

# PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

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## ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

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FRIDAY, 15 JUNE 2018

### ANNOUNCEMENTS

The Speaker:

**1. Publication of Act 3 of 2018**

Publication of the Western Cape Appropriation Act, 2018 (Act 3 of 2018), in the *Provincial Gazette Extraordinary* 7940, dated 15 June 2018.

**2. Referral of document to committee in terms of section 54(1) and (2) of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act 10 of 2009), as amended:**

**Parliamentary Oversight Committee**

**Western Cape Provincial Parliament:** Monthly financial statements (In-year Monitoring Report) for the period ended 31 May 2018.

**3. Referral of the NCOP provincial week report 9 to 13 October 2017 to committee in accordance with Rule 220:**

**Standing Committee on Economic Opportunities, Tourism and Agriculture**

**1. Annual report briefing to the Standing Committee on Economic Opportunities, Tourism and Agriculture (Western Cape Provincial Parliament).**

While this briefing formed part of the Provincial Week programme, it should be noted that Members from the NCOP had “observer” status during the meeting. Input and interaction was therefore limited.

## **1.1. Stakeholders present**

- 1.1.1. Economic Development and Tourism
- 1.1.2. Saldanha Bay IDZ Licencing Company (SOC) Ltd
- 1.1.3. Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro)

## **1.2. Summary:**

During the briefing the following key observations and findings were noted specifically as it relates to the theme; advancing our collective efforts to creating work opportunities for our people.

## **2. Economic Development and Tourism**

- 2.1. It was noted that 50 000 jobs had been created in the tourism sector since the launch of Project Khulisa in 2014.
- 2.2. Since 2014, the number of people employed in the agriculture and agri-processing sectors has increased by more than 40%.

## **3. Saldanha Bay IDZ Licencing Company (SOC) Ltd**

- 3.1. The Saldanha Bay IDZ Licencing Company's programme presented on their Grown-Net programme. This programme adopts an integrated enterprise and supplier development approach, which creates a system that makes buying and selling of goods and services more efficient and accessible for small businesses.
- 3.2. It was highlighted that there is currently inadequate local skills and business resources to support the investor industry requirements in the medium term.

## **4. Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro)**

- 4.1. The Wesgro Investment Promotion Unit (IPU) secured a total of 12 investment projects, to the value of R2.1 billion against a target of R1 – R1.8 billion, creating 696 jobs.
- 4.2. The Agribusiness Unit (AIU) realised three investment projects to the value of R735 million, which created 275 jobs.
- 4.3. During the 2017/18 financial year, the Film and Media Production Unit recorded a total of five film and media declarations, creating approximately 3200 jobs in the Province.
- 4.4. Members noted that a concerted effort should be made to ensure rural areas are part of the Western Cape Government's concept of "inclusive economy".

## **5. Background of the Invest South Africa One Stop Shop, Western Cape**

- 5.1. Name of the project:** Invest South Africa One Stop Shop, Western Cape – briefing by Wesgro and tour at the Centre. InvestSA is a division of the South African Department of Trade and Industry (the DTI), providing a one stop-shop service to investors. It provides investment promotion, facilitation and aftercare, which is geared at fast tracking projects and reducing government red-tape.
- 5.2. Project initiation / start date:** 2012-2017
- 5.3. Total budget for the project:** R9.5billion
- 5.4. Department(s) / entity/entities funding the project:** Department of Trade and Industry
- 5.5. Number of people benefiting or intended to benefit from the project:** The centre will be activated by the number and quality of clients who use the facility.
- 5.6. Number of people employed in the project:** Investment promotion team consists of 8 people.
- 5.7. Intended completion date:** 2017
- 5.8. Key challenges experienced during the project:** Awareness - More people need to know about the project.
- 5.9. Desired solutions to the challenges:** Incorporate awareness raising of the project.
- 5.10. Observations and findings**
- 5.10.1. InvestSA facilitates the increase in the quality and quantity of foreign and domestic direct investment by providing an investment recruitment, problem-solving and information service to retain and expand investment in South Africa and into Africa.
- 5.10.2. The One Stop Shop (OSS) will be the focal point of contact in government for all investors to coordinate and facilitate the relevant government departments involved in regulatory, registration, permits and licencing.
- 5.10.3. The OSS will shorten and simplify administrative procedures and guidelines for the issuance of business approvals, permits and licences and remove bottlenecks faced by investors in establishing and running business.
- 5.10.4. The OSS hosts various government departments under one roof thereby ensuring easy access for clients accessing the centre.
- 5.10.5. The OSS seeks to ensure that investments made in South Africa are sustainable.
- 5.11. Successes**
- 5.11.1. Enhances investor facilitation for local and international companies.
- 5.11.2. National, provincial and local government working together in a shared space.
- 5.11.3. Reduction of red-tape in government departments.

- 5.11.4. Global clients and investors are being brought into South Africa.
- 5.11.5. Focussing on investors and continuous engagement with stakeholders to ensure that investments made in South Africa are sustainable.

## **5.12. Recommendations**

- 5.12.1. It was recommended that the OSS ensures that the centre caters to the needs of the disabled and this should include those visually and hearing impaired.
- 5.12.2. Awareness raising strategies should include all indigenous languages. Invest South Africa One Stop Shop noted that it had not considered other languages and will do so going forward.
- 5.12.3. The OSS should ensure that investors invest in small poor businesses by transferring knowledge of these businesses to investors.
- 5.12.4. In terms of the unit in Wesgro called the “District Unit” – there was uncertainty regarding whether the partnership between this unit and municipalities will occur. Parliamentary members stated that they will follow up on this matter at Parliament to ensure that the partnership takes place.
- 5.12.5. The OSS must promote investment in the rural areas of the Western Cape
- 5.12.6. Members recommended that Wesgro should explore ways to assist Municipalities to attract investments.

## **6. Day 2 briefings**

Three briefings were provided during the first session of day 2. The first briefing was presented by the V&A Waterfront on the how the V&A Waterfront, the new Zeitz MOCAA, and the Silo District contribute to the economy in the Western Cape. The second briefing focused on the vision for agri-processing around the airport, by Airports Company South Africa (ACSA).

The final briefing was presented by the Philippi Economic Development Initiative (PEDI) and the Western Cape Department of Agriculture on the link between the new agri-processing area and the Philippi Horticultural Area.

### **6.1. Stakeholders present:**

- 6.1.1. MEC Winde (Economic Development and Tourism- Western Cape).
- 6.1.2. Mr D Green (Chief Executive Officer: V&A Waterfront).
- 6.1.3. Airports Company South Africa (ACSA).
- 6.1.4. PEDI Urban Agricultural Academy.
- 6.1.5. Western Cape Department of Agriculture.

### **Summary:**

During the briefings the following key observations and findings were noted.

## **7. Briefing by the V&A Waterfront on how the V&A Waterfront, Zeitz Museum of Contemporary Art Africa, and the Silo District contributes to the Western Cape’s economy**

### **7.1. V&A Waterfront**

- 7.1.1. The V&A Waterfront is a privately owned but publically run entity. The entity is a success story in terms of Public Private Partnerships.

- 7.1.2. The V&A Waterfront is a multipurpose environment with unique coastal and marine assets - the area is the size of 180 rugby fields with 450 retailers, over 80 eateries, 12 hotels, 7 museums, a marina, active fishing industry, 20 leisure tenants, an aquarium and a fresh food market.
- 7.1.3. Approximately 21 000 people at the V&A Waterfront on a daily basis.
- 7.1.4. 24 million people visit the V&A Waterfront annually.
- 7.1.5. In 2016, the V&A Waterfront contributed R39 billion to Gross Domestic Product, and R34 billion to Provincial Gross Geographic Product.
- 7.1.6. Factors contributing to the increased economic activity include a 4.2% increase in visitor numbers, double-digit growth in turnover of tenants, the recovery of hotel occupancy, new international tenants such as H&M and Hamleys, and the growth in fixed rental contributions from the Breakwater residential property.
- 7.1.7. It is estimated that the new developments at the V&A Waterfront could make an additional cumulative nominal contribution to GDP of R183 billion by 2026.
- 7.1.8. The V&A Waterfront continues to be a viable commercial space that contributes to job creation provincially and nationally. By 2016 the Waterfront had created 21 790 direct jobs, 17 516 indirect jobs, 39 306 jobs in total in the Western Cape, and 57616 jobs in total in South Africa.

## **7.2. Zeitz Museum of Contemporary Art Africa and the Silo District**

- 7.2.1. The Zeitz Museum of Contemporary Art Africa opened in September 2017. A R500 million investment into the museum was made by V&A Waterfront shareholders. The shareholders funded the redevelopment costs and granted the use of the building at no cost to the institution.
- 7.2.2. The museum is a not-for-profit partnership between the V&A Waterfront and Jochen Zeitz.
- 7.2.3. The museum will be the focal development of the proposed new mixed-use Silo District currently under development. The District is an extension of the old Clock Tower District. All the buildings in the District are built with sustainable building materials.

## **8. Briefing by Airports Company South Africa (ACSA) on the vision for agri-processing around the airport**

- 8.1. Airport Company South Africa is connected to six continents, more than 10 airlines and over 200 routes.
- 8.2. ACSA collaborates with various partners like the Western Cape Provincial Government, City of Cape Town, Airports Company South Africa, Cape Town Tourism, WESGRO and the Private Sector.
- 8.3. To date, ACSA has served more than 10 million passengers.
- 8.4. It is a provider of approximately 15 000 direct and indirect airport employment opportunities.
- 8.5. Cape Town International Airport (CTIA) is surrounded by the lowest income level households which includes a number of informal settlements. CTIA is using vacant land to change the lives of the local community like the Swartklip development which is key to the re-alignment of the runway. The realignment of the runway location will minimise the noise pollution in the departure

corridor and it is in line with the airports community upliftment strategy that focusses on education facilities, job creation and housing development.

- 8.6.** ACSA presented a plan to grow and establish an aerotropolis, with a goal of uplifting the surrounding community and creating jobs. The benefits of an aerotropolis include: attracting specialised industries, defining airport development and connectivity, growing aviation movements and catapulting local economic development.

**9. Department of Agriculture and the Philippi Economic Development Initiative (PEDI) on the link between the new agri-processing area and the Philippi Horticultural Area (PHA)**

- 9.1.** The PHA is a critical resource in Cape Town due to its exceptional horticultural production. The Department of Agriculture highlighted that the PHA must be preserved and protected as a highly productive horticulture area into the future for food and nutrition security.
- 9.2.** The PHA is situated within Cape Town’s urban landscape, and contributes to food and nutrition security by contributing to affordable and diverse food. Farmers in the PHA supply fresh produce to major retailers such as Shoprite, Spar, Pick ‘n Pay and Woolworths, as well as to many restaurants in the V&A Waterfront. Shoprite Checkers sources R90 million per annum from the PHA.
- 9.3.** The impact of climate change on food production highlights the value of the PHA to the City’s food and nutrition security. During the drought the PHA’s food production did not decrease.
- 9.4.** The PHA is located on the thickest portion of the Cape Flats Aquifer, which is a unique underground water resource which is used by local farmers for irrigation.
- 9.5.** The PHA faces competing land use challenges.
- 9.6.** Heritage Western Cape has made a decision to protect the PHA as “unique and irreplaceable”.
- 9.7.** There are 8 informal settlements within the core PHA. The informal settlements are a primary labour source for farms located in the PHA. The PHA creates approximately 2 300 – 4 000 unskilled jobs all year round.
- 9.8.** PHA protection would unlock significant sector investments, which would increase production and job creation.
- 9.9.** The PHA’s close proximity to markets, distribution centres, wholesalers and processing companies assists in keeping the retail price of produce low.

**10. Background of the Zeitz Museum of Contemporary Art Africa**

- 10.1. Name of the project:** Zeitz Museum of Contemporary Art Africa.
- 10.2. Project initiation / start date:** 2014
- 10.3. Total budget for the project:** R 500 million
- 10.4. Number of people benefiting or intended to benefit from the project:** Unclear
- 10.5. Intended completion date:** 2017

**10.6. Key challenges experienced during the project:** No challenges noted. It should be borne in mind that at the time of the site visit, the Zeitz MOCAA had only been open for 2 weeks.

**10.7. Observations and findings**

10.7.1. At the time of the visit, members of the public were able to visit the museum at no charge. It was then noted that all Africans (South African and the rest of the continent) may visit the museum for free on Wednesday mornings.

10.7.2. Members noted that the museum is a platform for telling the African story through art and culture. The aim is for the Zeitz MOCAA to become a focal point for the best of the emerging African artistic talent to be showcased.

**10.8. Successes**

10.8.1. Currently the Zeitz MOCAA is the largest museum of its kind in Africa.

10.8.2. It houses art from African artists living all over the world, but displays art mostly from South Africa.

10.8.3. The site is still in its early inception making it too soon to measure immediate or long term success.

**10.9. Recommendations**

10.9.1. Members were concerned that the Silo District will become very quiet over the weekends. It was suggested that the V&A Waterfront should hold weekend markets, and consider having weekly programmes in order to create an exciting atmosphere during the weekends.

10.9.2. The Waterfront management noted that it plans to introduce buskers to area. The also hoped that the museum will attract more locals and tourist into the district.

10.9.3. As the entire V&A Waterfront expands, there is a concern that transport chaos will grow as well.

10.9.4. The Waterfont management highlighted that they were aware of the traffic challenges and they were encouraging staff to use local transport like the bus systems.

10.9.5. The V&A Waterfront should consider tapping into best practice used by other ports on the Western Cape's coastline that are encouraging ships and cruise liners to stop at the Waterfront's port on their way along the coast.

10.9.6. The V&A Waterfront should consider fostering a closer partnership between Robben Island and the Zeitz MOCAA. The Waterfont management stated that this will be considered in future planning.

10.9.7. The V&A Waterfront should consider revamping the area around where the boats are docked. Members recommended that the V&A Waterfont should consider establishing a fish market where fresh fish can be sold as there are few to no places where people can go to buy this product.

**11. Background of the Philippi Economic Development Initiative**

**11.1. Name of the project:** Phillipi Economic Development Initiative (PEDI) - Exporting skills, fresh produce and agri-processed products and a host of other products and services and developing emerging farmers.

- 11.2. Project initiation / start date:** 2015-2023
- 11.3. Total budget for the project:** R8 billion
- 11.4. Department(s)/entity/entities funding the project:** Department of Agriculture
- 11.5. Number of people benefiting or intended to benefit from the project:** 60 000 jobs and 200 000 tons of food.
- 11.6. Number of people employed in the project:** 60 000 jobs
- 11.7. Intended completion date:** 2023
- 11.8. Key challenges experienced during the project:** The Philippi Fresh Produce Market was Purpose Built for supporting 2500 emerging farmers. This has not materialised to date.
- 11.9. Desired solutions to the challenges:** PEDI is attempting to address this by developing the PEDI Urban Agriculture Academy to become the home for qualified agriculture graduates to practice farming in a protected environment – and for honing their skills in farming business acumen, conventional and modern farming technologies; before venturing into small / medium scale farming and becoming the emerging farmers of the future.
- 11.10. Observations and findings**
- 11.10.1. It was noted that the project provided the following benefits:
- 11.10.2. Environmental conservation: organic waste diverted from landfill to be processed into vermi-compost
- 11.10.3. Food security: vegetables made available to local residential markets
- 11.10.4. Water security: tapping into the Cape Flats Aquifer for irrigation
- 11.10.5. Job Creation : training of farm workers
- 11.10.6. Enterprise Development: develop emerging farmers to contribute to the farming economy and create jobs for the unemployed
- 11.10.7. Emerging Farmer development: develop emerging farmers into small / medium / large scale farmers of the future
- 11.11. Successes**
- 11.11.1. The Academy has begun to train emerging farmers in a ground-breaking organic vegetable growing system that can be replicated and adapted in numerous urban settings elsewhere in Cape Town, the Western Cape Province or South Africa where food and water security are critical, and where ever filling landfills are running out of capacity largely through food waste.
- 11.11.2. PEDI has launched a truly inspiring project to renew the socio-economic fortunes of the Philippi area, and aims to bring it in from the periphery of the city's life where it faces such serious challenges of poverty and unemployment.

- 11.11.3. The methodologies of the PEDI Urban Agriculture Academy are adaptable and can easily be replicated across the Province and South Africa.
- 11.11.4. Turning unutilised land into productive fields.
- 11.11.5. Making basic vegetables available to markets and local communities.
- 11.11.6. Biggest earthworm farm in the world.

## **11.12. Recommendations**

- 11.12.1. Members raised issues related to gender disparity. PEDI stated that they will address gender inequality by ensuring that it employs more women and equip them to become commercial farmers.
- 11.12.2. Members recommended that PEDI ensure replication of its model in suitable areas.

## **12. Background of the Philippi Horticultural Area**

Philippi Horticultural Area is a unique vegetable farming area in South Africa. PHA is also a poultry producer and supplies Pick and Pay and restaurants in the V&A waterfront.

- 12.1. Name of the project:** Philippi Horticultural area
- 12.2. Project initiation / start date:** 2015-2019
- 12.3. Department(s) / entity/entities funding the project:** Department of Agriculture
- 12.4. Number of people benefiting or intended to benefit from the project:** 2300-4000 unskilled jobs, 8 informal settlements
- 12.5. Number of people employed in the project:** 2300-4000
- 12.6. Intended completion date:** 2019
- 12.7. Key challenges experienced during the project:** competitive markets, high levels of regulation, price squeezes, relationship with local farmers are weak.
- 12.8. Desired solutions to the challenges:** Enter into partnerships with local communities and attend to informal settlement upgrades. Conduct an assessment of employment opportunities within PHA.
- 12.9. Observations and findings**
  - 12.9.1. Members noted that PHA has the potential to create one million new jobs.
  - 12.9.2. Currently PHA supports 300 000 smallholder producers.
  - 12.9.3. PHA aims to grow the agricultural GDP, and intends to allocate 1 million hectares of unutilised land under production by 2019.
- 12.10. Successes**
  - 12.10.1. Critical resource in Cape Town due to its exceptional horticultural production.
  - 12.10.2. Contributes to affordable and diverse food.

- 12.10.3. Contains Cape Flats aquifer which is a unique water source for irrigation.
- 12.10.4. Reduces unemployment by absorbing low skilled and low-schooled workforce.
- 12.10.5. Production contributes to food security.

**12.11. Recommendations**

- 12.11.1. The PHA must ensure public private partnerships are encouraged and work towards improving these partnerships.
- 12.11.2. PHA must consider improving and maintaining relationships with commercial farmers.
- 12.11.3. Members stated that PHA should continuously engage with all spheres of government.

**TABLING**

The Speaker:

**Tabling of document in terms of section 54(1) and (2) of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act 10 of 2009), as amended:**

**Western Cape Provincial Parliament:** Monthly financial statements (In-year Monitoring Report) for the period ended 31 May 2018.