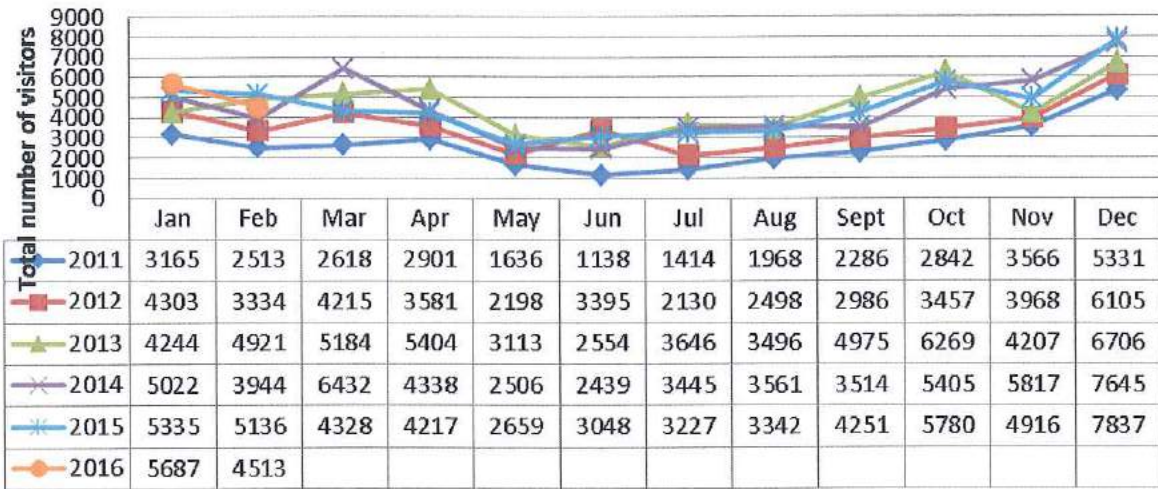
VISITOR FIGURES

The National Sea Rescue Institute reported the following figures for the holiday season:

- Kleinmond Beach busiest period 29 December to 4 January with 25158 visitors
- Hawston Beach busiest period 27 December to 1 January with 2493 visitors

- Grotto Beach busiest period 22 – 28 December with 102000 visitors

Visitors to Overstrand Tourism Bureaus



TOURISM OFFICE WALK-IN STATISTICS

