



Economic Development & Tourism

Department:
Economic Development & Tourism
NORTHERN CAPE PROVINCE

The background of the cover is a composite of two photographs. The top photograph shows a close-up of several baobab trees with their characteristic thick, textured trunks, set against a blue sky with some clouds. The bottom photograph shows a wide, flat landscape under a dramatic sky with large, white, fluffy clouds. In the foreground, there is a single, dark, rounded tree. The horizon is low, showing distant hills. The entire cover is framed by large, curved, overlapping shapes in shades of blue and orange.

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**FOR THE YEAR ENDED
31 MARCH 2021**

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For the year ended the 31 March 2021



Mr Abraham Vosloo
MEC for Finance, Economic
Development and Tourism



Mr K Packirisamy
Chief Financial Officer



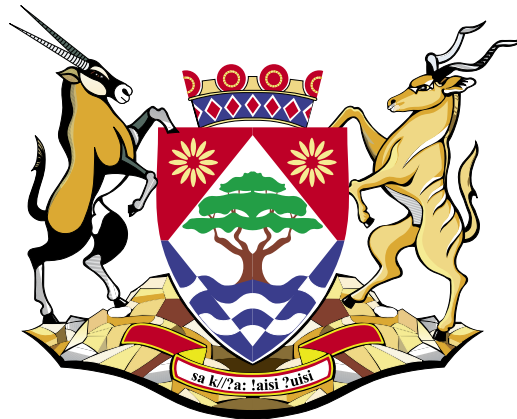
Mr T Mabija
Head of Department
Economic Development
and Tourism



Dr M. Phera
Chief Operations Officer



Ms L Wyngaard
Economic Technical Cluster
Secretariat
Acting Executive Manager
Trade and Sector Development



Adv. Olivier
Executive Manager
Business Regulation and
Governance



Mr. GS Mabilo
Executive Manager
Policy, Research and
Innovation



Mr D Christians
Executive Manager
Integrated Economic
Development Services



Ms J Wilson
Executive Manager
Tourism

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PART A: **GENERAL** **INFORMATION**





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PART A: GENERAL INFORMATION

1.1 DEPARTMENT GENERAL INFORMATION

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

PHYSICAL ADDRESS: MetLife Towers
Corner of Stead and Knight Street
Kimberley
South Africa

POSTAL ADDRESS: Private Bag X6108
KIMBERLEY
8300

TELEPHONE NUMBER/S 053 839 4000

FAX NUMBER 053 831 3668

EMAIL ADDRESS tpalm@ncpg.gov.za

WEBSITE ADDRESS <http://economic.ncape.gov.za>



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1.2 LIST OF ABBREVIATIONS/ ACRONYMS

ABBREVIATION	MEANING
AGSA	Auditor-General of South Africa
AO	Accounting Officer
BBBEE	Broad-Based Black Economic Empowerment
BRICS	Brazil, Russia, India, China and South Africa
CAD	Computer Aided Design
CAM	Computer Aided Manufacturing
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
CSD	Central Supplier Database
CSIR	Council for Scientific and Industrial Research
CSP	Concentrating Solar Power
DEDaT	Department of Economic Development and Tourism
DGDS	District Growth and Development Strategy
DIRCO	The Department of International Relations and Cooperation
DORA	Division of Revenue Act
DSDF	District Spatial Development Framework
DTI	Department of Trade and Industry
EIA	Enterprise Information Architecture
EHW	Employee Health and Wellness.
ETAC	Economic Technical Advisory Committee
EXCO	Executive Committee
EPWP	Extended Public Works Programme
ESSA	Economic Society of South Africa
ETAC	Economic Technical Advisory Committee
EU	European Union
FABCOS	Foundation for African Business and Consumer Services
GDE	Gross Domestic Expenditure
GDP-R	Gross Domestic Product per Region
GIA	Gemological Institution Authority
HDI	Historically Disadvantaged Individual
HIPCC	High Impact Project Coordinating Committee
HOD	Head of Department
HRA&D	Human Resource Accounting and Development
HS	Harmonized System (HS) Codes
ICT	Information and Communication Technology
IDC	Industrial Development Cooperation
IDP	Integrated Development Plan
IDT	Independent Development Trust
IEDS	Integrated Economic Development Services
IMEDP	Informal Micro Enterprise Development Programme
IPAP	Industrial Policy Action Plan
IMF	International Monetary Fund

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ABBREVIATION	MEANING
IYM	In-Year Monitoring
JTG	John Taolo Gaetsewe
KIDJA	Kimberley International Diamond and Jewellery Academy
KIP	Kathu Industrial Park
KM	Knowledge Management
KD & JC	Kimberley Diamond & Jewellery Centre
LED	Local Economic Development
LFPR	Labour Force Participation Rate
MEC	Member of Executive Committee
mLAB	Mobile Solutions Laboratory
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MIS	Management Information System
M & E	Monitoring and Evaluation
MQA	Mining Qualification Authority
NCYCC	Northern Cape Youth Chamber of Commerce
NCEDA	Northern Cape Economic Development, Trade and Investment Promotion Agency
NCGB	Northern Cape Gambling Board
NCLB	Northern Cape Liquor Board
NCTA	Northern Cape Tourism Authority
NDP	National Development Plan
NEF	National Empowerment Fund
NEMISA	National Electronic Media Institute of South Africa
NGP	New Growth Path
NIMBUS	National Informal Business Upliftment Strategy
NIP	National Infrastructure Plan
NVC	New Venture Creations
OECD	Organisation for Economic Co-operation and Development
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administrative Justice Act
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy
POA	Programme of Action
PPP	Public Private Partnership
PSA	Public Service Act
PSDF	Provincial Spatial Development Framework
PSET	Post School Education and Training
PSR	Public Service Regulations
RALED	Regional and Local Economic Development
REDS	Regional Economic Development Services
R&D	Research & Development
REIPPPP	Renewable Energy Independent Power Producer Procurement Programme
SCM	Supply Chain Management

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ABBREVIATION	MEANING
RWOPS	Remuneration for Work Outside the Public Service
SABIC	South African Business Incubation Conference
SADPMR	South African Diamond and Precious Metals Regulator
SALT	Southern Africa Large Telescope
SAPPA	South African Pecan Nut Producers Association
SAT	South African Tourism
SA-TIED	Southern Africa- Towards Inclusive Economic Development
SDIP	Service Delivery Improvement Plan
SAWIC	South African Women in Construction
SEDA	Small Enterprise Development Agency
SEIF	Shared Economic Infrastructure Facility
SEZ	Special Economic Zone
SOE	State Owned Enterprise
SONA	State of the Nation Address
SHERQ	Safety, Health, Environment, Risk and Quality
SITA	State Information Technology Agency
SIP	Strategic Integrated Project
SLA	Service Level Agreement
SMME	Small Medium and Micro Enterprise
SPLUMA	The Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA).
SOPA	State of the Province Address
SPU	Sol Plaatje University
TSA	Tourism Satellite Account
TVET	Northern Cape Technical Vocational Education and Training
TWIB	Technology for Women in Business
VFR	Visiting Friends and Relatives
UNWTO	United Nations World Tourism Organisation
WEMI	Women Empowerment Movement International
WEO	World Economic Outlook
WiLAT	Women in Logistics and Transport
W/O	Work Opportunities
WTTC	World Travel and Tourism Council



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1.3. FOREWORD BY THE MEC



On 11 March 2020 the Director-General of the World Health Organisation, Dr Tedros Adhanom Ghebreyesus, made an announcement that changed the rules of social interaction for every inhabitant on the planet. He said, “We have therefore made the assessment that COVID-19 can be characterized as a pandemic. Pandemic is not a word to use lightly or carelessly. It is a word that, if misused, can cause unreasonable fear, or unjustified acceptance that the fight is over, leading to unnecessary suffering and death.” He went on to place the world on alert and, “for countries to take urgent and aggressive action.”

The response in South Africa was swift. On 15 March 2020, Dr Nkosazana Dlamini Zuma, Minister of Cooperative Governance and Traditional Affairs, declared “a national state of disaster” as authorised by “Section 3 of the Disaster Management Act, 2002.” This mandated the president to announce that an “extraordinary response” was required “to manage the disease, protect the people of our country and reduce the impact of the virus on our society and on our economy.” Thirty-five of the fifty-three land ports were closed. Two of the eight seaports were closed to passengers and crew

changes. All non-essential travel for all spheres of government outside of the Republic was prohibited. All non-essential domestic travel, particularly by air, rail, taxis and bus was discouraged. Inter-provincial travel was severely restricted. The socio-economic impact of these measures were far-reaching.

We found ourselves facing a “new normal.” It became apparent that there was a need to reassess the Annual Performance Plan for 2021/2021 to strategically align the department’s interventions to address the socio-economic impact of the pandemic which had caused the economy to haemorrhage jobs. Income streams dried up for more than 80 000 economically active citizens and served only to widen the existing inequalities in society. The pandemic arrived while the South African economy was reeling from a protracted period of negative growth.

The relaxation of lockdown regulations as announced by Honourable President Cyril Ramaphosa assisted the provincial economy together with the national economy on its road to recovery. In the third quarter of 2020, the provincial unemployment rate was 23.1 per cent. When looking at the annual changes, the unemployment rate decreased by 6.7 percentage points. The number of employed people decreased by 35 000 while the number of unemployed people decreased by 51 000. There was however a significant increase in the number of discouraged work-seekers over this period. Increases in employment were reported in Agriculture, Mining, Manufacturing, Construction, Finance, Community and social services and Private households.

In the Northern Cape Second Adjustment Appropriation Bill for the 2020/21 Financial Year the Department received an allocation of R37.6 million. Despite these overwhelming challenges of a reduced fiscal envelop and the pandemic, the department reprioritised the Annual Performance Plan 2020/2021 which was re-tabled in August 2020. The revised APP 2020/2021 sought to identify economically viable and sustainable interventions that would promote the development, growth, diversification, transformation and recovery of the provincial economy. The achievement between the two annual performance plans was marked by a 78% increase in performance.



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In pursuit of the Premier's vision of developing a modern, growing and successful Province the Department supported the the National broadband rollout, under SA Connect, to connect government facilities in the Pixley ka Seme District Municipality. Seventy-one sites were connected for 2020/21. To bridge the digital divide, a Community Network (CN) Advisory Committee has been established within the framework of the British High Commission project named Supporting Community-Led Approaches to Addressing the Digital Divide, to be effected in 2020 – 2023 in five countries. The countries are South Africa, Brazil, Indonesia, Kenya and Nigeria. As part of the drive towards the Fourth Industrial Revolution the mLab Northern Cape has seen its first cohort of software application developers graduate with two start-ups. The Northern Cape Innovation Forum hosted by Sol Plaatje University with support from the CSIR Technology Localization Unit and the department was launched in February 2021.

The novel corona virus pandemic and the Budget Adjustment Process impacted the development of Small, Medium and Macro Enterprises who play a crucial role in growing the economy and addressing the threat of poverty, inequality and unemployment. The financial support to enterprises; primarily provided through the Economic Growth and Development Fund (EGDF). The allocation of R 31,539 million to the EGDF was reduced by Provincial Treasury during the Covid-19 budget adjustment process. A Memorandum of Understanding was concluded with the National Empowerment Fund (NEF) for the establishment of Northern Cape SMME Blended Fund. Sixty-six (66) enterprises registered with the Northern Cape Clothing and Textile Cluster and those involved in the School Uniform Project was developed for linkage to the mask Project. Twenty-four (24) were "vetted" for participation in the project and the rest were linked to an established enterprises.

As part of the integrated approach to economic development, two projects were supported through the development of concept documents and stakeholder coordination namely: Kuruman Regional Airport and the Upington Industrial technology station. The Department also developed and implementation plan for Red Tape Reduction (RTR) of which the plan will be rolled out all municipalities which were selected done through the RTR assessments completed.

The conditional grant received for Expanded Public Works Programme (EPWP) funded three projects and created employment for 166 people.

The Department continued to pursue the economic empowerment of targeted groups. A New Venture Creation programme for 25 persons living with disability was initiated in November 2020. SEDA provided Start-up training and Business Skills training to Boitumelo and Ivy-Cross Special School. The Global Entrepreneurship week intervention took place in Pixley ka Seme and was attended by 161 women of which 40 were youth.

The Namakwa Special Economic Zone, based in the Khai-Ma Municipality presents an ideal investment opportunity to prospective investors. This investment is supported by the commitment of Vedanta Zinc International mining expansion combined with the incorporation of a zinc smelter and sulphuric acid production facility with an array of downstream activities. This project is supported by the Presidential Infrastructure Investment Committee and for now has a committed investment of R 26 billion. The Namakwa SEZ will be implemented in phases and has the potential to realise up to 6 000 direct and indirect jobs between the public and private partners. Five nodes will be developed from 2021 in the Northern Cape Industrial Corridor. The Kathu Industrial Park, Upington Industrial Park, Boegoebaai harbour and De Aar rail cargo hub will also be promoted to attract investment to the Province.



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The Northern Cape Investment Booklet was finalized and will serve as a vehicle to advance the Northern Cape's competitive profile in order to attract investment. Through the NC Business Publication, the Province was also marketed as an ideal trade & investment location highlighting the competitive and comparative advantages of the province, investment and trade opportunities and projects, cost of doing business and financial and economic infrastructure of the province. Three high impact projects were presented and marketed to recruit investment through the AIM Eurasia Conference as well as information dissemination to the Moscow and St. Petersburg Chambers of Commerce in Russia and members of the Confederation of India Industries.

The Province participated intensively in the national effort to develop measures to recover the tourism sector. This was achieved through digital platforms consisting of webinars, zoom meetings and other virtual platforms of engagement. The National Department of Tourism allocated R30 million relief fund specifically for registered tour guides. Each eligible tour guide in the Province received R1500.00.

The national and provincial response to the COVID-19 pandemic and global lockdown was to develop a provincial tourism recovery plan. It was entitled, "Resilience Beyond Fear: A Matrix Framework For The Deliverables Of The Recovery Of The Northern Cape Tourism Industry". The plan is being rolled out over three phases which are the survival phase, recovery phase and thriving phase. Two hundred and twenty-four tourism enterprises applied for national tourism relief funding and 124 businesses, black and white-owned, received funding to the amount of R6.2 million.. Fifteen tourism enterprises were supported to improve quality assurance in their guesthouse operations. Twenty five black-owned tourism enterprises benefitted from financial support made available by the Department, eighteen of them are beneficiaries of the Mier Tourism Enterprise Incubator located in the ZF McGawu district.

The Department provided financial support to rejuvenate the Namakwa 4x4 Eco Trail, a community-based tourism enterprise that benefits all the villages near the Orange River between Pella and Alexander Bay. Funding was provided to upgrade the Cricket South Africa-accredited Northern Cape Cricket stadium infrastructure in Kimberley in an effort to attract games for the forthcoming women's Cricket World Cup and other higher ranked international team games. The Richtersveld Municipality was supported to upgrade its beach tourism infrastructure in McDougal's Bay.

The Department of Economic Development and Tourism, in partnership with the national department of Tourism, completed work on the redevelopment of the Big Hole Precinct. The Dawid Kruiper Municipality in the Z.F. McGawu district and DEDaT are project partners in the development of Hakskeenpan in Mier as an open-air mega event venue.

I would like to echo the words of our Honourable President Ramaphosa who said, "Difficult days indeed lie ahead. However, we have proven our resilience as a nation ... The task before us now is to apply the same energies with which we have battled this pandemic to the economic recovery effort. We are weathering a long and difficult storm. We are enduring great hardship and suffering unbearable losses. But we continue to stand firm against this onslaught. A ray of light is visible on the horizon."

We remain committed to rebuilding an economy that ensures that the manacles of unemployment, poverty and inequality are finally shattered.

I hereby table the annual report for the year ended 31 March 2021.



Mr Abraham Vosloo

MEC for Finance, Economic Development and Tourism

31 May 2021

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1.4. REPORT OF THE ACCOUNTING OFFICER



1.4.1. Overview of the operations of the department

The turbulent fallout from the COVID-19 pandemic and the subsequent secondary waves of infection coupled with the COVID-19 Risk Adjusted Strategy have had a significant impact on the economy of the Northern Cape Province. IHS MarkIT, one of the world's largest repositories of economic, financial and industry data, reports that the Gross Domestic Product of the Northern Cape Province contracted by -6.8% in the year under review.

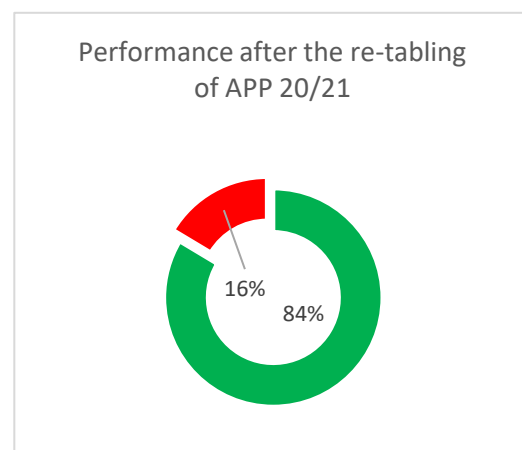
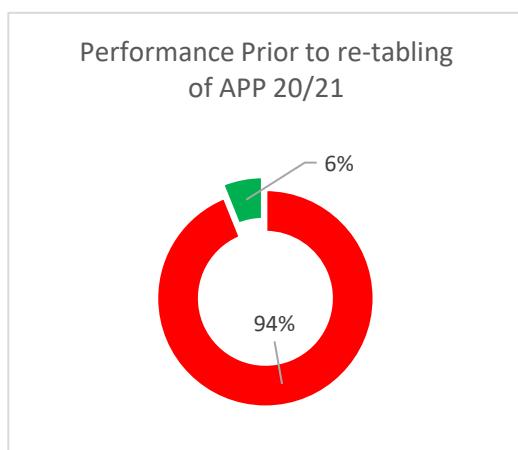
These catastrophic events dismantled many of the advances made since 1994 to address poverty, inequality and unemployment. The downturn in economic activity led to a shedding of jobs. Statistics South Africa (Stats SA) revealed that the Province registered a 24% reduction in employment in the 2nd Quarter of 2020/2021. In real terms this means that 80 500 citizens lost their jobs during this period. Statistics South Africa (StatsSA) reports that the current unemployment rate for the Province is at 28.7%. The interventions such as the SASSA-administered social relief of distress (SRD) grant of R 350 per month to individuals and the Tourism Relief Fund to SMMEs have helped to mitigate the extreme socio-economic consequences concomitant

with the economic downturn and rise in unemployment.

In addition, the provincial inequality index or Gini-coefficient has increased over the period of analysis. It increased from 0.59 in 2015, to around 0.61 which amounts to a 0.02 index point increase. This increase suggests that the provincial income redistribution mechanisms have been reversed, as there are more people contesting for 39% of the income generated in the Province. The staggering implication is that 10% earn 61% of the provincial income. However the department still believes that vision to radically transform the economic landscape in order to ensure inclusivity can be achieved through the steadfast interdependence of public-private partnerships.

The economic data and the reduction in the budget necessitated a strategic review of the Annual Performance Plan for 2020/2021 in the 2nd Quarter of the financial year under review. In August 2021 the Revised Annual Performance Plan was tabled at the Northern Cape Provincial Legislature. The departmental performance prior to re-tabling measured a paltry 6.15%. In real terms it means that 4 of the envisaged 65 targets were achieved. The number of indicators was subsequently reduced from 65 to 61. Nine Outlook Indicators were completely reformulated while the annual targets to 26 Outlook Indicators were revised (without any changes being made to the outlook indicator). This meant that the newly formulated outlook indicators do not have audited performance data for the inner years 2018/19 and 2019/20.

As a result the department was able to achieve 83.6% of the targets by the end of the financial year under review. The stark contrast in performance is illustrated in the diagrammes below:



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Despite these challenges the department continued to implement its mandate in pursuit of the long-term and medium-term developmental objectives outlined by the Honourable President Cyril Ramaphosa in South Africa's Economic Reconstruction and Recovery Plan (tabled in Parliament on 15 October 2020). These call for interventions that, "create jobs, primarily through aggressive infrastructure investment and mass employment programmes; reindustrialise our economy, focusing on growing small businesses" and to accelerate economic reforms to unlock investment and growth." All the while the department also worked to achieve the vision of the Premier, the Honourable Dr. Zamani Saul who, on the 29 May 2020, called for "practical and outside-the-box responses to the vast developmental challenges confronting the province" in order to achieve the vision of a modern, growing and successful province.

The department actively worked towards achieving industrial growth by incentivizing manufacturing, localization and beneficiation. Core to the achievement was the continued development of SMMEs in the Province. This was assisted by the relaxation of the lockdown rules which allowed for greater movement. This served as an impetus for economic recovery. Consequently, the Premier confirmed this in the Northern Cape State of the Province Address 2021, where he said that, "mining and manufacturing had significant growth rates in the second quarter, leading the provincial economy's resurgence, with a 263% and 211% respectively. This bodes well for the Northern Cape Industrialisation ambitions; as the resurgence of the provincial mining and manufacturing could be the catalyst to achieve the industrialisation feat. The Mining sector continues to be a sunrise industry in our Province."

The departments' contribution to the continued recovery in the period under review included the promotion of the National broadband rollout, under SA Connect, to connect government facilities in the Pixley ka Seme District Municipality, where seventy-one sites were connected for 2020/21. The Memorandum of Understanding with Afrovision Foundation was also signed-off in November 2020, with Wi-Fi rollout being planned across the Province.

Five Wi-Fi hotspots are active in the Sol Plaatje Municipality, with thirteen being planned. A community network is being planned to resuscitate the John Taolo Gaetsewe wireless mesh project. In an approach to bridge the digital divide, a Community Network (CN) Advisory Committee has been established within the framework of the British High Commission project named Supporting Community-Led Approaches to Addressing the Digital Divide, which will be implemented in the period 2020 – 2023 in five countries. The countries are South Africa, Brazil, Indonesia, Kenya and Nigeria.

Skills for the digital era remain a key catalyst for the transition of the Province into the Fourth Industrial Revolution (4IR). In response to this, the mLab Northern Cape has seen its first cohort of software application developers graduate with two start-ups, *LINK-it Up* and *Smart City* going into incubation at the SMME Village in Galeshewe. The Northern Cape Innovation Forum, hosted by Sol Plaatje University with support from the CSIR Technology Localization Unit and the department was launched in February 2021 by the Premier. In attendance were key stakeholders, who have expressed continued commitment and support of the forum's endeavour to drive innovation for socio-economic growth.

The Department supported the efforts of the Department of Small Business Development (DSBD) by creating awareness and disseminating information on all the communication platforms created in the province and coordinating the assimilation of information required by DSBD, specifically with respect to the informal sector and enterprises in the textile industry. The financial support to enterprises; primarily provided through the Economic Growth and Development Fund (EGDF), that received an allocation of R 31,539 million, was cut to zero by Provincial Treasury during the Covid-19 budget adjustment process.

Integral to the economic recovery was the activation of the Memorandum of Understanding with Productivity South Africa. This was achieved by hosting a webinar to introduce the companies to the service offering of Productivity South Africa directed at ensuring an increase in the productivity and efficiency of operations in enterprises. Thirty-four (34) enterprises were invited to participate in the programme. In addition a Memorandum of Understanding was concluded with the National Empowerment Fund (NEF) for the establishment of Northern Cape SMME Blended Fund.

A consolidated database consisting sixty-six (66) enterprises registered with the Northern Cape Clothing and Textile Cluster and those involved in the School Uniform Project was developed for linkage to the mask project. Of the sixty-six (66) enterprises linked to the project, twenty-four (24) were "vetted" for participation in the project; with the others, that are either lone worker enterprises or start-ups without machinery, being linked to the more established enterprises.

A detailed Section 47 LED maturity analysis was conducted of all (31) municipalities. In addition, an IDP analysis was conducted and submitted to COGHSTA. Two (2) projects were supported through developing concepts documents and stakeholder coordination namely: Kuruman Regional Airport and the Upington Industrial

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technology station. The Department also developed and implementation plan for Red Tape Reduction (RTR) of which the plan will be rolled out all municipalities which were selected done through the RTR assessments completed.

A key enabler for EPWP in the Department is the conditional grant received via the Environmental Sector. The EPWP funding is applied to assist enterprises/interventions which can be sustainable post the EPWP grant. In the period under review R 2 025 000 (100% of the conditional grant) was spent. This was done by supporting 3 projects and creating a total of 166 work opportunities. The projects included Sol Plaatje Environmental, Namakwa removal of Prosopis trees projects) and Pixley Ka Seme Environmental project. This was achieved by instilling business principles and providing the necessary funding for start-up capital equipment and stipends.

The Department continued to pursue the economic empowerment of targeted groups through proactive interventions that provided the disadvantaged individuals with the prerequisite knowledge, skills and access to information needed to grow their businesses. Sophia's Driving School was assisted to apply for drivers' licence learnerships from TETA (Transport Education and Training Authority). It proved successful. A New Venture Creation programme for 25 persons living with disability was initiated in November 2020. SEDA provided Start-up training and Business Skills training to Boitumelo and Ivy-Cross Special School. The Global Entrepreneurship week intervention took place in Pixley ka Seme and was attended by 161 women of which 40 were youth.

The Namakwa Special Economic Zone, based in the Khai-Ma Municipality presents an ideal investment opportunity to prospective investors. This investment is supported by the commitment of Vedanta Zinc International mining expansion combined with the incorporation of a zinc smelter and sulphuric acid production facility with an array of downstream activities. This project is supported by the Presidential Infrastructure Investment Committee and for now has a committed investment of R 26 billion.

The Namakwa SEZ will be implemented in phases and has the potential to realise up to 6 000 direct and indirect jobs between the public and private partners. The Northern Cape has already appointed a dedicated Project Management Team and experts to develop the Namakwa SEZ Designation and Licence application. There will be five critical nodes developed from 2021 in the Northern Cape Industrial Corridor. The Kathu Industrial Park, Upington Industrial Park, Boegoebaai harbour and De Aar rail cargo hub will also be promoted to attract investment to the Province.

The COVID-19 pandemic dictated that, in lieu of overseas trips being undertaken, the promotion of investment projects and trade opportunities and products/services of the Northern Cape was done via the Trade Invest Africa e-newsletter. It was used to market the trade and investment opportunities to potential investors and foreign importers. Thirty (30) companies were granted exposure on national and international platforms through virtual webinars and exhibitions.

The compilation of the Northern Cape Investment Booklet was finalized. The booklet is a strategic and primary source of information for potential investors. Moreover, specific projects in the Investment booklet will facilitate access to international markets and will act as a trajectory in advancing the Northern Cape's competitive profile, both in reach and in content.

Through the NC Business Publication, the Province was also marketed as an ideal trade & investment location highlighting the competitive and comparative advantages of the province, investment and trade opportunities and projects, cost of doing business and financial and economic infrastructure of the province. Three high impact projects were presented and marketed to recruit investment through the AIM Eurasia Conference as well as information dissemination to the Moscow and St. Petersburg Chambers of Commerce in Russia and members of the Confederation of India Industries. One-on-one meetings with potential investors were facilitated through NCEDA and continuous engagements and discussions will follow. The Department also facilitated investment at the Kimberley Diamond and Jewellery Centre for two companies, Highrise Loft Diamonds and Blue Lounge Trading 107, specializing in diamond cutting & polishing and the sale of diamonds.

Development of the clothing industry is the development and economic empowerment of a key target group in society, i.e. Women because they constitute the majority of stakeholders in this industry. DEDaT thus conducted a province-wide road-show for the clothing cluster members where organizational structures (District Committees) were created to assist the Department in identifying district specific opportunities and challenges to inform future plans and strategies in order to develop this sector.

The country's lockdown due to the corona virus pandemic which came into effect March 2021 impacted on both Kimberley International Diamond and Jewellery Academy (KIDJA) and Kimberley Diamond and Jewellery Incubator (KDJI) as operations at the institutions had to be suspended. KDJI resumed operations once it became permissible under the gazetted lockdown level 3 regulations, however; KIDJA for the same period remained locked as the institution awaited the promulgation of regulations under level 2 for the opening of academic

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institutions. Recovery plans at KIDJA included revisiting the training programme to ensure that the completion of the interrupted training of learners at the time was expedited.

In terms of protecting the consumer 349 complaints were received and investigated. The Consumer Protector managed to resolve 270 of these cases through mediation, investigation and referrals to other regulators. In addition 113 inspections were conducted and 17 notices were issued. The World Consumer Rights Day Celebration was conducted in Pixley Ka Seme (15/03/2021) via a roadshow and four radio talk shows conducted in ZFM, JTG and PKS. The estimated listening audience is calculated at 97 000.

The outbreak of the COVID-19 pandemic had a significant impact on the South African tourism industry. This has had a ripple effect on the tourism industry in the Northern Cape Province as well. The Province participated intensively in the national effort to developing recovery measures for the tourism sector. This was achieved through digital platforms consisting of webinars, zoom meetings and other virtual platforms of engagement. The Indigenous and rural communities, inclusive of those with successful tourism enterprises, often have recurrent financial, marketing or visitor management issues. These communities are isolated in rural areas and are isolated from key tourism destinations. This situation was exacerbated by the pandemic. The Department conducted tourism awareness campaigns through community radio stations to ensure that they are informed about the benefits of tourism and therefore are urged to participate in the industry.

The National Department of Tourism allocated R30 million relief fund specifically for registered tour guides. Each eligible tour guide received a financial relief of R1500.00. This relief fund's primary purpose was to cover specific tour guides, including freelancers and independent guides who were not previously eligible for assistance from the tourism relief fund.

The national and provincial response to the COVID-19 pandemic and global lockdown was to develop a provincial tourism recovery plan. It was entitled, "Resilience Beyond Fear: A Matrix Framework For The Deliverables Of The Recovery Of The Northern Cape Tourism Industry". The plan is being rolled out over three phases which are the survival phase, recovery phase and thriving phase. Some 224 tourism enterprises applied for national tourism relief funding and 124 businesses, black and white-owned, received funding to the amount of R6.2 million. The majority of the applicants required assistance to improve their compliance with the fund's criteria. Fifteen tourism enterprises were supported to improve quality assurance in their guesthouse operations.

Twenty five black-owned tourism enterprises benefitted from financial support made available by the Department, eighteen of them are beneficiaries of the Mier Tourism Enterprise Incubator located in the ZF McGawu district. DEDaT also supported two black-owned business concerns to develop more activity based tourism in Kimberley and to promote township tourism in Galeshewe.

In addition the Department provided financial support to rejuvenate the Namakwa 4x4 Eco Trail, a community-based tourism enterprise that benefits all the villages near the Orange River between Pella and Alexander Bay. Funding was provided to upgrade the Cricket South Africa-accredited Northern Cape Cricket stadium infrastructure in Kimberley in an effort to attract games for the forthcoming women's Cricket World Cup and other higher ranked international team games. The Richtersveld Municipality was supported to upgrade its beach tourism infrastructure in McDougal's Bay.

The Department of Economic Development and Tourism in partnership with the national department of Tourism completed work on the redevelopment of the Big Hole Precinct and finalized plans for the development of the Galeshewe Tourism Precinct. Both projects are located in the Frances Baard district.

Dawid Kruiper Municipality in the Z.F. McGawu district and DEDaT are project partners in the development of Hakskeenpan in Mier as an open-air mega event venue. Funding for the upgrade of the waste water treatment works in Rietfontein was made available. This is a proactive initiative to process the additional waste to be generated by tourism activity on the pan.



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1.4.2. Overview of the financial results of the Department

1.4.2.1. Departmental receipts

Departmental receipts	2020/2021			2019/2020		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	20 615	17 028	3 586	34 577	29 639	4 938
Casino taxes	14 745	10 874	3 870	27 646	22 929	4 717
Horse racing taxes	1 722	2 416	(694)	2 032	2 715	(683)
Liquor licences	4 148	3 738	410	4 899	3 995	904
Motor vehicle licences	-	-	-	-	-	-
Sale of goods and services other than capital assets	104	95	9	92	104	(12)
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	13	5	8	152	153	(1)
Interest, dividends and rent on land	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Financial transactions in assets and liabilities	661	2 974	(2 313)	34	625	(591)
Total	21 393	20 101	1 292	34 855	30 522	4 333

1.4.2.2 Programme Expenditure

Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	52 724	51 696	1 028	65 907	65 907	-
Integrated Economic Development Services	58 090	57 988	102	36 685	35 917	768
Trade and Sector Development	51 263	51 237	26	51 529	50 854	675
Business Regulation and Governance	40 567	40 331	236	43 415	43 415	-
Economic Planning	19 897	19 813	84	22 554	20 884	1 670
Tourism	56 059	54 474	1 585	90 879	88 542	2 337
Total	278 600	275 539	3 061	310 969	305 519	5 450

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In the 2020/21 financial year the department underspent by R 3 061 000 (R5 450 000 in 2019/20).

However the Department did request a roll-over of R2 825 000 and if the roll-over is deducted from the underspending the real underspending of the Department amounts to R 236 000 or 0.08% of the allocated budget.

The underspending, amounting to R 236 000 was realised on Compensation of Employees due to the fact that employees in Business Regulation and Governance resigned during the financial year. This amount will be surrendered to Provincial Treasury.

An under spending, amounting to R 1 120 000 was realised on Goods & Services for the KDC Event that was planned for 24-27 March 2021. An order was issued to the service provider and therefor the commitment was active on LOGIS as at 31 March 2021 which obligates the DEDaT to process the payment. The invoices were received from HRA Trading on 29 March 2021 which resulted in insufficient time to process the payment. A rollover request was submitted to Provincial Treasury for the unspent funds.

An under spending, amounting to R 200 000 was realised on Transfers and Subsidies due to the under spending of payments to Public corporations and private enterprises. The approved transfer agreement with Unboxed Projects obligated the department to transfer the funds to the clients. A roll-over request was registered at Provincial Treasury for the unspent funds on Transfers and Subsidies for Tourism Grant Events. An under spending, amounting to R 579 000 was realised on Transfers and Subsidies due to the under spending of payments to Households. The department had an obligation to process the payment to the Government Employees Pension Fund for the early retirement liability of an employee. One of the applicants went on early retirement on 31/12/2020 and received his pension pay out middle of March 2021. The request for payment and the GEPF Additional Financial Obligation Calculation were received on 26 March 2021 which resulted in insufficient time to process the payment in the 2020/21 financial year. A roll-over request was registered at Provincial Treasury for the unspent funds so that this commitment can be paid.

An under spending, amount to R 926 000 was realised on Payment for capital assets. There are active commitments for computers, but due to no stock on hand the suppliers were unable to deliver before 31 March 2020. The department has an obligation to process the payments as soon as they take delivery from the Service Providers. The computers will be delivered in June/July 2021. A roll-over request was registered at Provincial Treasury for the unspent so that this commitment can be paid.

The financial year 2020/21 under spending as per economic classification are:

- Compensation of employees was R236 000 (R 174 000 in 2019/20);
- Goods and Services was R1 120 000 (R248 000 in 2019/20). A roll-over request was registered amounting to R1 120 000 for Goods and Services for the 2020/21 financial year. A roll-over request was registered in the 2019/20 financial year amounting to R247 000.
- Transfers and Subsidies was R779 000 (R4 788 000 in 2019/20). A roll-over request was registered amounting to R779 000 for Transfers and Subsidies for the 2020/21 financial year. A roll-over request was registered amounting to R3 589 000 for Transfers and Subsidies in the 2019/20 financial year.
- Payments for Capital Assets was R926 000 (R240 000 in 2019/20). A roll-over request was registered amounting to R926 000 for the 2020/21 financial year. A roll-over request was registered amounting to R240 000 for Payments for Capital Assets in the 2019/20 financial year.

The following graphs illustrate the expenditure patterns for the financial year under review as compared with the budget allocations. Graph 1 illustrates the budget versus the expenditure per programme whereas in Graph 2 indicate the budget versus expenditure per economic classification for the financial year under review.

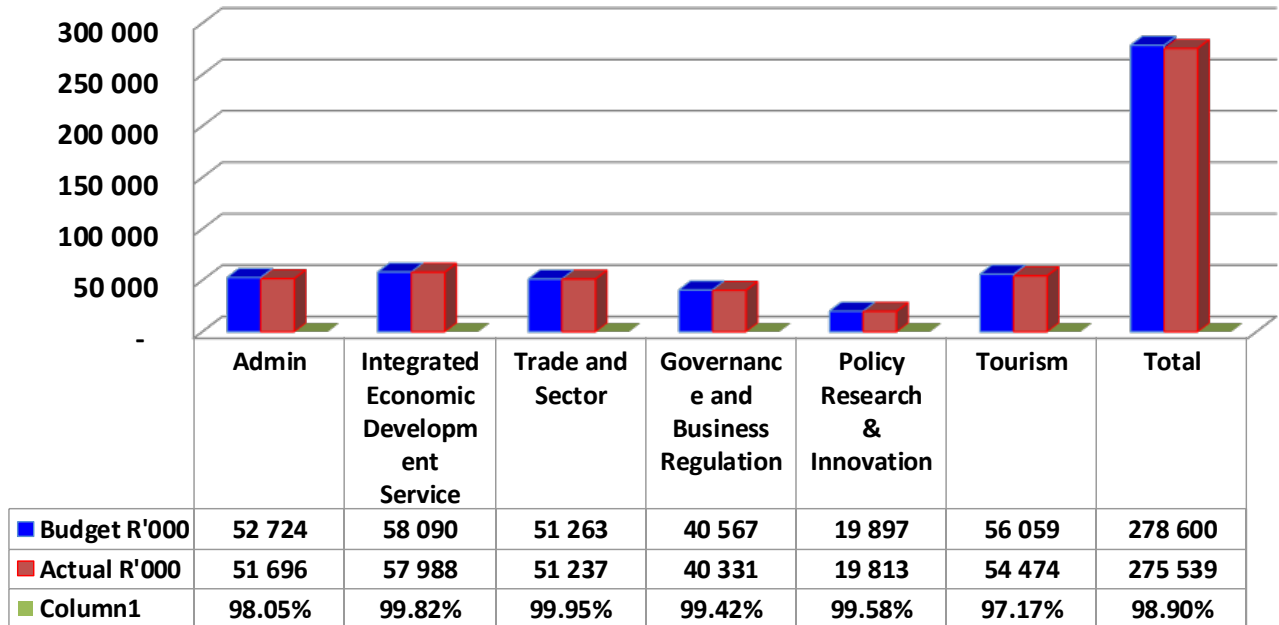


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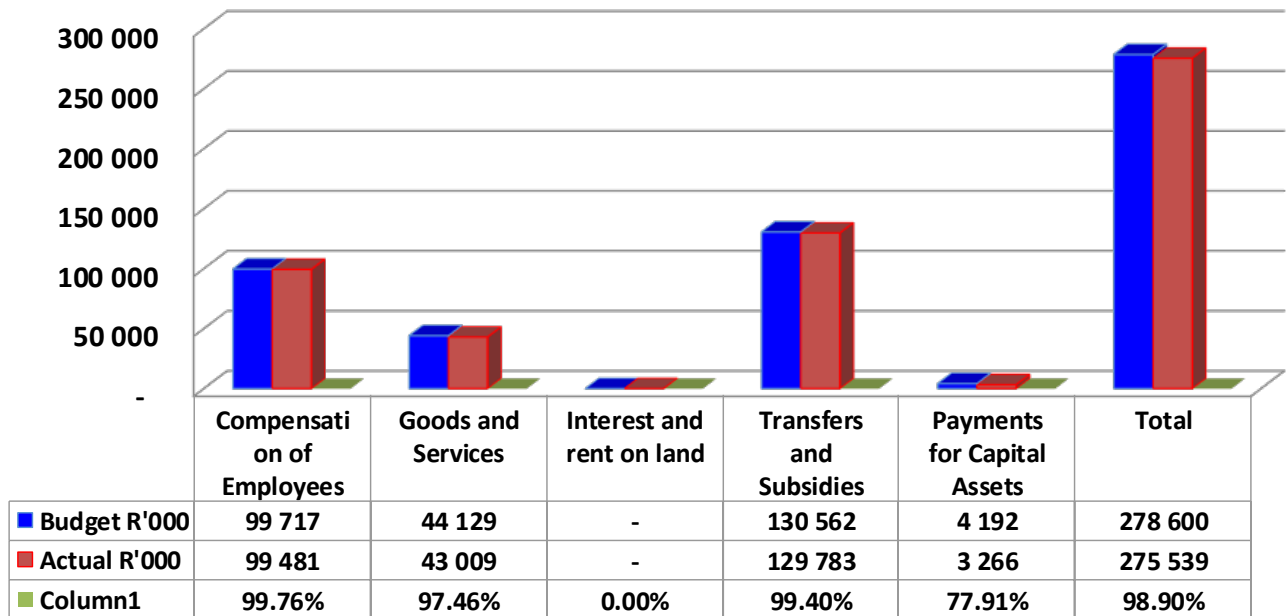
GRAPH 1: Budget versus Expenditure per Programme for 2020/2021

Budget vs Expenditure per Programme



GRAPH 2: Budget versus Expenditure per Economic Classification for 2020/2021

Budget vs Expenditure per Economic Classification



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1.4.2.3. Virements/roll overs

Virements

After the Adjusted Appropriation Act of the 2019/20 financial year, the following virement on savings, according to section 43 of the Public Finance Management Act, Act No.1 of 1999 (PFMA), have been applied by the department.

Per Programme:

FROM	TO	Amount R'000
Administration	Trade and sector Development	1 861
Administration	Tourism	1 308
Integrated Economic Development Services	Administration	235
Integrated Economic Development Services	Trade and Sector Development	147
Integrated Economic Development Services	Tourism	2 750
Trade and Sector Development	Tourism	99
Business Regulation and Governance	Economic Planning	197
Business Regulation and Governance	Tourism	280
Economic Planning	Tourism	415
Tourism	Trade and Sector Development	1 051

For more information, please refer to the Appropriation Statement in the Annual Financial Statements.

Per Economic Classification:

FROM	TO	Amount R'000
Compensation of Employees	Compensation of Employees	431
Compensation of Employees	Buildings and other fixed Structures	380
Compensation of Employees	Machinery and Equipment	2
Goods and Services	Goods and Services	3201
Goods and services	Departmental agencies and Accounts	1 647
Goods and Services	Buildings and other fixed Structures	903
Goods and Services	Machinery and Equipment	367
Departmental agencies and Accounts	Departmental Agencies and Accounts	1 051
Households	Departmental Agencies and Accounts	206
Provincial and Local Governments	Departmental Agencies and Accounts	155

For more information, please refer to the Appropriation Statement in the Annual Financial Statements.

Roll-Overs

The table below indicates the unspent funds and roll-overs:

After completion of the 2020/21 financial year, the Department realized an under spending on their expenses and requested a roll-over of funds; in terms of section 6.4 of the Treasury Regulations which has been submitted to the Provincial Treasury by 30 April 2021.

The submission for roll-over submitted to Provincial Treasury for the Department of Economic Development and Tourism was R2 825 000 and was made up as indicated in the table below:

Programme	Saving Funds R'000	Roll-over requested R'000	Funds not rolled-over R'000
Administration	1 028	1 028	-
Integrated Economic Development Services	102	102	-
Trade and Sector Development	26	26	-
Business Regulation and Governance	236	-	236
Economic Planning	84	84	-
Tourism	1 585	1 585	-
Total	3 061	2 825	236

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1.4.3. Strategic Focus over the short to medium term period

FUTURE PLANS OF THE DEPARTMENT 2021/2022

The COVID19 pandemic has ravaged the South African economy, affecting trade, investment, production, domestic and international travel, supply and demand. The economy contracted and 80 000 people lost their jobs since the arrival of the virus. This only served to increase poverty and inequality in the Province.

In response President Cyril Ramaphosa presented the “the plan for the reconstruction and recovery of our economy and our country” to a Joint Sitting of Parliament on 15th October 2020. The objectives of the plan are to create jobs, primarily through aggressive infrastructure investment and mass employment programmes; reindustrialise the economy, focusing on growing small businesses; to accelerate economic reforms to unlock investment and growth; to fight crime and corruption; and to improve the capability of the state. These objectives are linked to the vision set out in the National Development Plan. The President went on to say, “Our response to the pandemic was therefore three-pronged – firstly, a robust health response, secondly, social and economic relief and now economic recovery.”

The Annual Performance Plan for 2021-2022 speaks to interventions directed at “economic recovery.” These interventions seek to redress the imbalances of the past by creating an enabling environment to support enterprises to grow and contribute to addressing the triple challenge of poverty, unemployment and inequality.

The development of SMMEs is at the centre of the economic recovery of the Province. Hence we will address the challenges being experienced by the SMME community. These include enterprise development services, access to information and services from support agencies, access to a place to operate from, incubation, access to markets and access to public procurement.

The Township and Rural Entrepreneurship Programme (TREP) programme has seen the establishment of District TREP Forums, with collaboration between national departments, provincial departments and municipalities to provide support to enterprises to access the funding instruments from the DSBD. The initial focus was on the clothing and textiles, automotive aftermarkets, *spaza* shops and the baking and confectionery industries and has been extended to include more industries. This process will continue in the new financial year and the DEDaT will provide support to these efforts by offering training to enterprises that have been successful in their applications, in the identified industries.

In terms of financial support the Department is refocussing the financial support to be provided to enterprises. SMMEs will be funded according to a blended financing model. DEDaT will be establishing this fund, in collaboration with a Development Funding Institution (DFI). In essence funding to SMMEs will be part grant and part loan. The rationale is to fortify fiscal accountability and hence the Department will continue to monitor those enterprises that were funded through the EGDF. We will still be pursuing the implementation of a technology-based tool to enable enterprise development services across the Northern Cape Province.

DEDaT will continue the support to municipalities by facilitating the establishment of shared economic infrastructure facilities which will provide operating space for the enterprises. In addition, support for the incubators will also be continued, especially the collaboration with SEDA regarding the incubation services to be provided at the Kathu Industrial Park (KIP).

An additional focus area for support is Red Tape Reduction. These components will be incorporated into the LED strategies and plans of the municipalities.

In terms of inclusivity we will continue to implement interventions that empower businesses owned by target groups. Interventions to be implemented will include relevant skills programmes, access to markets, sharing relevant opportunities and assistance with compliance in specialized areas.

Investment interventions need to be aligned to the current reality but with a focus on recovery measures. The Province must step up aggressive investment promotion programmes domestically and internationally. Aftercare services must be provided to assist both international and local investors to invest in the province. It is vital to reposition the Northern Cape as a preferred and friendly investment destination; and to provide funding and incentives to stimulate investment by linking investors with projects and incentive programmes.

The Department will drive economic transformation and increase participation in industrialisation by actively promoting high impact projects in the priority sectors, as identified in the PGDP. Promoting the diversification of exports from the province to traditional and new markets by growing the export base of the province and providing market access for companies, products and services are also important deliverables.

The emphasis will be on improving the business environment for both local and foreign companies, as well as alignment with national initiatives to attract investment for new businesses or businesses that want to expand their

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current activities. This will be done through the One-Stop Shop Investor Centre. Given its legislative mandate, to execute on provincial trade and investment promotion activities, the implementing agent of the One Stop Shop programme, InvestSA, has appointed NCEDA as the official managing partner of the Centre located in the Province. The Department, in collaboration with NCEDA, will support and implement programmes that will make Northern Cape companies more globally competitive in terms of export activities. Our focus for the financial year in terms of trade promotion are Exporter Development, the exploitation of the regional integration market and in pro-actively exposing exporters to export markets.

Over the last three years the Department embarked on an Industrial Cluster Development Programme to stimulate manufacturing in the Province. The Clusters that were developed over this period are the Metals Industrial Cluster and the Clothing Cluster. This year DEDaT will focus its efforts on the industries identified in the manufacturing strategy such as Clothing & Textile, Metals and Energy related industries. DEDaT will also implement a Renewable Cluster to assist SMMEs to enter the Renewable Energy space.

The Provincial Growth and Development Plan (PGDP), in alignment with the NDP, articulates the importance of the mining sector in terms of its contribution to the provincial Gross Domestic Product (GDP) and its vital potential to contribute towards a diversified and inclusive provincial economy through the stimulation of sector-associated value-chain activities. SMMEs in the renewable energy sector will be supported to explore investment opportunities that exist throughout the renewable energy value chain. Intervention initiatives will include skills development in mineral (diamond) beneficiation as well as support for SMME jewellery manufacturers through two Departmental/Programme initiatives namely: the Kimberley International Diamond and Jewellery Academy (KIDJA/Academy) and the Kimberley Diamond and Jewellery Incubator (KDJI/Incubator).

The Department aspires to host a Provincial Mining Conference (within the context of the regulations surrounding the control of the Coronavirus.). The purpose of the conference is to provide a platform for Provincial government and sector stakeholders to jointly identify and address key challenges facing the sector.

The Northern Cape Consumer Protection Authority deems it imperative to open regional offices in order to be more transparent and to service the greater part of the Province on a daily basis, as its current location is not easily accessible to the public who live in the rural areas.

The Department will focus on the promotion of Management information Systems (MIS) and Enterprise Information Architecture (EIA), as key tools in the promotion of a knowledge society and economy in order to promote initiatives that position entrepreneurs in the province that enable them to exploit the value chain afforded by the Fourth Industrial Revolution (4IR).

It is imperative that the immediate economic impact of COVID-19 be arrested by driving job creation and expanding support for vulnerable households. A key driver of economic activity in the Province is tourism. Hence it is vital that the tourism sector be resuscitated to be both inclusive and transformative.

The Department will therefore respond to the national and provincial tourism recovery strategies as we partner with other governmental entities and the private sector to deliver on a successful survival, recovery and once again thriving provincial tourism industry. As such the focus will be on the upskilling the provincial tourism industry workforce, supporting black tourism entrepreneurs, enhancing the provincial tourism experience, tourism infrastructure development, ensuring industry compliance and providing operational support to the Northern Cape Tourism Authority. The emphasis for tourism development will be to excite the provincial leisure and business markets to travel their own province while continuing to use digital technology in an effort to enhance the visitor experience while at the same time contributing to the vision of a modern, growing and successful Northern Cape.

1.4.4. Public Private Partnerships

The department did not have any public – private partnership for the period under review.

1.4.5. Discontinued activities / activities to be discontinued

No activities in the Department have been discontinued or are to be discontinued.

1.4.6. New or proposed key activities

None

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1.4.7. Supply chain management

There were no unsolicited bid proposals concluded for the year under review.

1.4.8. Gifts and Donations received in kind from non-related parties

No gift and/or donations were received in kind from any non-related parties for the year under review.

1.4.9. Exemptions and deviations received from the National Treasury

There were no exceptions and deviations that the Department received from National Treasury for the period under review.

1.4.10. Events after the reporting date

There is a need to highlight that during the auditing process the AGSA's Management Report indicated that there were material misstatements in the reported performance information. It is imperative to indicate that there was only one indicator in the Tourism Programme (6.2.3) where the performance was overstated by 1. There are 9 Output Indicators in Tourism with a total of 166 targets. The error percentage is therefore only 0.60% of the population.

In addition, the AGSA reports material underspending on the annual budget of R3.060 million. This is merely 1.1% of the allocated budget for the financial year. If taken into consideration that of this R3.060 million underspending R2.825 million was requested for roll-overs, since it was committed in the 20/21 financial year but not paid at year-end. This therefore decreases the underspending to R235 000 which is only 0.08% of the allocated budget. More details on the spending of the Department can be found under paragraphs 1.4.2.2 and 1.4.2.3 of this report.

1.4.11. Other

In accordance with Section 32 of the Public Service Act, 1994 as amended and the Policy on Acting Allowance for Senior Management Service (SMS) the appointment of:

- Ms L. Wyngaard as the Acting Head of the Department of Economic Development and Tourism was confirmed, effective from 01 March 2020 to 30 April 2020.
- Mr T Mabija was appointed as Acting the Head of Department of Economic Development and Tourism was confirmed, effective from 01 May 2020.

1.4.12 Acknowledgement/s or Appreciation

The Department wishes to express sincere gratitude to its national sector departments of Economic Development; Small Business Development, Tourism and the dti respectively for assistance and guidance.

Further, we would like to thank the district and local municipalities for their cooperation in order to ensure planning alignment.

I would also like to extend special thanks and appreciation to the DEDaT Audit Committee, the Portfolio Committee of Finance, Economic Development and Tourism, and the office of the AGSA for their guidance and assistance.

Finally a special vote of thanks is expressed to the personnel of the Department of Economic Development and Tourism, as well as their families, for the support and commitment to ensure the delivery of the Department's mandate.



Mr T Mabija
Accounting Officer
Department of Economic Development and Tourism

Date: 31 May 2021

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For the year ended the 31 March 2021

1.5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed throughout the Annual Report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department of Economic Development and Tourism for the financial year ended 31 March 2021.

Yours faithfully



Mr T Mabija
Accounting Officer
Department of Economic Development and Tourism

Date: 31 May 2021



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1.6. STRATEGIC OVERVIEW

VISION

A radically transformed economy in the Northern Cape.

MISSION STATEMENT

Accelerating the economic growth and development of the Northern Cape Province through diversification, empowerment, employment, business creation and sustainable development.

VALUES AND PRINCIPLES

- **Batho Pele**
- **Professionalism**
- **Integrity**
- **4 E's**
 - Effectiveness
 - Efficiency
 - Economy
 - Excellence



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1.7 LEGISLATIVE MANDATE

Direct Mandates

1.7.1 Constitutional mandates

The broad mandate of the Department is derived from the Constitution of the RSA, 1996, which regulates government's duties and responsibilities to the citizens, in particular the promotion of socio-economic rights.

Specific reference needs to be made to Provisions in the Bill of Rights (chapter 2) relating to equality (section 9); human dignity (section 10); freedom of trade, occupation and profession (section 22); and chapter 3 of the Constitution dealing with intergovernmental relations that inform the Department's work.

1.7.2 Legislative mandates

The following directive commands the mandate of the Department;

National legislation (bills, acts, regulations, charters), of which the following are the most important:

- Constitution of RSA, 1996;
- Public Service Act (PSA) and Public Service Regulations (PSR), as amended;
- Public Finance Management Act (PFMA) and Treasury Regulations (TR), as amended; and the
- Division of Revenue Act (DoRA).

Relevant line function legislation and regulations includes the following (National and Provincial, e.g. legislation pertaining to small businesses, companies, competition, gambling, liquor, consumer protection, local government, inter-governmental relations, development and planning, other standards and procedures, information, security, human resource management and development, labour, etc., including court decisions).

There have been no changes to the Legislative Mandates that govern the functions of the department in the year under review. The passing of the Division of Revenue Amendment Bill of 2019, was tabled in February 2019.

Indirect Mandates

1.7.3 National and Provincial Government policies

These include White papers, Green papers, Frameworks, Guidelines, Manuals, Strategies and Plans, for example: the National Government Programme of Action, the People's Contract, White Paper of Transformation in the Public Service, State of Nation Address by the President, State of the Province Address by the Premier, National and Provincial Budget speeches, Cabinet resolutions, management decisions endorsed by the Executing Authority, the Northern Cape Innovation Fund Policy, Departmental policies on security, information management, HIV and AIDS etc.

1.7.4 Economic Policy Mandates

a) National Development Plan

The National Development Plan is the long-term socio-economic development plan for the country. The plan has a target of increasing employment by 11 million by 2030. In addition to the employment creation, the plan sets out mechanisms by which to improve the living conditions of citizens as measures by the 14 outcome areas that the government will focus on.

This is proposed to be achieved by:

- Realising an environment for sustainable employment and inclusive economic growth,
- Promoting employment in labour-absorbing industries,
- Raising exports and competitiveness,
- Strengthening government's capacity to give leadership to economic development, and
- Mobilising all sectors of society around a national vision.

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The Department of Economic Development and Tourism is directly responsible for Chapter 3 (Outcome 4 in the Outcomes Based Approach) of the NDP which focusses on the following amongst others:

- Creating an environment for sustainable employment and economic growth
- Strengthening the capacity of government to implement its economic policies
- Promoting employment in labour absorbing industries
- Promoting exports and competitiveness
- Diversifying the economy etc.

In addition, the Executive Council, according to Resolution No. 022/2015 (04) dated 20th April 2015, approved that “the Department of Economic Development and Tourism leads Outcome 6, assisted by the Department of Infrastructure and Public Works and the Office of the Premier.”

The five sub-outcomes are:

- Regulation of infrastructure improved.
- Reliable generation, transmission and distribution of energy ensured through SIPs 1, 8, 9 and 10.
- Maintenance, strategic expansion, operational efficiency, capacity and competitiveness of our transport infrastructure ensured.
- Maintenance and supply availability of our bulk water resources infrastructure ensured.
- Expansion, modernisation, access and affordability of our Information and communications infrastructure ensured.

b) Industrial Policy Action Plan

The Industrial Policy Action Plan (IPAP) is aimed at growing the economy and creating about 129 000 jobs in order to reduce unemployment. The aim is to achieve this by preventing industrial decline and supporting the growth and diversification of the South Africa's manufacturing sector. IPAP is aligned to the National Development Plan (NDP) and also located within the New Growth Path (NGP) framework. The plan is reviewed annually to measure progress on implementation and revise targets.

The Northern Cape supports the implementation of IPAP through the Provincial Manufacturing Strategy and its implementation plan. As a Province with mineral wealth there is big opportunity of mineral beneficiation which is one of the pillars of IPAP.

c) New Growth Path

The New Growth Path (NGP) provides bold, imaginative and effective strategies to create the millions of jobs South Africa needs. The aim is to create five million new jobs by 2020 so that unemployment can decrease by 15 per cent. To realise this target, the focus was set to be on areas that have the potential for creating employment on a large scale (what is called “jobs drivers”) and securing strong and sustainable growth in the next decade.

According to the Provincial Growth and Development Strategy (PGDS) the Province has set an annual job creation target of 16 000. The NGP on the other hand has outlined the following targets up to 2020:

Table 1: Job creation targets for the New Growth Path

Job driver	Sectors	Employment target (2020)
Seizing potential of new economies	Green & knowledge economy	400,000
Main economic sectors	Manufacturing, mining, agricultural , tourism & related high-level services & related IPAP sectors	1,210,000
Infrastructure	Energy, transport, water & communications	250,000
Investing in social capital	EPWP,CWP & public service & youth schemes	260,000
Spatial development	Rural development African regional development	150,000
Rural development	Infrastructure, marketing institutions, education & skills	500,000
TOTAL DIRECT JOBS		2,770,000

The NGP puts special emphasis on new economies i.e. the Green and Knowledge economy. The Northern Cape has the potential of benefiting a lot from these new economies as the Province has been identified as the solar hub of the country and the Square Kilometre Array (SKA).

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To date the Province have secured about 21 projects from the three respective bid windows of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP). The majority of projects are solar energy generation projects, Photovoltaic (PV) and the Customised Sector Programme which includes Concentrating Solar Power (CSP), with a few wind and small hydro projects. These projects will bring substantive greenfields investments into the Province resulting in direct and indirect job creation and community upliftment.

Infrastructure is one of the key job drivers identified in the New Growth Path. The South African Government adopted a National Infrastructure Plan in 2012 that intends to transform the economic landscape while simultaneously creating significant numbers of new jobs and to strengthen the delivery of basic services.

The plan identifies 18 Strategic Infrastructure Projects (SIPs). Of the 18 SIPs there are currently six that are of importance to the Province namely:

SIP 3	South-Eastern node and corridor development.
SIP 5	Saldanha – Northern Cape Development Corridor.
SIP 8	Renewable Energy.
SIP 14	Higher Education Infrastructure.
SIP 15	Expanding access to communication technology.
SIP 16	Square Kilometre Array (SKA)

The full implementation of projects identified within these SIPs will result in more jobs being created in the Province.

1.7.5 Bi-lateral agreements

International, National and local Multi-party Agreements and Memoranda of Understanding concluded with the Province include the following:

- South Africa – China trade agreements.
- Africa – Brazil – India Free Trade Agreement.
- Hunan-Northern Cape Provinces Friendship Agreement.
- Sweden – South Africa city-to-city twinning agreement.
- UNOPS - Department of Economic Affairs' Memorandum of Understanding.
- TISA – Department of Economic Affairs' Memorandum of Understanding.

The articulation of the specific mandates derived from these frameworks is found in the strategic and business / performance plans of the different programmes and sub-programmes in the Department.

1.7.6 Medium Term Strategic Framework 2019 - 2024

The Medium Term Strategic Framework (MTSF) is the implementation plan and monitoring framework for achieving the National Development Plan 2030. It describes the five year period as “the era of Khawuleza” which is about “working together to implement the MTSF 2019-2024 at speed.”

Government has identified seven priorities to be focused on for a period of 5 years. These priorities, which will be achieved through joint efforts of government, the private sector and civil societies are as follows:

- Priority 1: A capable and ethical state.
- Priority 2: Economic transformation and job creation.
- Priority 3: Education, skills and health.
- Priority 4: Consolidation the social wage through reliable and quality basic services.
- Priority 5: Spatial integration, human settlements and local government.
- Priority 6: Social cohesion and safe communities.
- Priority 7: A better Africa and world.

In support of the NDP Vision 2030 to “unite all South Africans to address the triple challenges of unemployment, in equality and poverty,” the Department of Economic Development and Tourism focuses on the following priority:

- Priority 2: Economic transformation and job creation.

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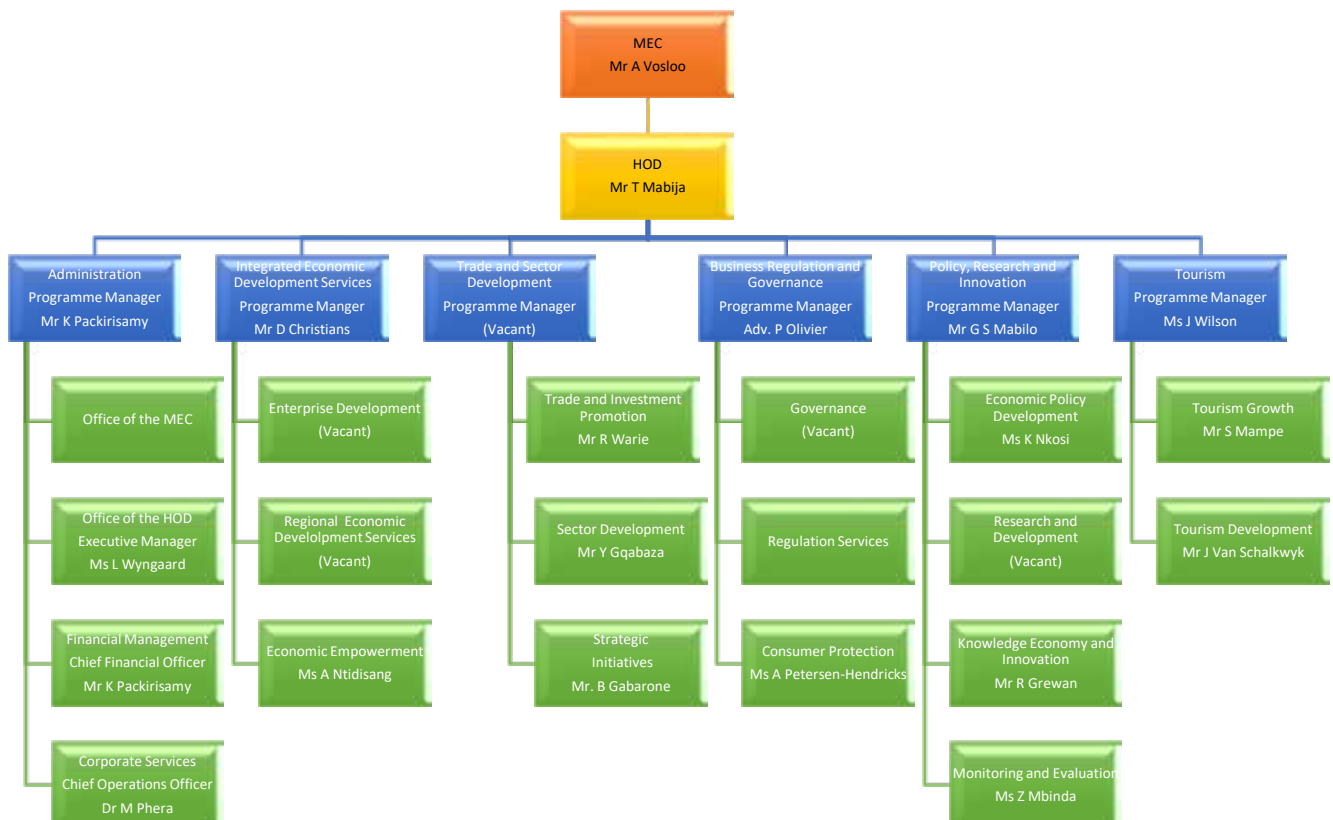
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1.7.7 CHANGES IN THE POLICY ENVIRONMENT

The new MTSF 2019-2024 has streamlined the vision of Operation Phakisa (Hurry Up) pronounced in July 2014. It still encompasses the Ocean's Economy with its potential to make an exponential contribution to the GDP through significant job creation. The areas for growth include Marine Transport and Manufacturing, Offshore Oil and Gas exploration, Aquaculture and Oceans' Governance and Marine Protection Services. It also refocuses the developmental elements as contained in the "9-point Plan."



1.8. ORGANISATIONAL STRUCTURE



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1.9 ENTITIES REPORTING TO THE MEC

The following entities report to the Department of Economic Development and Tourism

Table 1.9.1 Public Entities reporting to the Department

Name of entity	Legislative Mandate	Financial Relationship	Nature of Operations
Liquor Board	Northern Cape Liquor Act, 2008. Amendment to the Act 2010.	Transfer Payment.	To fortify the regulatory environment within the liquor industry of the Northern Cape. Inspections on liquor outlets. Conversion of licenses. Quarterly reports to the Department of Economic Development and Tourism
Gambling Board	Northern Cape Gambling Act, 2008.	Transfer Payment.	To fortify the regulatory environment within the gambling and betting industry of the Northern Cape. Inspections on illegal activities Quarterly financial audits Quarterly compliance audits Quarterly reports to the Department of Economic Development and Tourism
The Northern Cape Trade and Investment Agency (NCEDA)	NCEDA Act, 2008	Transfer Payment.	Attract and facilitate foreign direct investment into the Northern Cape. Grow exports of products and services from the Northern Cape. Translate high-level investment and business opportunities in the Province, into actual business operations which contribute directly to sustainable economic growth and social equity for the people of the Northern Cape. Market the Province as a competitive business destination, both nationally and internationally Quarterly reports to the Department of Economic Development and Tourism
Northern Cape Tourism Authority (NCTA)	Northern Cape Tourism Act, 2008	Transfer Payment.	To fortify the regulatory environment within the tourism industry of the Northern Cape. Domestic and international leisure marketing. Mice (Meetings, Incentives, Exhibitions, Conferences and Events) development Quarterly reports to the Department of Economic Development and Tourism

The Northern Cape Liquor Board (NCLB) is a statutory body established in terms of the Northern Cape Liquor Act, 2008 (Act No. 2 of 2008), with the aim of promoting and maintaining an effective regulatory system for the liquor industry in the Northern Cape Province.

The Northern Cape Gambling Board (NCGB) is a statutory body established in terms of Section 3 of the Northern Cape Gambling Act, 2008 (Act No. 3 of 2008), as amended and classified as a Schedule 3C Public Entity in terms of The Public Finance Management Act. The NCGB is mandated to regulate the gambling industry in the Northern Cape Province.

The Northern Cape Trade and Investment Agency (NCEDA) is statutory body established in terms of the Northern Cape Economic Development Trade and Investment Promotion Act, (Act No. 4 of 2008), and its principal aim is to promote high-impact economic development initiatives, and trade and investment opportunities in the Province.

The Northern Cape Tourism Authority (NCTA) is a statutory body established in terms of the Tourism Act, 2008 (Act No. 2 of 2008), and is responsible marketing the Northern Cape Province as the premier tourism destination, both nationally and internationally.

PART B: **PERFORMANCE** **INFORMATION**





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PART B: PERFORMANCE INFORMATION

2.1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Please refer to the Report of the Auditor-General, published as Part E: Financial Information

2.2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.2.1. Service Delivery Environment

2.2.1.1. Economic Overview

Introduction: Easing lockdown restrictions – boosting economic growth prospects

The easing of lockdown restrictions in the third quarter and a faster-than-expected resumption of global growth, especially in China, led to the South African economy rebounding in the fourth quarter of a very tumultuous 2020. Although economic recovery is expected to continue, output and employment will remain well below pre-pandemic levels until 2023, with considerable uncertainty surrounding the outlook. The global economic effects of the COVID-19 pandemic are far-reaching and will likely be long-lasting. In South Africa, the large increase in unemployment and income losses has entrenched existing inequalities. Although government will conduct a mass vaccination campaign commencing sometime early 2021, the threat of resurgent waves of infection lingers, and the rollout is only expected to gather pace in the second half of 2021 (National Treasury (NT) 2021).

South Africa's economy expanded by 6.3% on a quarterly, annualised basis in the fourth quarter of 2020, and contracted by -7% for the year 2020. The South African Reserve Bank's forecast for GDP for the first quarter of 2021 stands at -0.2%, down from 1.0% at the time of the January MPC meeting. With stronger quarterly outcomes expected for the rest of this year, the economy is expected to grow by about 3.8% (up from 3.6%) (South African Reserve Bank (SARB) 2021). This favourable outlook in essence brought the recent easing of lockdown restrictions which has proved less constraining to economic activity. Loadshedding however has been substantial and consumption moderated in the first quarter of 2021. Meanwhile, rising oil prices have increased the economy's total import bill, offsetting some income gains from a stronger term of trade.

The positive sentiment is equally applicable to the provincial economy, despite the 2019 economic growth outcome when the Northern Cape economy registered negative growth, growing at -0.6%. The biggest sector in the province, mining activities added over R 1.3 billion to the provincial economy, in terms of nominal value (i.e. current prices). Whereas, the provincial mainstay, that is the agriculture sector contribution declined by R 858 million in terms of the nominal value.

As an immediate priority, government will roll out a mass COVID-19 vaccination campaign to the public at no cost to citizens. This will save many lives and support a full reopening of the economy. Over time, as lockdowns globally are phased out in response to vaccination efforts, South Africa will benefit from the resumption of international goods trade and a resurgence in tourism.

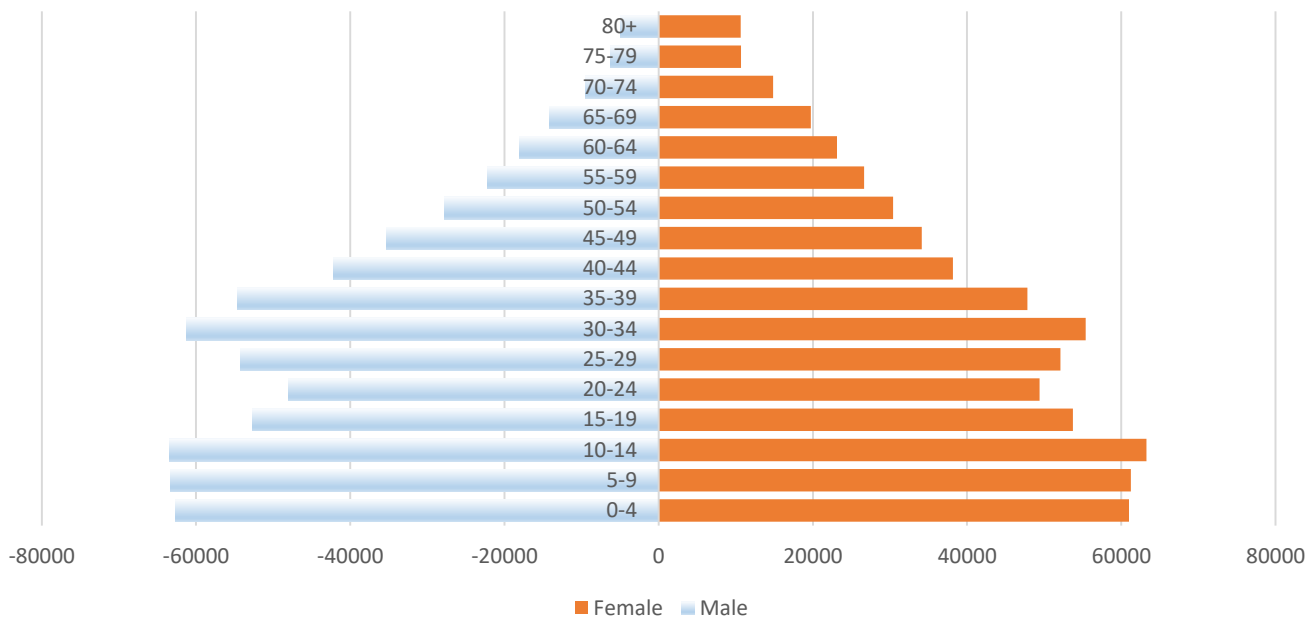
Population, Poverty and Development: Provincial Socio-Economic Landscape

Poverty and economic inequality manifest in patterns that severely prejudice vulnerable individuals and groups based on their race, geographic location, and gender and disability status. It is accordingly found that government's programme of radical socio-economic transformation is necessary, and should focus on addressing the extreme concentration of income and wealth in the top deciles of society. Tailored policies should aim to address economic inequality (South African Human Rights Council (SAHRC), 2018).

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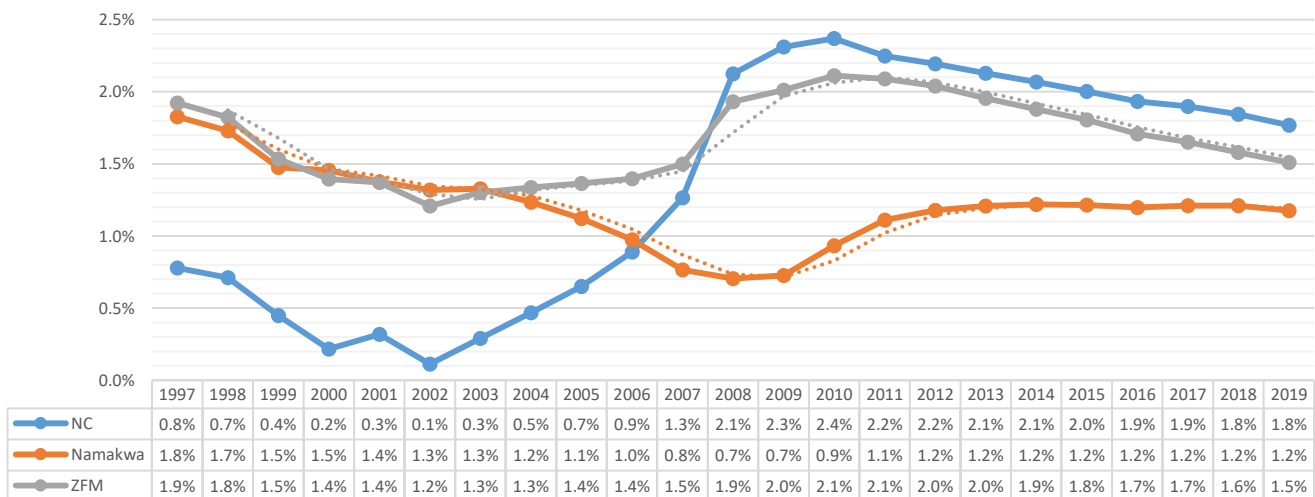
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Figure 1: Northern Cape Provincial Population Pyramid



Source: StatsSA, 2020

The figure above depicts the provincial population pyramid. The Northern Cape Province has a population of almost 1.3 million as per the latest Mid-Year Population Estimates (MYPE). Moreover, the Northern Cape population seemingly mirrors the national picture. As the majority of the population is aged younger than 15 years, that is, 29.0% or about 374 995. Whilst, true to the normative demographic patterns, there are more males (i.e. 189 481) in the Ages 0-14, when compared to females (i.e. 185 514). This is an asymptotic pattern in term of demographic studies. This asymptotic trend is notable also, in those 25 – 34-year cohort, wherein more males (i.e. 115 452), surpass their female counterparts (i.e. 107 452). This phenomenon could adversely stunt population growth rates, and thus planning. In relation to development planning, it is worth noting that the Northern Cape has a youthful population, with 62.0% (or about 801 698) of the population below the age of 35.



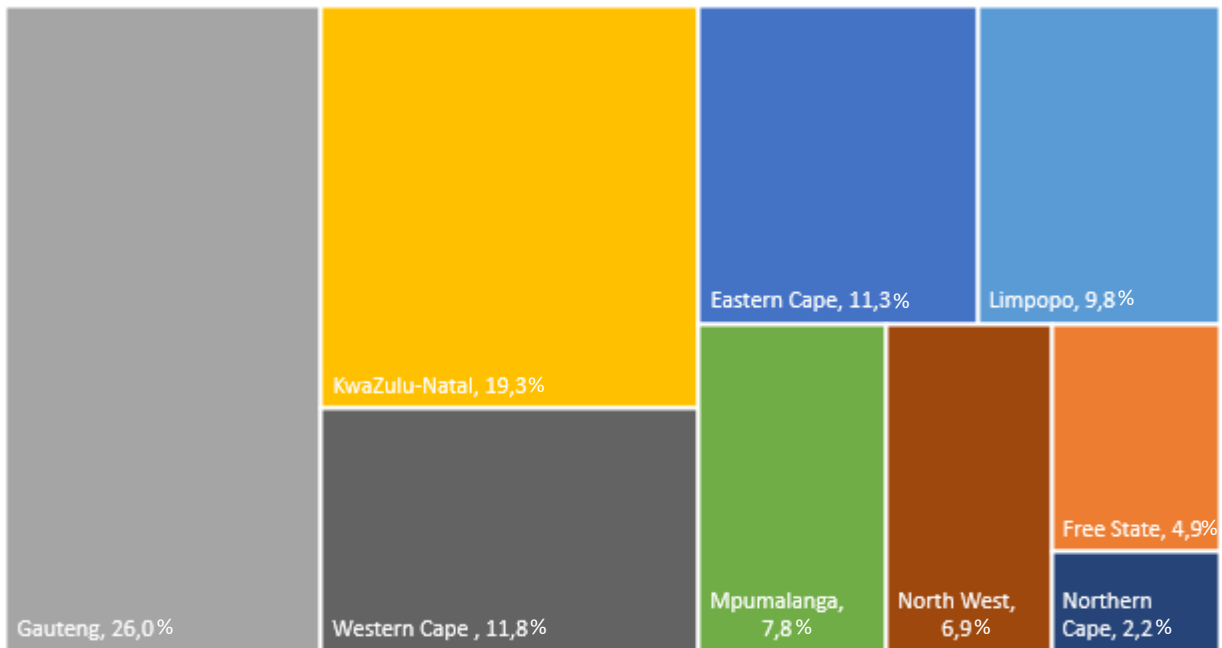
Source: IHS MarkIT, 2020

The provincial population growth is on a downward trajectory, this after the province noted a higher population growth rate of 2.4% before the period of interest (i.e. 2015 to 2019). For the period of analysis, the provincial population growth rate has hovered around the 1.9%, the highest point being in 2015, when it recorded 2.0%.

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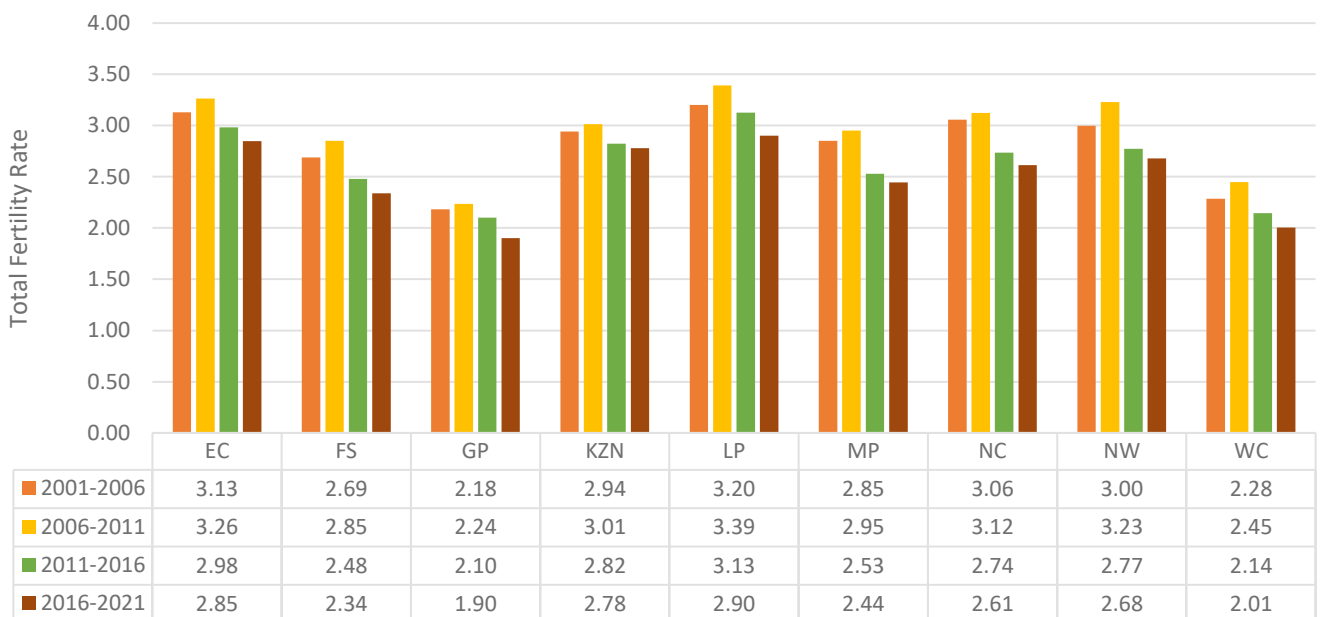
Figure 2: South Africa's Provincial Population contribution



Source: StatsSA, 2020

Statistics South Africa (StatsSA) estimates the mid-year population at 59.6 million for the country. Further approximates that 51 per cent at approximately 30.4 million of the population is female. In the provincial population contexts, Gauteng comprises the largest share of the South African population. Approximately 15.4 million people (26.0%) live in this province. KwaZulu-Natal is the province with the second largest population, with 11.6 million people (19.5%) living in this province. With a population of approximately 1.29 million people (2.2%), the Northern Cape Province has the smallest share of the South African population (as depicted by figure above).

Figure 3: South Africa and Provincial Total Fertility rate



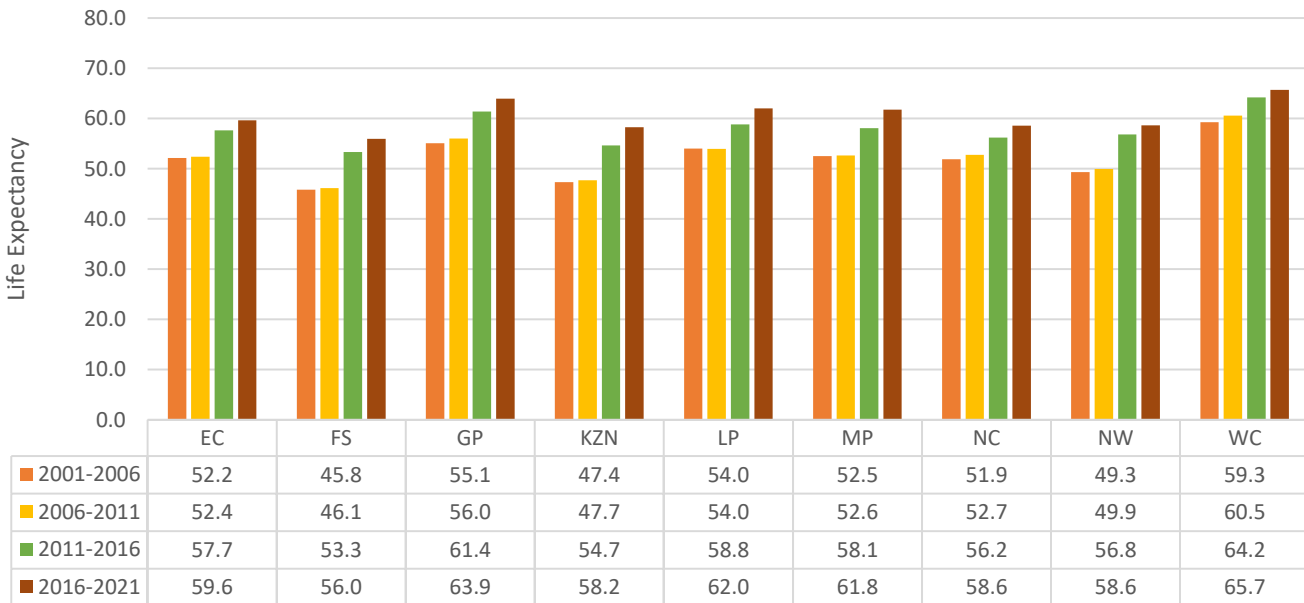
Source: StatsSA, 2020

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The provincial total fertility rates as computed by StatsSA, according to the StatsSA data (2020), there is a notable decline in the total fertility rate, when compared to the period 2001-2006. In the Province the trend is similar and declining. The Northern Cape Province, during period of 2011-2016, a woman would have 2.74 children, while for the period 2016-2021, the statistical body anticipates that on average this has dropped to 2.61 children. Only the Limpopo province is expected to have a TF rate above 3.00, contextually inferring that a woman of child-bearing age, in that Province would have three children, during 2016-2021.

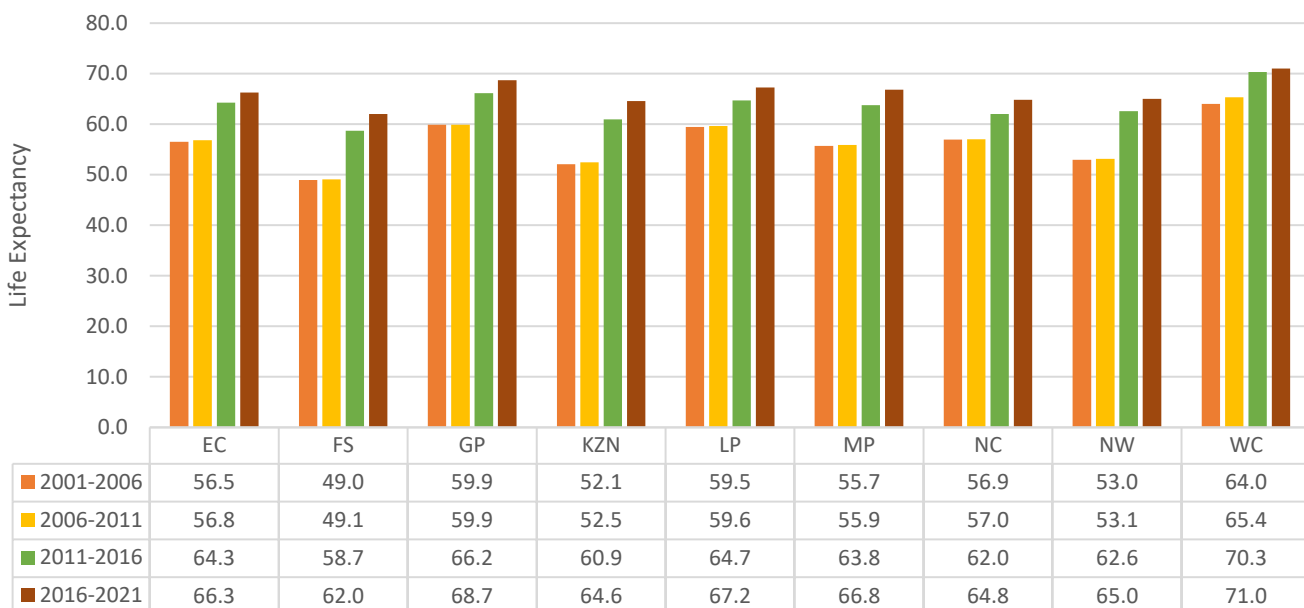
Figure 4: South Africa's Male Life Expectancy



Source: StatsSA, 2020

Figure 5 demonstrates that there is general improvement in the life expectancy at birth for both the female and the male cohort. Notably, StatsSA estimates the male life expectancy to be at 62 years, while that of a female at 67 years. There is an average 5-year gap in life expectancy between males and females in South Africa. Free State has significantly lower life expectancy than the SA average. Whereas in the province a male's life expectancy is said to be at 58.6 years, four years below the national average of 62 years. Noteworthy, there is improvements in the life expectancy at birth for male in the province in comparative terms.

Figure 5: South African and Provincial Female Life Expectancy



Source: StatsSA, 2020

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As previously noted, there is a six-year gap in the life expectancies, with the female cohort advantaged. As such, the life expectancy of females is 6.3 year higher than that of males. Worth noting, the Western Cape has the highest female life expectancy at 71.0 years, whereas the Free State province has the lowest female life expectancy at 62.0 years.

Table 1: Estimated provincial migration streams: 2011-2016 and 2016–2021

Province in 2011	Province in 2016											
	EC	FS	GP	KZN	LIM	MP	NC	NW	WC	Out-migrants	In-migrants	Net migration
EC	0	13 011	145 819	98 121	13 971	16 784	8 075	37 579	174 590	507 950	181 109	-326 841
FS	8 374	0	81 405	7 805	6 503	10 698	8 997	23 584	12 109	159 474	128 179	-31 295
GP	45 871	35 590	0	61 796	91 147	72 677	11 105	97 700	86 252	502 137	1 528 589	1 026 451
KZN	24 784	11 986	217 611	0	9 338	35 691	8 365	11 358	32 413	351 546	280 666	-70 880
LIM	4 356	5 651	336 704	8 000	0	46 149	2 518	31 438	11 021	445 838	270 970	-174 868
MP	4 961	5 132	132 233	12 434	23 058	0	2 282	13 195	9 633	202 928	270 665	67 736
NC	4 335	8 717	16 388	5 561	2 601	4 409	0	12 476	17 892	72 380	83 008	10 628
NW	4 986	11 328	103 941	5 867	19 129	11 430	22 653	0	8 754	188 087	305 900	117 813
WC	48 830	7 670	59 492	12 550	5 545	6 958	12 247	7 998	0	161 291	458 892	297 601
Outside SA (net migration)	34 613	29 095	434 995	68 530	99 678	65 869	6 768	70 572	106 227			
Province in 2016	Province in 2021											
	EC	FS	GP	KZN	LIM	MP	NC	NW	WC	Out-migrants	In-migrants	Net migration
EC	0	13 192	147 876	99 442	14 168	16 996	8 184	38 047	176 984	514 888	191 931	-322 957
FS	8 613	0	83 824	8 030	6 693	11 012	9 265	24 275	12 471	164 185	134 256	-29 929
GP	52 196	40 565	0	70 546	103 684	82 955	12 663	111 507	98 647	572 765	1 553 162	980 398
KZN	26 474	12 804	232 459	0	9 965	38 148	8 941	12 156	34 636	375 583	287 420	-88 163
LIM	4 576	5 924	353 346	8 406	0	48 355	2 645	32 910	11 532	467 693	278 581	-189 112
MP	5 391	5 570	143 588	13 483	25 013	0	2 481	14 323	10 454	220 302	281 336	61 034
NC	4 600	9 264	17 449	5 901	2 768	4 685	0	13 259	19 027	76 954	88 507	11 554
NW	5 456	12 386	113 683	6 416	20 913	12 499	24 787	0	9 582	205 723	318 604	112 881
WC	53 664	8 469	65 793	13 883	6 128	7 699	13 521	8 855	0	178 013	468 568	290 555
Outside SA (net migration)	30 961	26 081	395 145	61 313	89 249	58 986	6 019	63 273	95 234			

Source: StatsSA, 2020

Table 1 above provides a glimpse of the South African migration streams. The economic powerhouses (i.e. Gauteng and the Western Cape), continue to attract “economic” migrants. As both provinces lead in the net migration, with 1 048 440 for Gauteng and 311 004 for the Western Cape Province. On the home front, there is also an increase in the province’s net migration. Which implies that there were more persons migrating to the Northern Cape (i.e. 83 008), than those leaving the province (i.e. 72 380), culminating in a net-migration of 10 642(i.e. for the period 2011-2016).

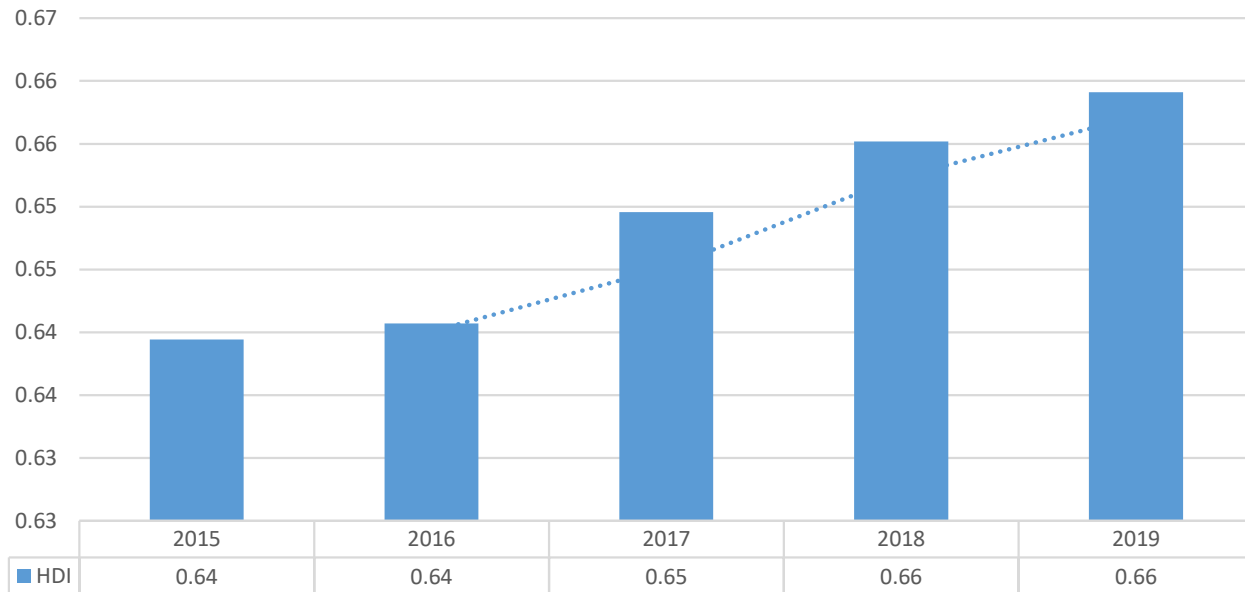
In terms of the net-migration outlook, it is expected that the net-migration to increase to around 11 554(i.e. ending 2021). Persons leaving the province, tend to migrate to the Western Cape, Gauteng and the North-West province. Whereas, the in-migrants tend to be from the North-West (i.e. 24 787) and the Western Cape with over 13 521 migrants to the province, as well as Gauteng with 12 663.



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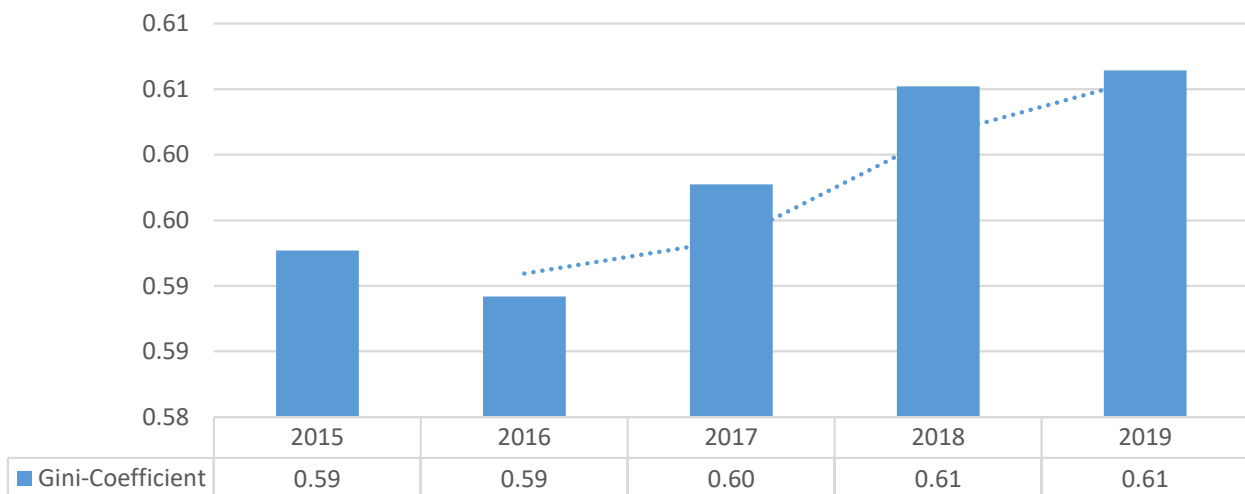
Figure 6: Provincial Human Development Index (HDI)



Source: IHS MarkIT, 2020

As per definition of the Human Development Index (HDI)¹, the Northern Cape Province is considered to be a medium-developed region. According to the IHS Markit data, the province has as an HDI of 0.66, and has been on a slow yet upward trajectory and thus considered to be medium developed, as per the United Nations (UN) definition. Despite the slow improvement in the quality of life, there is a gradual increase over the period of review.

Figure 7: Provincial Gini-Coefficient



Source: IHS Markit, 2020

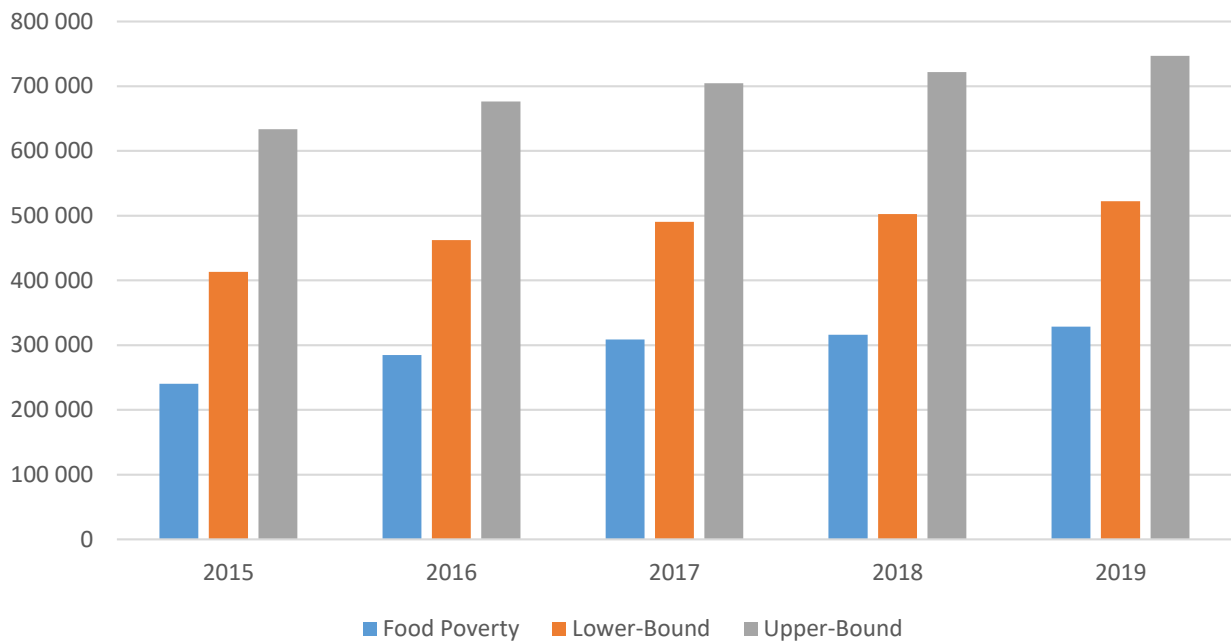
As depicted by the figure, the provincial inequality measure or Gini-coefficient has increased over the period of analysis. It increased from 0.59 in 2015, to around 0.61 which amounts to a 0.02 index point increase. In laymen terms, this increase suggest that the provincial income redistribution mechanisms have been reversed, as there are more people contesting for 39% of the income generated in the province, as the ten percent earn the 61% of the provincial income.

¹ Human development is all about people— expanding their freedoms, enlarging their choices, enhancing their capabilities and improving their opportunities. It is a process as well as an outcome. Economic growth and income are means to human development but not ends in themselves—because it is the richness of people's lives, not the richness of economies, that ultimately is valuable to people.

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Figure 8: Provincial poverty figures by the three measures



Source: StatsSA, 2020

There is heightened poverty incidence experienced in the greater Northern Cape Province, as depicted by the figure above. The province intensify its quest to arrest the high rate of adult poverty, which was said to be around 53.8%, which is 4.6 percentage point higher than the national average of 49.2%.

Between 2015 and 2019 there was an increase in the number of people living below the Food Poverty Line in the Province. Similarly increases in the number of people living below the Lower-bound and Upper-bound Poverty Lines has occurred. In 2015 those living below the Lower-bound Poverty line increased from 413 072 people to 522 513 people in 2019. Whilst, the number of people living below the Upper-bound Poverty line increased from 633 354 people in 2015 to 746 999 people in 2019, spelling a 17.9% increase in the absolute number of those living in poverty.

World Economic Outlook: Improved Sentiment

Positive economic sentiment permeates the global economic landscape and discourse. This is despite the discovery of a second strain of the COVID-19. The IMF has illustrated this by the improved and positive World Economic Outlook. According to the agency, the world economy is expected to grow by 5.5% in 2021, and further grow by 4.2% in 2022. These are economic growth levels previously experienced before the 2008/09 financial crisis. The 2021 forecast is revised up 0.3 percentage point relative to the previous forecast, reflecting expectations of a vaccine-powered strengthening of activity later in the year and additional policy support in a few large economies.



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Table 2: International Monetary Fund (IMF) World Economic Outlook

	Estimate		Projections	
	2019	2020	2021	2022
World Output	2,8	-3,5	5,5	4,2
Advanced Economies	1,6	-4,9	4,3	3,1
United States	2,2	-3,4	5,1	2,5
Euro Area	1,3	-7,2	4,2	3,6
Germany	0,6	-5,4	3,5	3,1
France	1,5	-9,0	5,5	4,1
Italy	0,3	-9,2	3,0	3,6
Spain	2,0	-11,1	5,9	4,7
Japan	0,3	-5,1	3,1	2,4
United Kingdom	1,4	-10,0	4,5	5,0
Canada	1,9	-5,5	3,6	4,1
Other Advanced Economies 3/	1,8	-2,5	3,6	3,1
Emerging Market and Developing Economies	3,6	-2,4	6,3	5,0
Emerging and Developing Asia	5,4	-1,1	8,3	5,9
China	6,0	2,3	8,1	5,6
India 4/	4,2	-8,0	11,5	6,8
ASEAN-5 5/	4,9	-3,7	5,2	6,0
Emerging and Developing Europe	2,2	-2,8	4,0	3,9
Russia	1,3	-3,6	3,0	3,9
Latin America and the Caribbean	0,2	-7,4	4,1	2,9
Brazil	1,4	-4,5	3,6	2,6
Mexico	-0,1	-8,5	4,3	2,5
Middle East and Central Asia	1,4	-3,2	3,0	4,2
Saudi Arabia	0,3	-3,9	2,6	4,0
Sub-Saharan Africa	3,2	-2,6	3,2	3,9
Nigeria	2,2	-3,2	1,5	2,5
South Africa	0,2	-7,5	2,8	1,4

Source: IMF, 2021

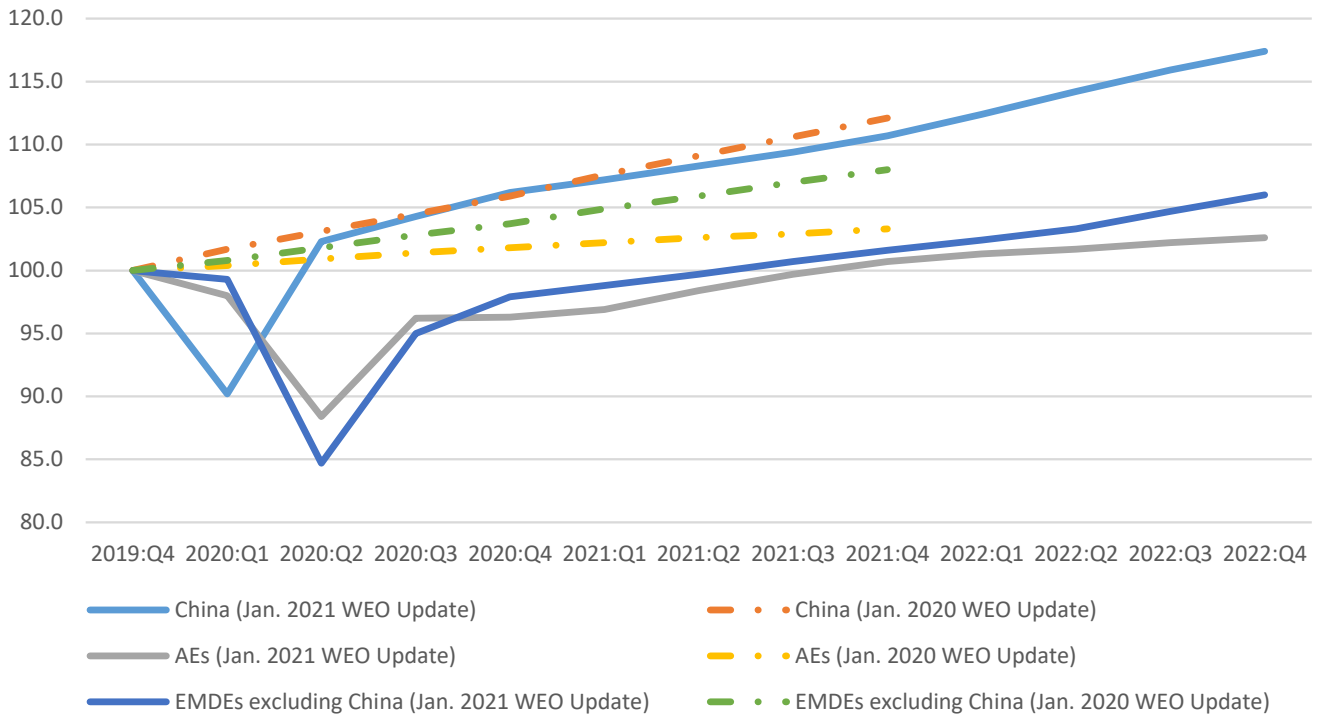
The advanced economies are expected to recover in 2021, with an estimated growth of 4.3% during 2021. Admittedly, the recovery paths vary within the advanced economies, with the US and Japan projected to regain end-2019 activity levels in the second half of 2021, while in the Euro Area and the United Kingdom activity is expected to remain below end-2019 levels into 2022 (IMF, 2021). Similar, divergent growth estimates are noted in the Emerging-Market and Developing Economies (EMDE), during 2021. The region is expected to grow by around 6.3% during 2021, and further record positive growth of 5.0% during 2022. China and India are expected to lead the EMDE growth resurgence, with growth rates of 8.5% and 11.5%, respectively.

The Sub-Saharan African (SSA) region is set to record growth lower than the world economy, with the IMF predicting a 3.2% growth outcome for the region. This as the region's two largest economies are anticipated to have a rather muted recovery, with Nigeria expected to grow by 1.5% in 2021, and South Africa by 2.8%.

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Figure 9: World Economic Outlook - IMF



Source: IMF, 2021

Despite the positive growth outlook and sentiment the growth trajectories are divergent across the globe. This could be ascribed to the differentiated policy imposition during the global pandemic. Policy actions should ensure effective support until the recovery is firmly underway, with an emphasis on advancing key imperatives of raising potential output, ensuring participatory growth that benefits all, and accelerating the transition to lower carbon dependence. As depicted by the figure above, the Chinese economy is expected to lead the global growth recovery.

South African growth performance and the benign outlook

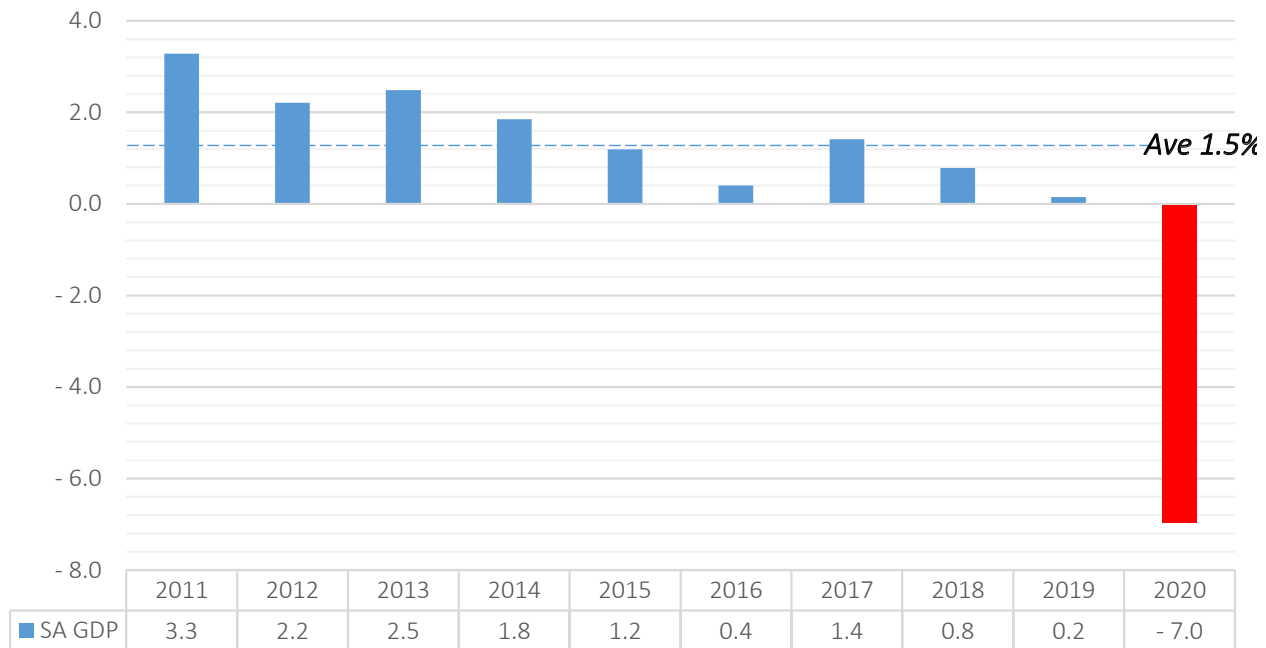
Government's economic recovery plan, announced in October 2020, includes a comprehensive health response to save lives and curb the spread of the pandemic; interventions to restore economic activity while controlling the health risks; and reforms to support a sustainable, resilient and inclusive economy. In the short term, the plan focuses on high-impact reforms: speeding up the expansion of electricity generation; creating jobs to sustain livelihoods; rolling out infrastructure aligned with the National Development Plan; and supporting manufacturing, localisation and beneficiation. Operation Vulindlela, a joint initiative of the Presidency and the National Treasury, is accelerating implementation of a key subset of these reforms (NT, 2021).



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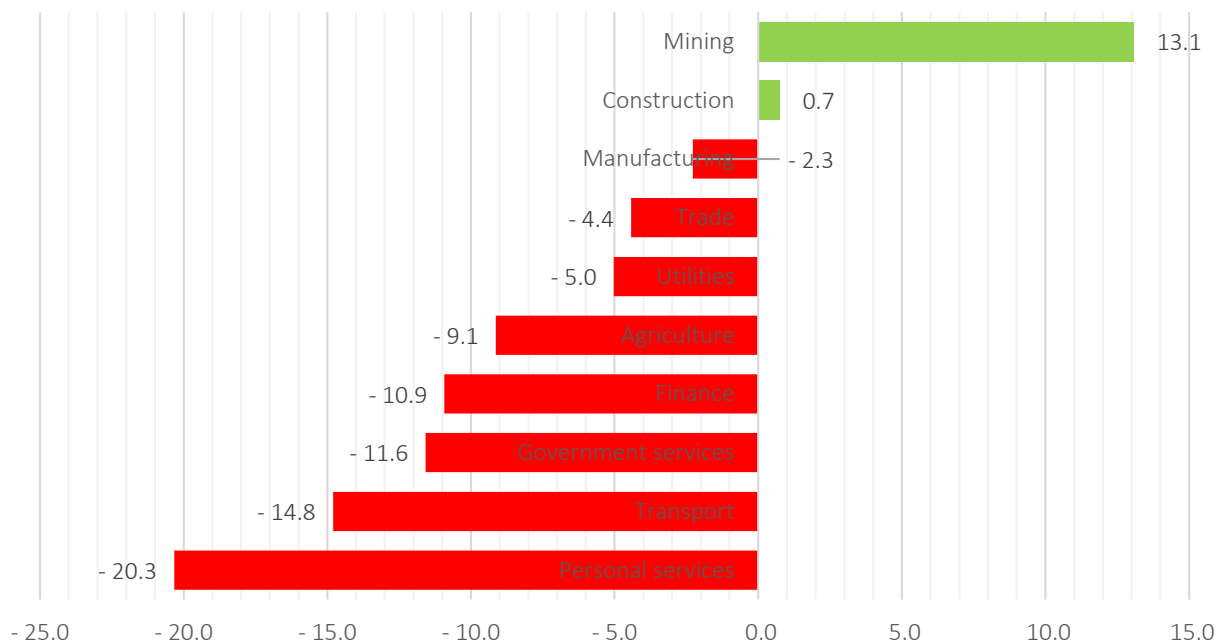
Figure 10: South Africa's Economic Outcome - GDP



Source: StatsSA, 2021

South Africa's real GDP declined by -7.0% in 2020 following lacklustre growth of 0.2% during 2019, as depicted in the figure above. This steep decline was at the back of a global COVID-19 pandemic, which precipitated the world economic activity restrictions. As the -7.0% decline in growth outcome is somewhat positive in comparison to predictions, mention has to be made that the easing of economic restrictions softened the economic impact. On the expenditure side, GDP decreased by -7.1% in 2020, following a subdued increase of 0.1% in 2019.

Figure 11: South Africa's Economic Sectoral Outcomes - 2020



Source: StatsSA, 2021

The annual real GDP growth rate of -7.0% in 2020 was primarily led by decreases in manufacturing, which contributed -1.4 percentage points based on growth of -11.6%; trade, which contributed -1.3 percentage points based on growth of -9.1%; and transport, which contributed -1.3 percentage points based on growth of -14.8%.

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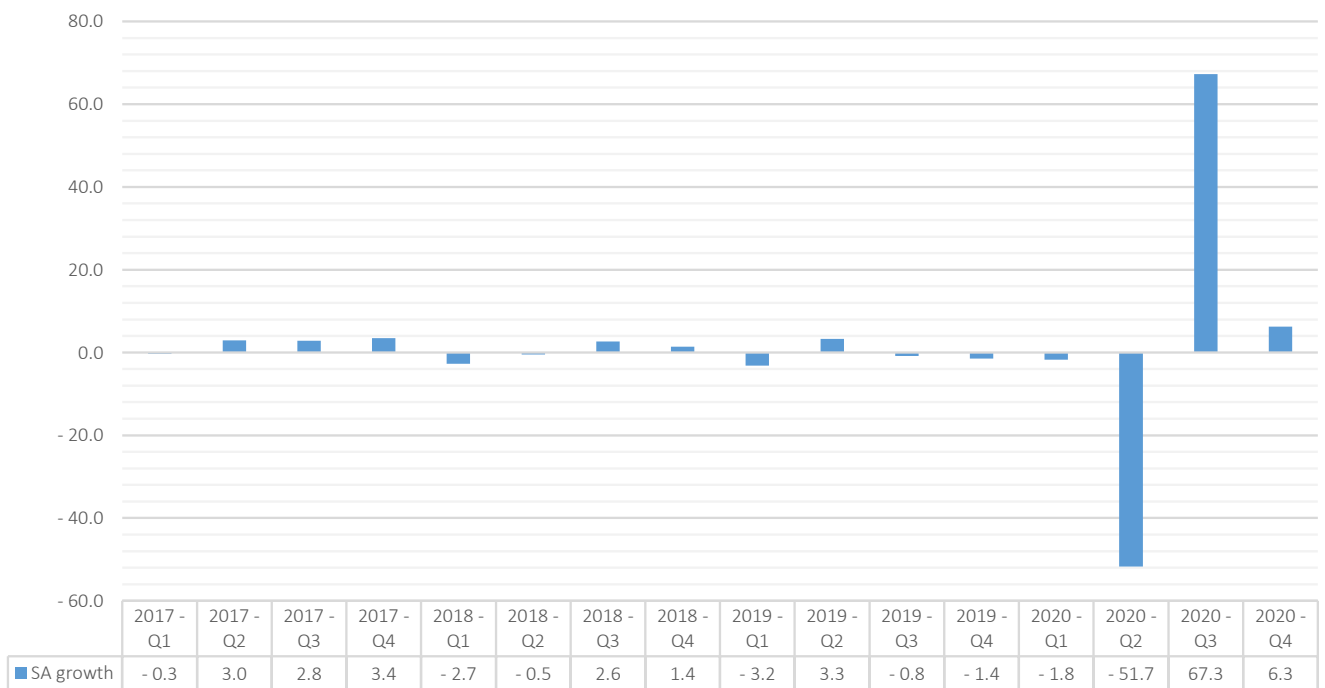
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Agriculture on the other hand increased by 13.1% in 2020, and government services by 0.7% in 2020 (ibid). Mining and construction supported the economy from a pronounced decline, as they were the only sectors to record positive growth rates in the year.

Nominal GDP was estimated at R5 trillion for the year 2020, i.e., the nominal gross domestic product at market prices in 2020 was R4,97 trillion, which is R104 billion less than in 2019. The following sectors contributed the most notable performances:

- Transport contracted by R46 billion to R396 billion;
- Construction contracted by R32 billion to R140 billion;
- Trade contracted by R30 billion to R655 billion;
- Manufacturing contracted by R25 billion to R573 billion; and
- Government services expanded by R37 billion to R859 billion.

Figure 12: South African Economic performance - Fourth quarter 2020



Source: StatsSA, 2021

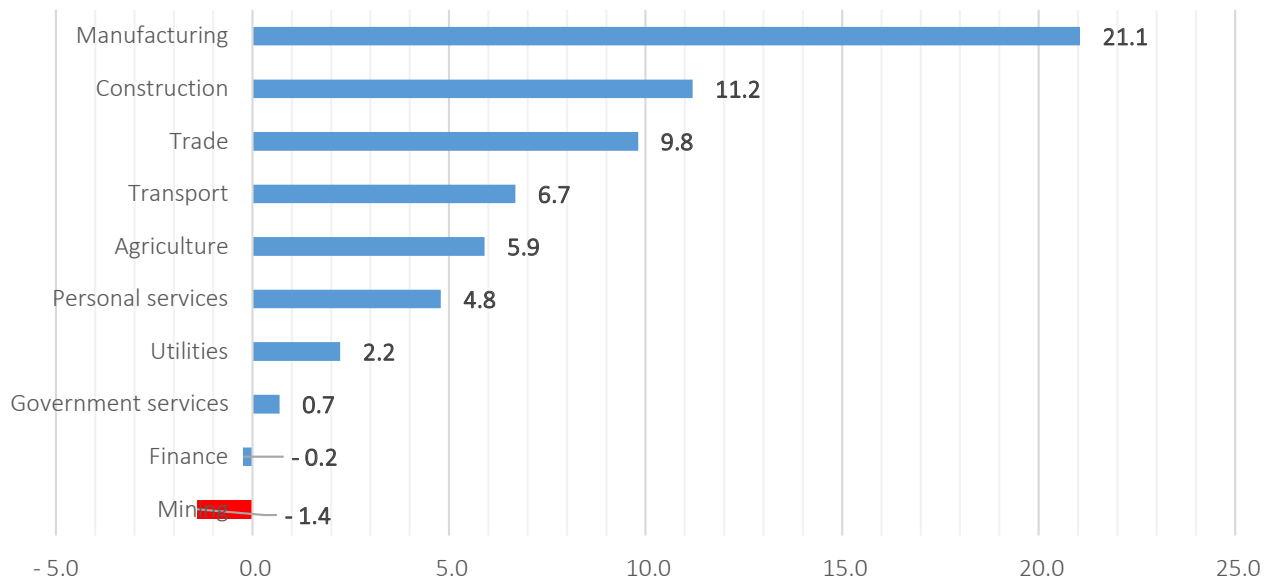
The economic resurgence was noted in the fourth quarter of 2020. As the real gross domestic product (measured by production) increased at an annualised rate of 6.3% in the fourth quarter of 2020, largely as a result of further easing of COVID-19 lockdown restrictions.



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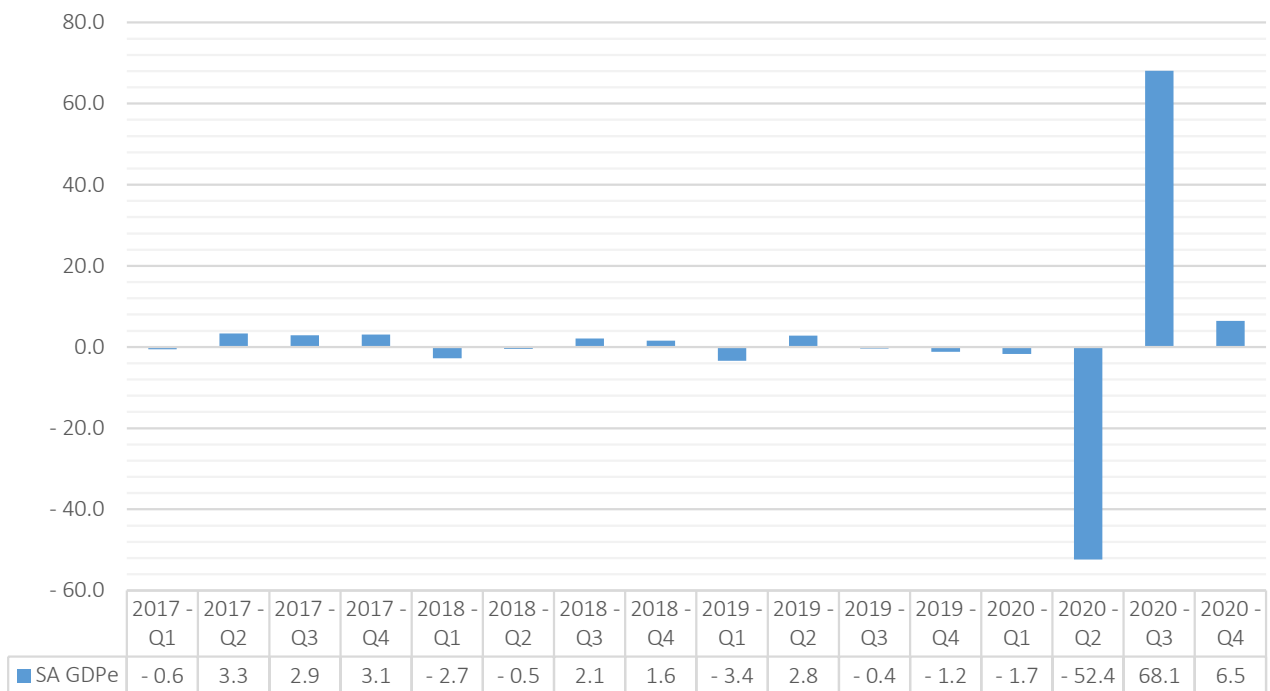
Figure 13: South African Sectoral Performance - Fourth Quarter 2020



Source: StatsSA, 2021

StatsSA reported that eight industries recorded positive growth between the third and fourth quarters of 2020. The largest positive contributors to growth in GDP in the fourth quarter are outlined in the foregoing figure. Mining and the financial sector were the only sectors to record decline in the fourth quarter of 2020. Mining and finance sector grew by -1.4% and -0.2%, respectively, spelling a decline in contribution of -0.1% for both sectors. The decline is due a decreased production as reported in the platinum group metals (PGMs), coal and diamonds mining activities.

Figure 14: South Africa's Growth in expenditure on GDP (%)



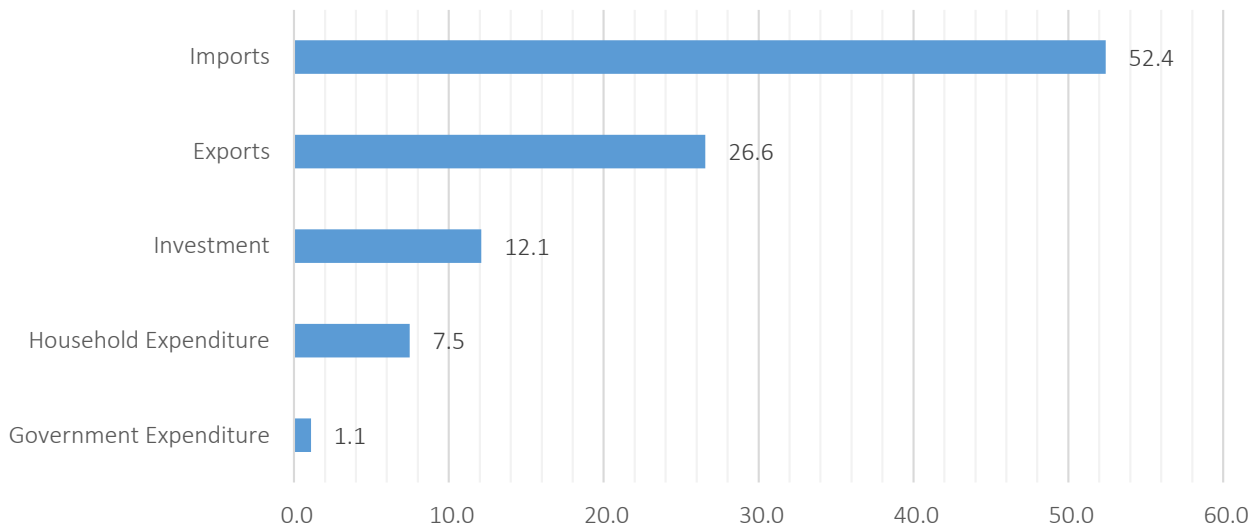
Source: StatsSA, 2021

Expenditure on real gross domestic product increased at an annualised rate of 6.5% in the fourth quarter of 2020; all expenditure components increased (see Figure 16). This is moderate and a depiction of a return to a semblance of normality – with the easing of lockdown restrictions.

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Figure 15: South Africa's Expenditure Component – contribution to growth in expenditure on



Source: StatsSA, 2021

Household final consumption expenditure increased at a rate of 7.5% contributing 4.7 percentage points to total growth. Government final consumption expenditure increased at a rate of 1.1% contributing 0.2 of a percentage point. Gross fixed capital formation (GFCF) increased at a rate of 12.1% contributing 1.9 percentage points. Changes in inventories in the fourth quarter contributed 4 percentage points to total growth. Net exports contributed -4.5 percentage points to total growth, mainly the result of a large increase in imports.

Table 3: South African Macroeconomic Outlook

	2017	2018	2019	2020	2021	2022	2023
Percentage change	Actual			Estimate	Forecast		
Final household consumption	2,1	1,8	1,0	-5,4	2,9	2,4	2,0
Final government consumption	0,2	1,9	1,5	0,5	-0,1	-1,6	-1,7
Gross fixed-capital formation	1,0	-1,4	-0,9	-17,5	-2,4	3,9	3,9
Gross domestic expenditure	1,9	1,0	0,7	-7,1	3,5	2,7	1,6
Exports	-0,7	2,6	-2,5	-10,3	5,7	3,0	2,8
Imports	1,0	3,3	-0,5	-16,6	6,3	4,6	2,5
Real GDP growth	1,4	0,8	0,2	-7,0	3,3	2,2	1,6
GDP inflation	5,3	3,9	4,0	4,6	3,5	3,7	4,1
GDP at current prices (R billion)	4 654	4 874	5 078	4 935	5 273	5 590	5 915
CPI inflation	5,3	4,6	4,1	3,3	3,3	4,0	4,0
Current account balance (% of GDP)	-2,5	-3,5	-3,0	2,2	1,3	-0,8	-1,3

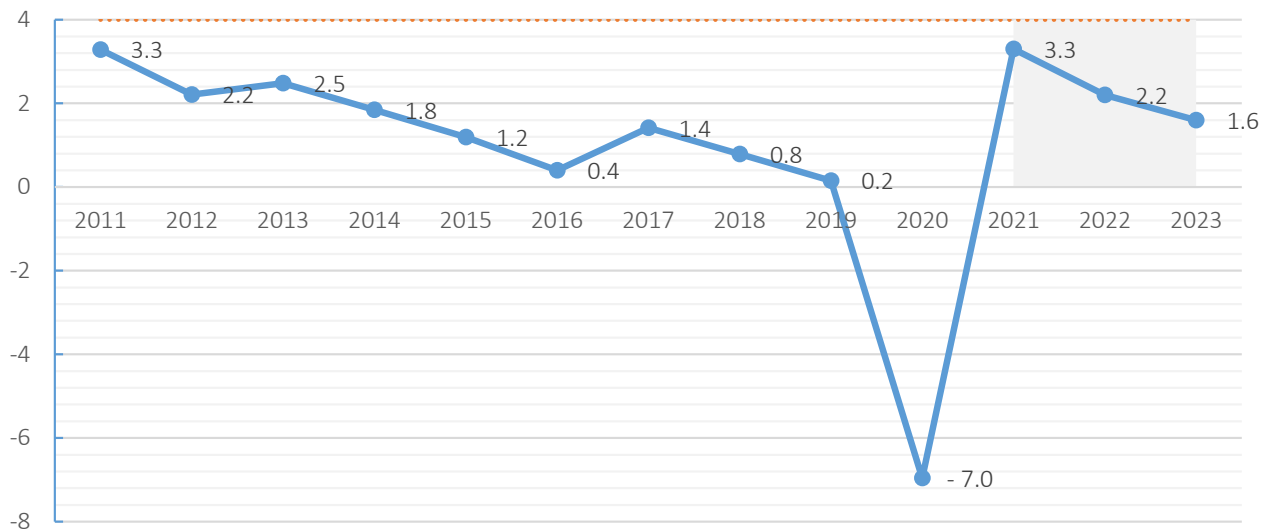
Source: NT, 2021

The National Treasury projects real economic growth of 3.3 per cent this year, from a low base of -7.0 % in 2020. Household consumption is expected to return to moderate growth. Gross fixed-capital formation continues to decline, albeit to a lesser degree. After a steep drop in the second quarter of 2020 due to lockdown restrictions, economic activity resumed in the third quarter. While GDP growth was higher than expected, output has yet to return to pre-pandemic levels. Industrial sectors (which include mining, manufacturing, construction and utilities) lagged substantially, undermined by structural constraints – including unreliable electricity supply and weak public investment – that preceded the pandemic. Lingering economic constraints, such as the weak labour market, financially distressed public corporations, and fragile business and consumer confidence will contribute to domestic growth moderating to 2.2 per cent in 2022 and 1.6 per cent in 2023.

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Figure 16: South African Economic Forecast - NT 2021



Source: NT, 2021

Owing to the combined effect of the sharp contraction in 2020 and lingering structural constraints to growth, South Africa's real GDP is not expected to return to pre-pandemic levels before the latter part of 2023.

Building "A Modern, Growing and Successful Province", is the pledge of this Sixth Administration. We shall do everything in our power to build a society in which knowledge and opportunity inequity shall be condemned to history; in which poverty will be a thing of the past; in which success shall be the normative defining factor of every child and resident of the Northern Cape (Z. Saul 2021). In this regard, there is an insistent need to transform the provincial economic landscape. Thus, the investment in the Northern Cape Industrial Corridor and more pertinently the Namakwa Special Economic Zone (SEZ) could act as catalysts to provincial economic growth.

The Premier articulated in his 2021 State of the Province Address (SOPA) that the Namakwa SEZ, based in the Khai-Ma Municipality is one of our most exciting investment opportunities in the province and country. This investment is supported by the commitment of Vedanta Zinc International (VZI) mining expansion combined with the incorporation of a zinc smelter and sulphuric acid production facility with an array of downstream activities. This project is supported by the Presidential Infrastructure Investment Committee (PIIC) and for now has a committed investment of R 26 billion.

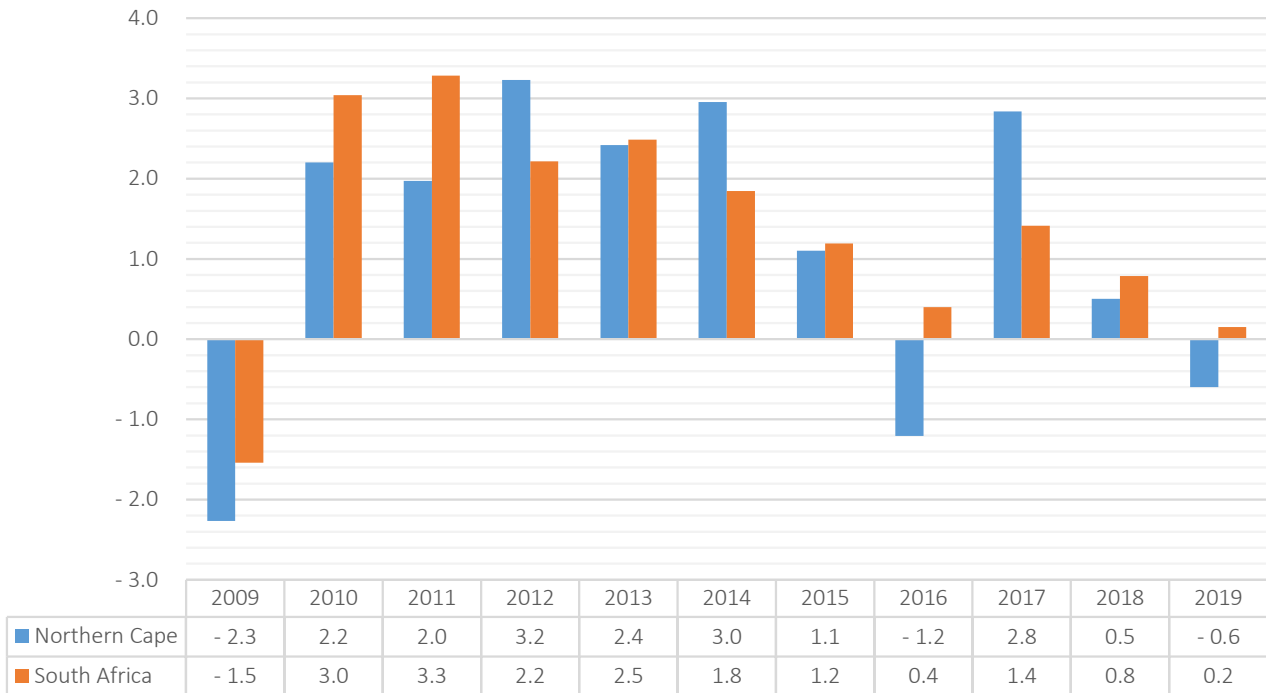
This will be one of the five critical nodes being developed from 2021 onwards in the Northern Cape Industrial Corridor. We are furthermore confident that soon to follow will be the Kathu Industrial Park, Upington Industrial Park, Boegoebaai Harbour and De Aar Rail Cargo Hub. Namakwa SEZ will be implemented in phases and the establishment phase is already in place. It has the potential to realise up to 6 000 direct and indirect jobs between the public and private partners in the years to come (ibid).



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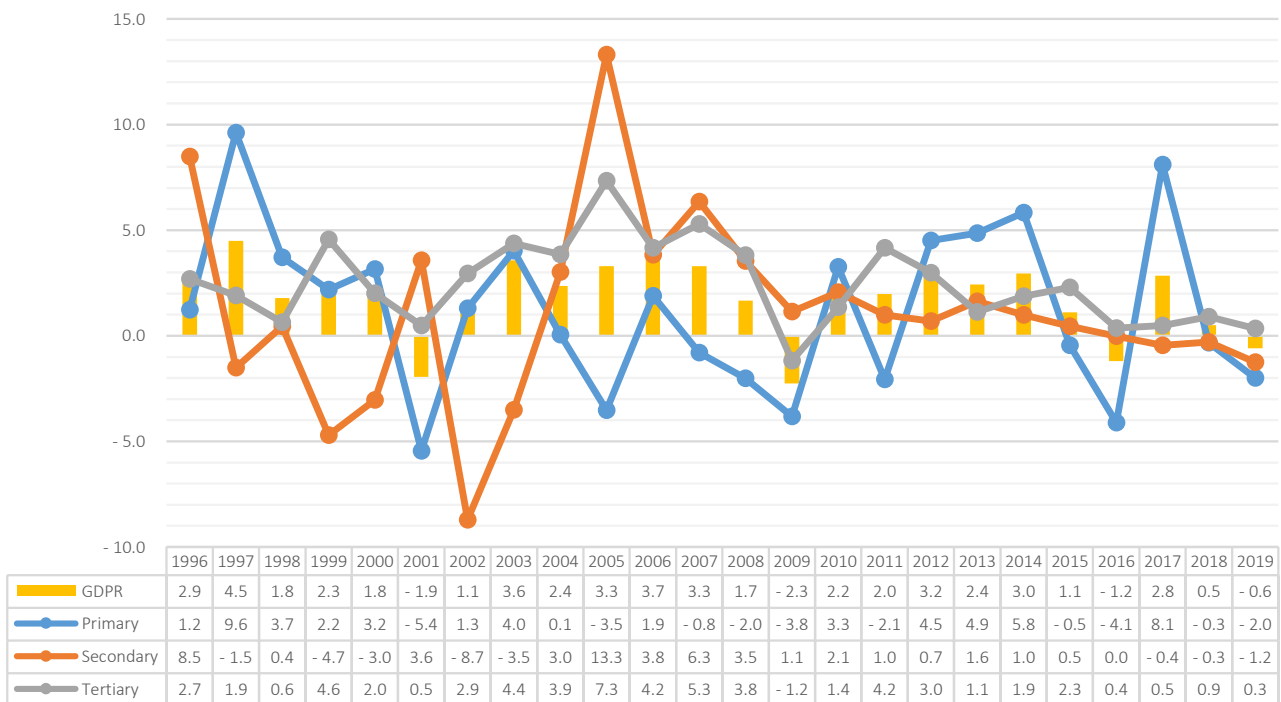
Figure 18: Northern Cape and South Africa's economic growth outcomes - 2011 -2019



Source: StatsSA, 2021

According to StatsSA, the economy of the Northern Cape contracted by 0.6% in 2019, down from positive growth of 0.5% in 2018. In contrast, the country's GDP grew by a lacklustre yet positive growth in 2019, of 0.2%. The negative growth rate recorded by the province was due to the fact that seven out of the ten sectors recorded negative growth rates. This includes the biggest sector in the province which is mining, declining by -0.9% whilst only three industries that did not contract in 2019 were financial services, personal services and government

Figure 17: Northern Cape Sectoral growth rates - 1996 -2019



Source: StatsSA, 2021

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Figure 19 denotes the historical provincial economic growth rate by the three industries. The tertiary industries are the biggest contributors to the provincial economy, followed by the primary industries with a contribution of around 26.5%.

The provincial economy is estimated at R 103 billion during 2019, in nominal terms (i.e. current prices). This is a gradual growth improvement in comparison to 2018 when the provincial economy was estimated to have bridged the R 100 million mark (see table below). Whilst on the real or constant price definition, the provincial economy is estimated to be worth around R 68.4 billion. Explicating a decline of 0.6%, when compared to the constant GDP figures of 2018, wherein it recorded R 68.9 billion.

The following sectors recorded the most notable performances, in comparison between 2018 and 2019:

- Mining activities expanded by R 1.3 billion
- Trade also expanded by around R 1.1 billion
- The government services sector grew by R 859 million
- The transport service sector stretched its contribution by R 737 million
- The agriculture sector declined by R 858 million

Table 4: Northern Cape Provincial Economic Performance - in brief

Industry	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
	Current GDP - R millions			Contribution to GDP			Constant GDP - R millions			Percentage Growth		
Primary Industries	26 323	26 922	27 386	27,3	26,9	26,5	22 641	22 564	22 115	8,1	-0,3	-2,0
Agriculture	6 840	6 435	5 577	7,1	6,4	5,4	4 597	4 326	4 044	12,4	-5,9	-6,5
Mining	19 483	20 488	21 809	20,2	20,5	21,1	18 044	18 238	18 071	7,1	1,1	-0,9
Secondary Industries	8 896	9 780	9 423	9,2	9,8	9,1	5 361	5 345	5 279	-0,4	-0,3	-1,2
Manufacturing	2 977	3 202	3 283	3,1	3,2	3,2	1 996	2 004	1 989	-0,7	0,4	-0,8
Utilities	3 351	3 884	3 617	3,5	3,9	3,5	1 791	1 796	1 784	0,2	0,3	-0,7
Construction	2 567	2 694	2 523	2,7	2,7	2,4	1 574	1 545	1 506	-0,9	-1,8	-2,5
Tertiary industries	51 794	53 435	56 665	53,7	53,4	54,8	34 248	34 554	34 672	0,5	0,9	0,3
Trade	10 287	9 539	10 657	10,7	9,5	10,3	7 263	7 279	7 179	-0,8	0,2	-1,4
Transport	10 411	10 314	11 051	10,8	10,3	10,7	6 049	6 090	6 025	0,6	0,7	-1,1
Finance	11 471	12 392	12 852	11,9	12,4	12,4	8 581	8 682	8 857	1,5	1,2	2,0
Personal services	4 652	5 042	5 098	4,8	5,0	4,9	3 005	3 030	3 049	1,8	0,8	0,6
Government services	14 974	16 149	17 008	15,5	16,1	16,5	9 350	9 472	9 561	0,0	1,3	0,9
All industries at basic prices	87 014	90 137	93 474	90,2	90,0	90,4	62 250	62 463	62 065	3,0	0,3	-0,6
Taxes less subsidies on products	9 473	9 983	9 875	9,8	10,0	9,6	6 259	6 391	6 376	0,9	2,1	-0,2
GDP at market prices	96 487	100 120	103 349	100,0	100,0	100,0	68 509	68 853	68 441	2,8	0,5	-0,6

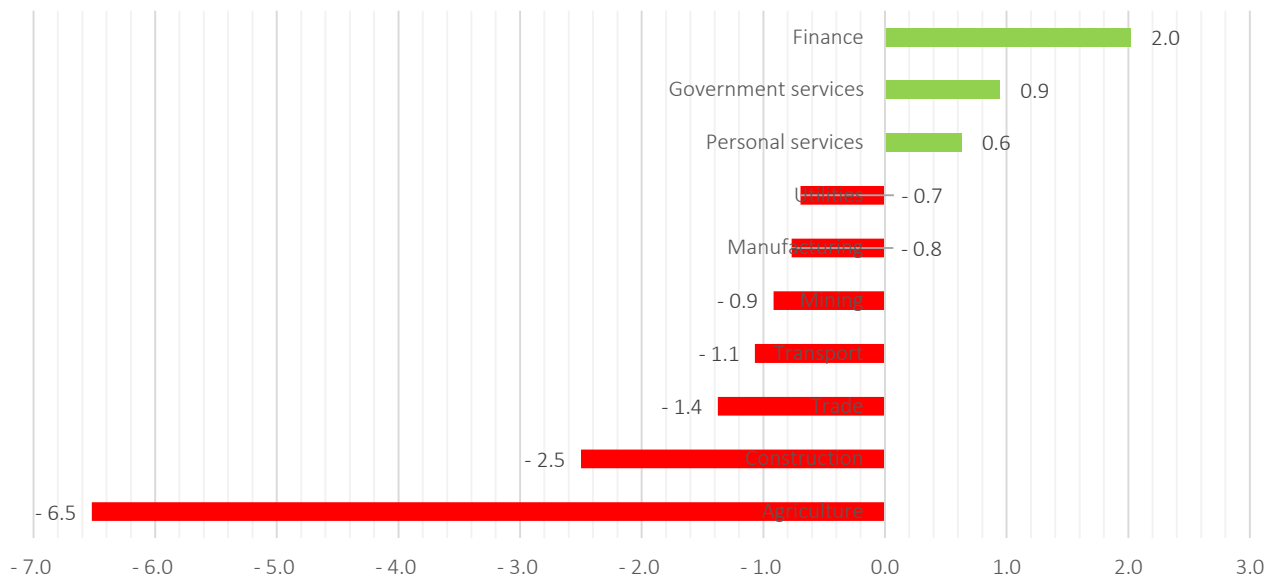
Source: StatsSA, 2021



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Figure 18: Northern Cape Sectoral growth rate - 2019



Source: StatsSA, 2021

The decline in the provincial economy, was at the back of seven of its economic sectors recording negative growth outcomes. Included in this was agriculture which declined by -6.5%. Second biggest sectoral decline was construction with -2.5%, whilst trade recorded a decline of -1.4%. Mining, the biggest contributor to the provincial economy also recorded a subdued -0.9%, yet impactful given the sector's contribution. Only finance, government services as well as personal services cushioned the provincial economy from a more severe decline

Figure 19: South Africa and nine province's economic growth rates - 2018 and 2019



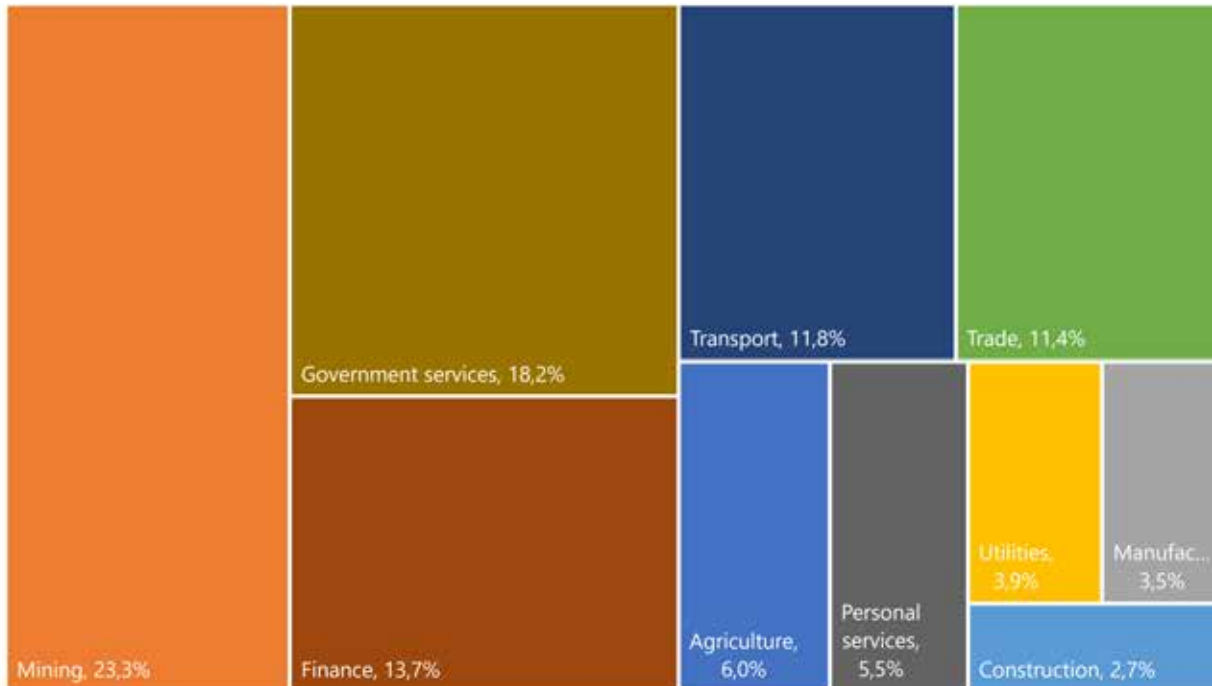
Source: StatsSA, 2021

The Northern Cape Province recorded the steepest decline in growth at -0.6%, however due to the province's smallest contribution to the South African economy at 2.2%, the impact is rather muted. On the other hand, the Gauteng province which is the biggest contributor to the South African economy, grew positively by 0.6%, ensuring the that the country did not reach the negative growth mark.

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Figure 20: Northern Cape Provincial - Gross Value Added - 2019



Source: StatsSA, 2021

The provincial economy continues to be concentrated in mining activities. As illustrated by the figure above, depicting the provincial gross value-addition (GVA)². In context, the provincial mining activities contributed around 23.3% of the total gross-value added, followed by the government service sector. The government service sector is estimated to have contributed about 18.2%, in terms of GVA during 2019. Construction (2.7%), manufacturing (3.5%) as well as the utilities industry (3.9%) have the lowest contribution with a combined 10.1% contribution.

Northern Cape Labour Market Analysis

It is evident that South Africa's post-apartheid economic transformation project has not generally delivered a *"better life for all"* as promised at the dawn of democracy. Moreover, it is not generating prosperity and economic justice for the majority of the population and suffers from long-standing weaknesses which make it unfit to tackle the challenges of the 2020s. Unemployment remains stubbornly high. At the end of 2017, unemployment by the narrow definition stood at 26.7% and, by the broader definition, at 36.3% provincial youth unemployment, narrowly defined, remained at an untenable level of 38.6%. Instead of being empowered, South Africa's people are increasingly directly and indirectly reliant on various forms of social welfare grants (J. Bell 2017).



² Gross Value Added is a measure of output (total production) which measures the total output of a region by considering the value that was created within that region. One can think of GVA-R as the difference between the inputs obtained from outside the region and the outputs of the region – that is, the region's total "value added" (IHS MarkIT 2019).

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Table 5: Northern Cape Provincial Labour Market Characteristics

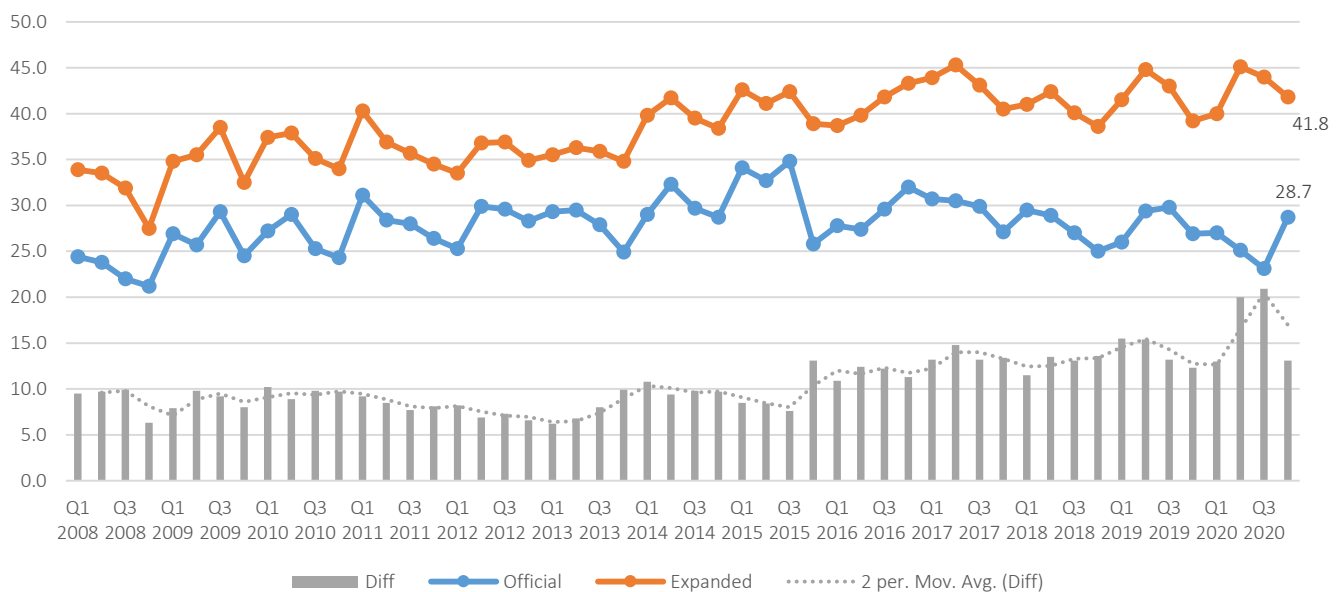
	Oct-Dec 2019	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	q-on-q		y-on-y	
	Thousand	Thousand	Thousand	Thousand	Thousand	Number	Change	Number	Change
Population 15-64 yrs	806	808	810	812	816	4 083	0,5%	9739	1,2%
Labour Force	458	460	341	373	431	58 571	15,7%	-26801	-5,8%
Employed	335	336	255	287	308	20 959	7,3%	-27326	-8,2%
Formal sector	232	241	205	225	242	17 295	7,7%	9977	4,3%
Informal sector	41	31	15	18	20	2 238	12,3%	-20504	-50,0%
Agriculture	36	41	24	28	28	-416	-1,5%	-7970	-22,2%
Private households	26	24	12	15	17	1 842	12,2%	-8829	-34,3%
Unemployed	123	124	86	86	124	37 612	43,7%	525	0,4%
Not economically active	348	348	469	439	384	-54 488	-12,4%	36540	10,5%
Discouraged work-seekers	67	71	46	91	74	-17 368	-19,0%	7191	10,8%
Other	281	277	423	348	311	-37 120	-10,7%	29349	10,4%
Rates (%)									
Unemployment rate	26,9	27,0	25,1	23,1	28,7	5,6	24,2%	1,8	6,7%
Ratio (Absorption)	41,6	41,6	31,5	35,3	37,7	2,4	6,8%	-3,9	-9,4%
Labour force participation rate	56,8	56,9	42,1	45,9	52,9	7,0	15,3%	-3,9	-6,9%

Source: StatsSA, 2021

The easing of the lockdown restrictions has helped the provincial labour market, as there was an improved appetite to seek employment and being economically active. This is noting that the provincial labour force increased on a quarter-on-quarter basis. The provincial labour force now stands at 431 000, increasing by 58 571. In tandem, the provincial employment level also increased by around 7.3%, when contrasting between the third and fourth quarters of 2020. In real terms, almost 21 000 people became employed in the fourth quarter. With 17 295 of those newly employed being in the formal sectors, accounting for 82.5% of the employed.

The informal sector also made notable contribution, with around 2 200 persons employed in the fourth quarter, culminating in the sector employing around 20 000. With that said, the informal sector has been negatively impacted on a year-on-year basis, as the sector's employment dropped by over 50%, from the 41 000 employed in the fourth quarter of 2019.

Figure 21: Northern Cape Expanded and Official Unemployment rates



Source: StatsSA, 2021

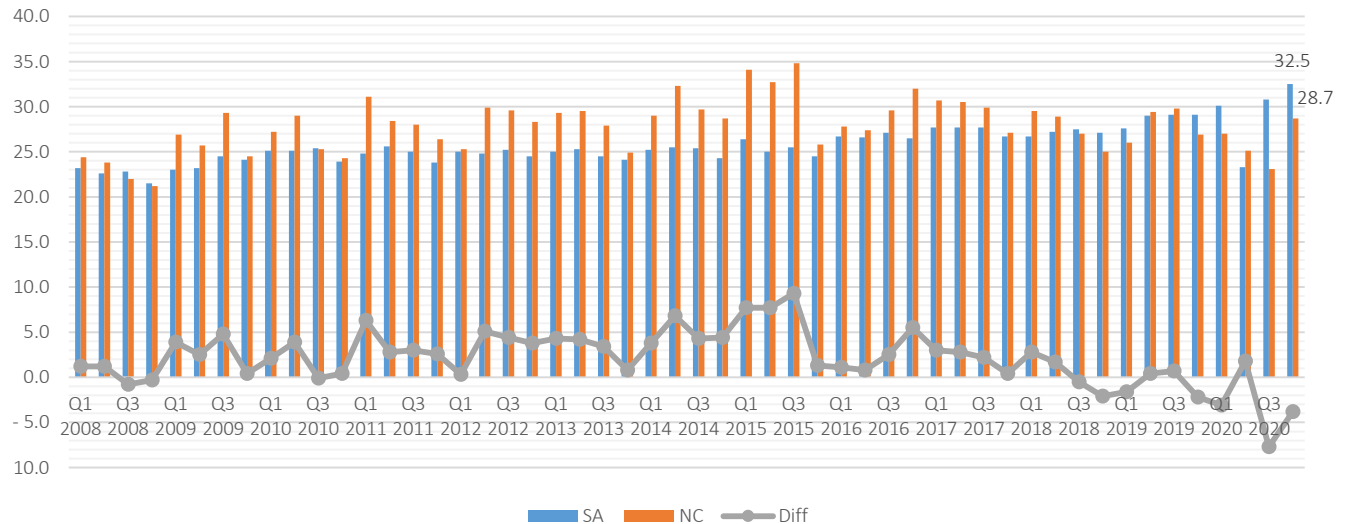
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According to the quarterly labour force survey (QLFS) report, the Northern Cape Province had 124 000 persons willing and able to work but unable to find work (StatsSA, 2021). This implied that 37 612 more people were considered unemployed. This as the number of discouraged work-seekers declined, declining by over 17 000 between the third and the fourth quarters of 2020. This decline in the number of discouraged work-seekers is a key indicator on a positive labour market outlook – as it alerts to the fact that more and more work-seekers are keen to look for employment, as previously.

There is a semblance of an unemployment convergence, as the difference between the official and expanded unemployment declines, refer to Figure 23 above.

Figure 22: South Africa and Northern Cape Official Unemployment rates



Source: StatsSA, 2021

In their analysis of the country's labour market, StatsSA observed that to better understand the observed large changes in the key labour market indicators between the third and fourth quarters of 2020, special tabulations were done to study movements between labour market status categories. Moreover, it was observed that a large number of persons moved from the "other not economically active" category to "employed" and "unemployed" status (i.e. labour force) between the two quarters. The movement was proportionately more to the unemployed than for the employed, which resulted in an increase of 1.7 percentage points in the unemployment rate to 32.5%

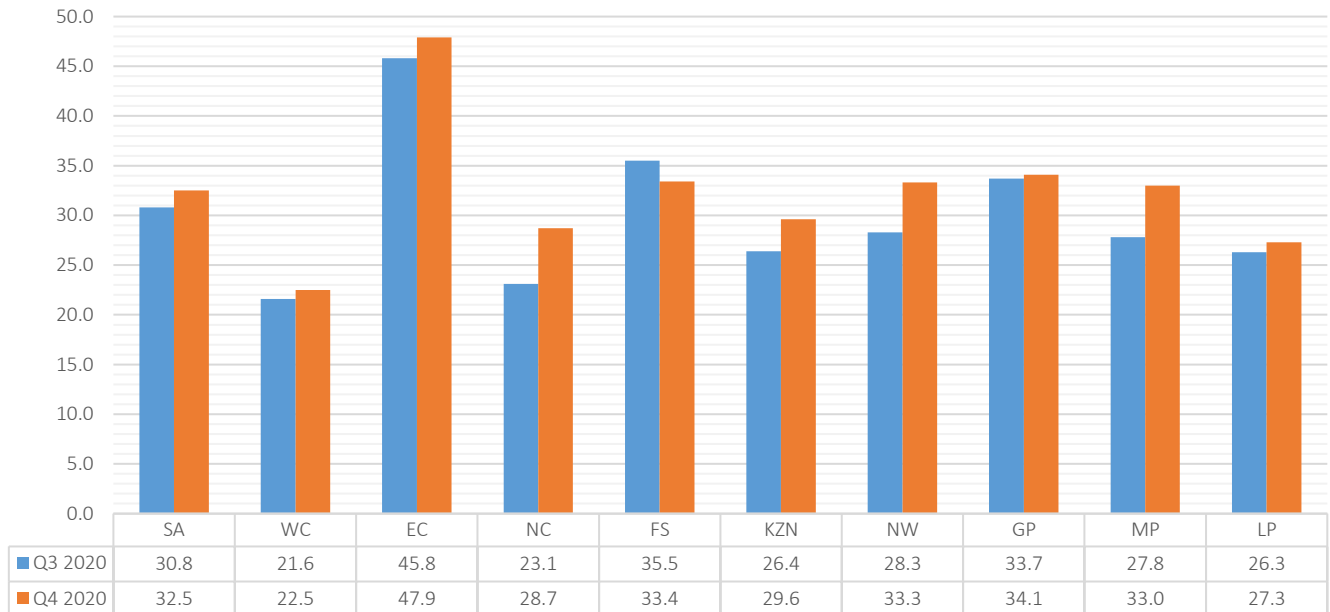
This is the highest the South African unemployment rate recorded since the start of the QLFS in 2008. In contrast, the provincial unemployment rate is around its average point at 28.0% for the period 2008 to the latest QLFS, at 28.7%.



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Figure 23: South African and the nine provincial official unemployment rates

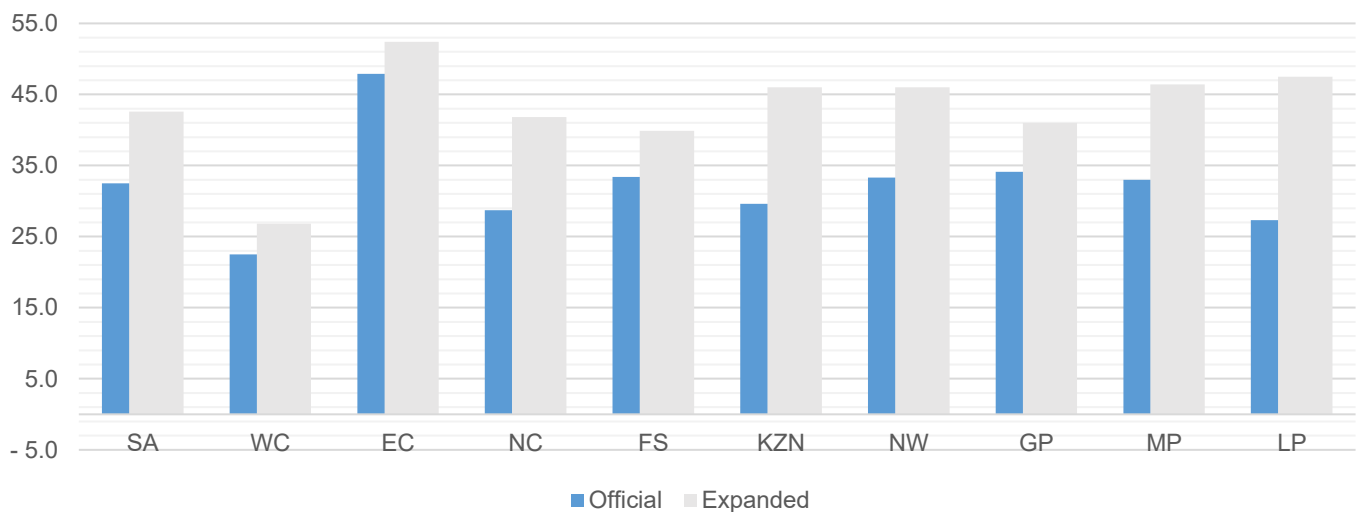


Source: StatsSA, 2021

The figure above details the unemployment rates of each province in relation to the unemployment figure of the country. The Western Cape had the lowest unemployment at 22.5%. The Western Cape Province is thus followed by the Limpopo province, with an official unemployment rate of 27.3%, having marginally increased by 1.0 percentage point. The Northern Cape Province has the third lowest unemployment rate at 28.7%, as at the end of the fourth quarter of 2020. The Eastern Cape Province has the highest unemployment rate – which is estimated at 47.9% by StatsSA.

There are growing calls in the public policy discourse to gravitate towards the use of the expanded definition of unemployment in opposition to the strict or official definition. The disquiet is due to the ambiguity presented by the official definition in that it excludes the discouraged work-seekers in its calibration. Whereas, the expanded definition includes the discouraged – thus the contention that it provides a more holistic and realistic picture.

Figure 24: South African and the nine provincial official and expanded unemployment rates



Source: StatsSA, 2021

The Eastern Cape leads in both definitions of unemployment rate – with the expanded recorded at 52.4% during the quarter under review. In order to elucidate the public policy contention on the appropriate use of the different measures of unemployment. The Limpopo provincial official unemployment rate masks the fact that there is

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a higher percentage discrepancy between the two measures. This could be ascribed to the elevated number of discouraged work-seekers. The Western Cape Province and the Eastern Cape Province have the lowest difference between the two-measures, at 4.3 and 4.5 percentage points, respectively.

Table 6: Northern Cape Provincial Sectoral employment contributions - Q4 2020

	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	q-on-q		y-on-y	
	Thousands					Number	Change	Number	Change
Agriculture	36	41	24	28	28	-416	-1,5%	-7970	-22,2%
Mining	33	35	27	34	32	-2 008	-5,9%	-1006	-3,1%
Manufacturing	17	14	6	9	14	5 195	56,6%	-2183	-13,2%
Utilities	1	2	2		1			-330	-32,0%
Construction	20	24	12	16	20	4 716	30,0%	238	1,2%
Trade	57	65	57	43	46	2 962	6,9%	-11192	-19,7%
Transport	11	7	7	7	7	-78	-1,1%	-3809	-35,6%
Finance	29	20	23	27	37	10 264	37,7%	8707	30,2%
Gov Service	107	106	84	107	106	-1 275	-1,2%	-952	-0,9%
Private HH	26	24	12	15	17	1 842	12,2%	-8829	-34,3%

Source: StatsSA, 2021

Table 6 depicts the provincial sectoral employment contribution as reported by StatsSA. On a quarter-on-quarter basis, the finance and manufacturing sector contributed the highest number of jobs created, with over 10 000 and 5 000, respectively. Finance sector, interestingly increased its employment cohort by almost 9 000, when compared on a yearly basis. The easing of economic lockdown restrictions has ensured that construction returns to its optimal operating level, based on the year-on-year comparison. On a quarter-on-quarter analysis, the construction sector was the third biggest employment generating sector, with 4 715 jobs created. In comparing the pre-COVID-19 era and the current, the trade sector had the biggest losses in employment, with 11 192 fewer persons employed in the sector.

Likely impact of COVID-19³ on the Provincial Economy

According to the IMF (2020), the impact of the coronavirus is having a profound and serious impact on the global economy and has sent policymakers looking for ways to respond. China's experience so far shows that the right policies make a difference in fighting the disease and mitigating its impact—but some of these policies come with difficult economic trade-offs.

Moreover, according to the global body, what started as a series of sudden stops in economic activity, quickly cascaded through the economy and morphed into a full-blown shock simultaneously impeding both supply and demand. This is visible in the very weak economic readings of industrial production and retail sales. The coronavirus shock is severe even when compared to the Global Financial Crisis of 2007–08, as it hit households, businesses, financial institutions, and markets all at the same time—first in China and now globally (*ibid*).

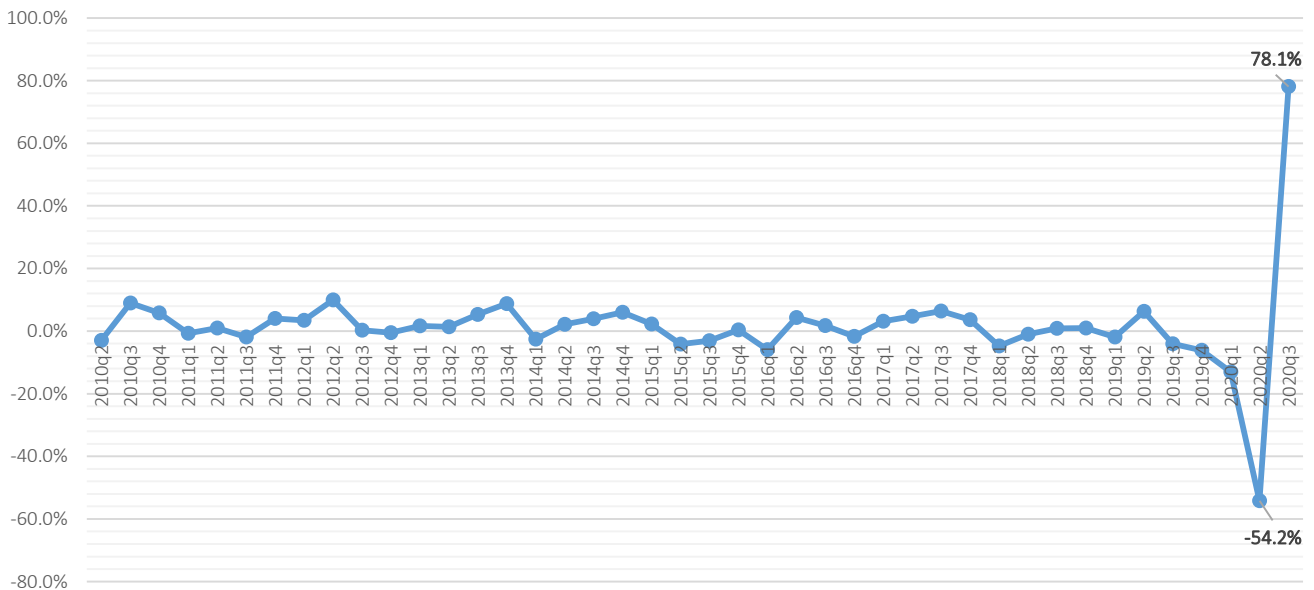


³ Often referred to as the Corona Virus.

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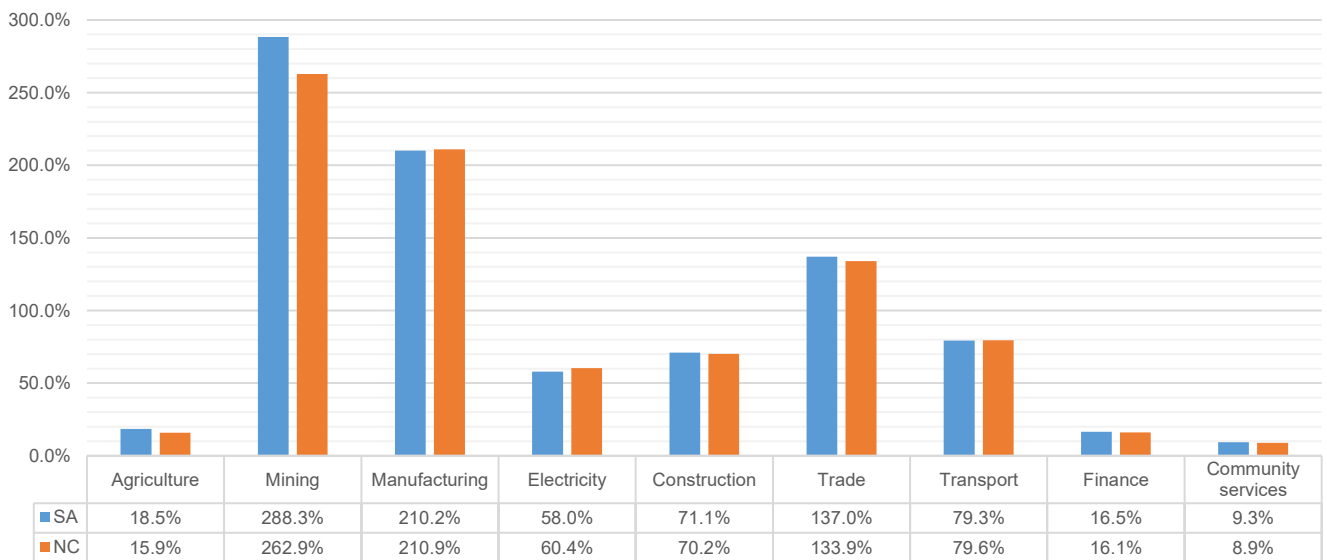
Figure 25: Northern Cape Provincial GDP growth estimates - IHS MarkIT



Source: IHS MarkIT, 2021

The provincial economy rebounded sharply, as the COVID-19 restrictions were eased. As computed by IHS MarkIT, the provincial economy recorded an impressive quarterly recovery of 78.1%. This was from lowest recorded growth of -54.2% at the height of COVID-19 restrictions in the second quarter of 2020. Noteworthy, the estimate by IHS MarkIT suggest that the provincial growth eclipsed the country's growth outcome, which was recorded at 66.1% by StatsSA.

Figure 26: Northern Cape and South Africa Sectoral growth comparison - 2020q3



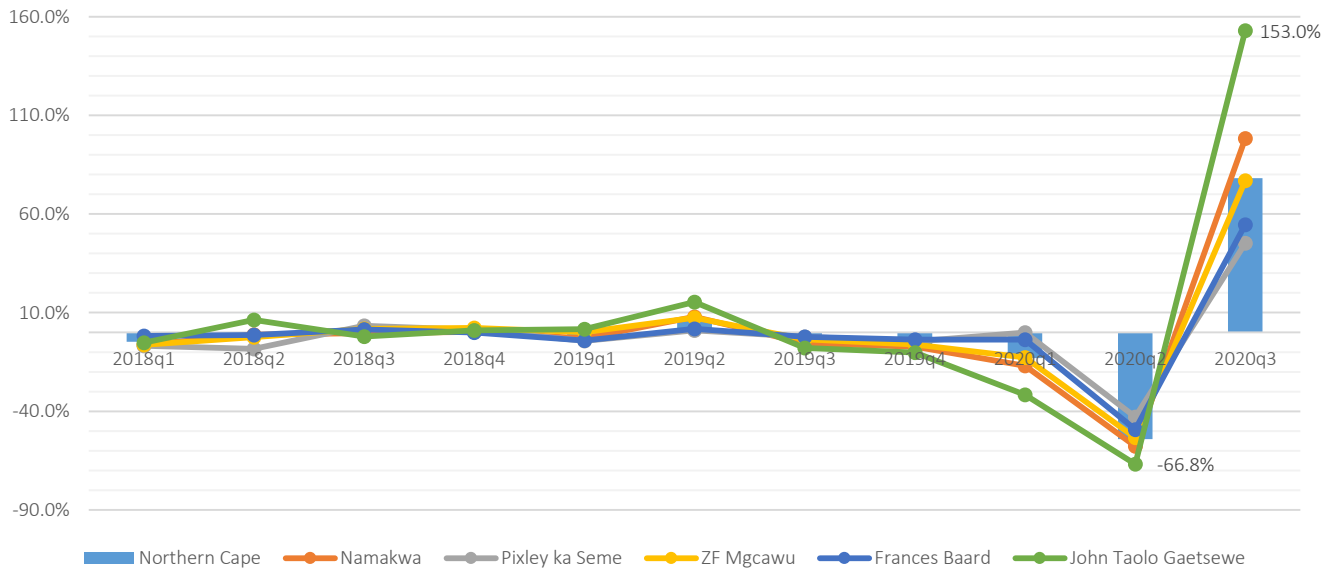
Source: IHS MarkIT, 2021

Mining and manufacturing had unprecedented growth rates in the second quarter, leading the provincial economy's resurgence at 263% and 211% respectively as estimated by the IHS MarkIT. Trade and transport sector followed closely at 134% and 80%, in the quarter under review. The agricultural sector continued on a positive growth trajectory, having been the only sector to record a positive growth rate at the height of the pandemic.

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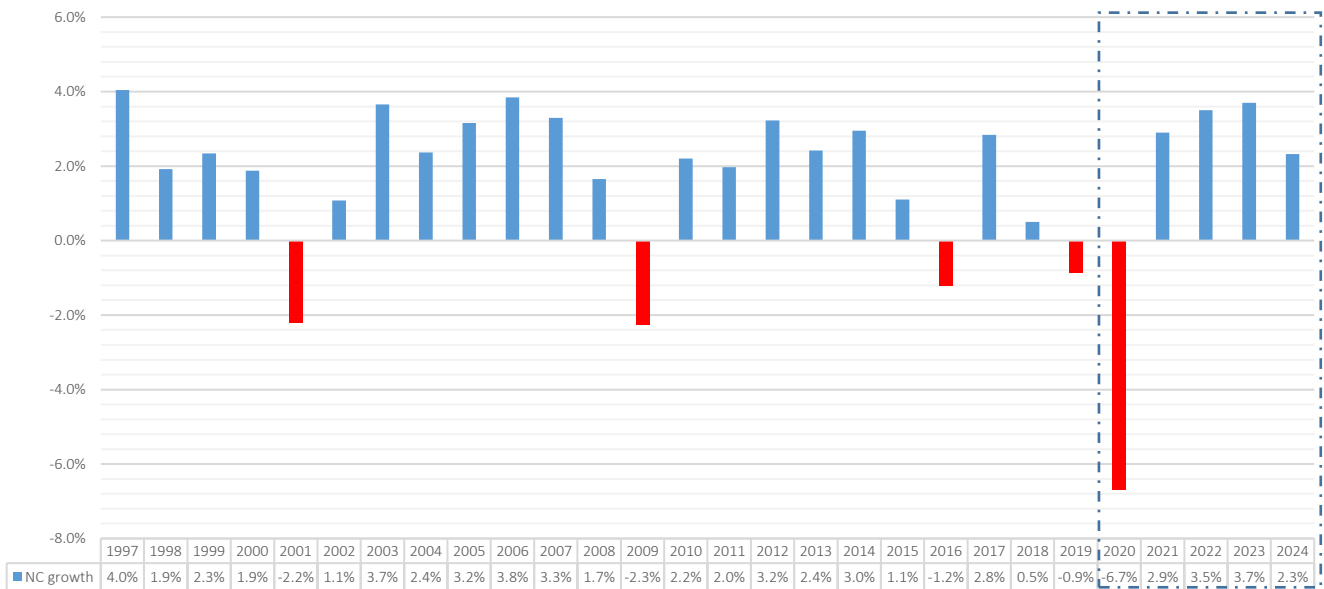
Figure 29: Northern Cape Districts performance - IHS MarkIT estimates -2020q3



Source: IHS MarkIT, 2021

The John Taolo Gaetsewe district experienced the lowest growth rate as estimated by IHS MarkIT in the second quarter, with -66.8%. Only to rebound to record the highest growth in the third quarter, largely due to the reopening of mining activity, as well as the overall easing of restrictions. Slower growth was experienced in Frances Baard and the Pixley Ka Seme districts, with 54.7% and 45.2% growth rate respectively. This notable rebound in economic activity bodes well for the province, as more sectors reopen.

Figure 27: Northern Cape GDP-R estimates



Source: Research and Development Unit (DEDaT)

Projections by the department suggest that the provincial economy could decline by an unprecedented -6.7% in 2020 due to the adverse impact of the Corona virus on the national and provincial economies. This in actual fact explains the significance of the Chinese economy's investment impact on the provincial economy while also highlighting how interdependent the world economy is. The positive impact of the easing of the restrictions has led to a more nuanced revision of the projections for the provincial economy in the outer period.

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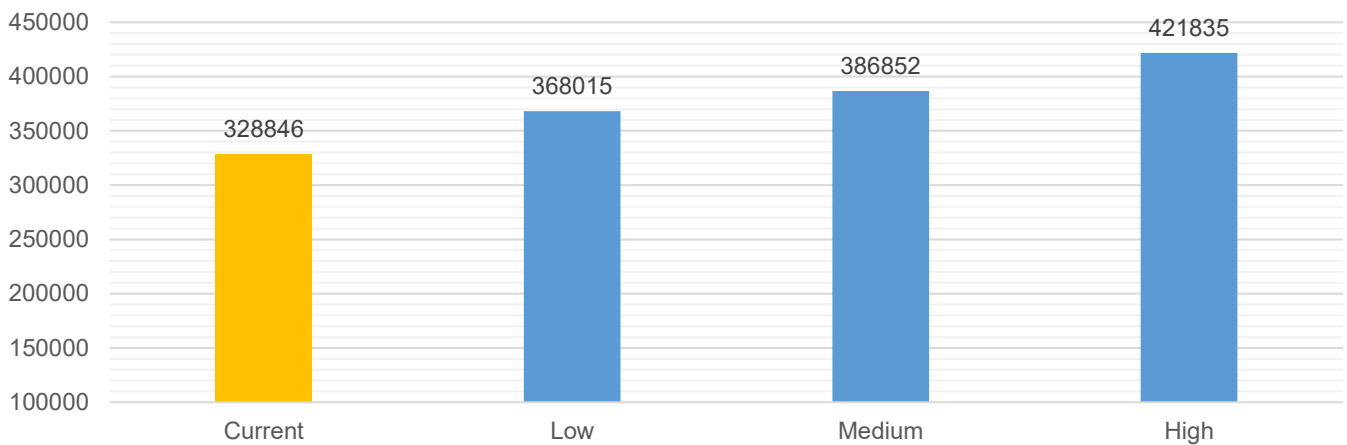
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Poverty Analysis – COVID-19 Impact

In the analysis above, it is indicative that the GDP per Capita measure is a key component in the fight against poverty alleviation in the development paradigm. However, with the world in the calamitous period of the Corona Virus pandemic and with the IMF estimating the South African economy to grow negatively by 8.0% during 2020 prospects are thus very limited. The National Treasury (2020) in its Supplementary Budget suggests that the country's economy would decline by 7.2%. In this light it is therefore imperative to understand the impact of the COVID-19 on social welfare and the poor in particular.

In their write-up on *"Estimates of the impact of COVID-19 on global poverty"*, (Andy Sumner, April 2020), they provide a conceptual narrative on the potential short-term poverty impact of COVID-19 in developing countries. Moreover, they concede that their estimates have important limitations as they are based on distribution-neutral assumptions and crucially omit labour market, social and fiscal policy, and household-level responses to economic contractions. The analysis is intended as indicative of the potential increase in poverty as a result of the damaging economic consequences of the pandemic. Thus, premised on this work, the section attempts to elucidate the impact of COVID-19 on the Northern Cape poverty incidence.

Figure 28: Northern Cape Food Poverty estimates - Scenario analysis

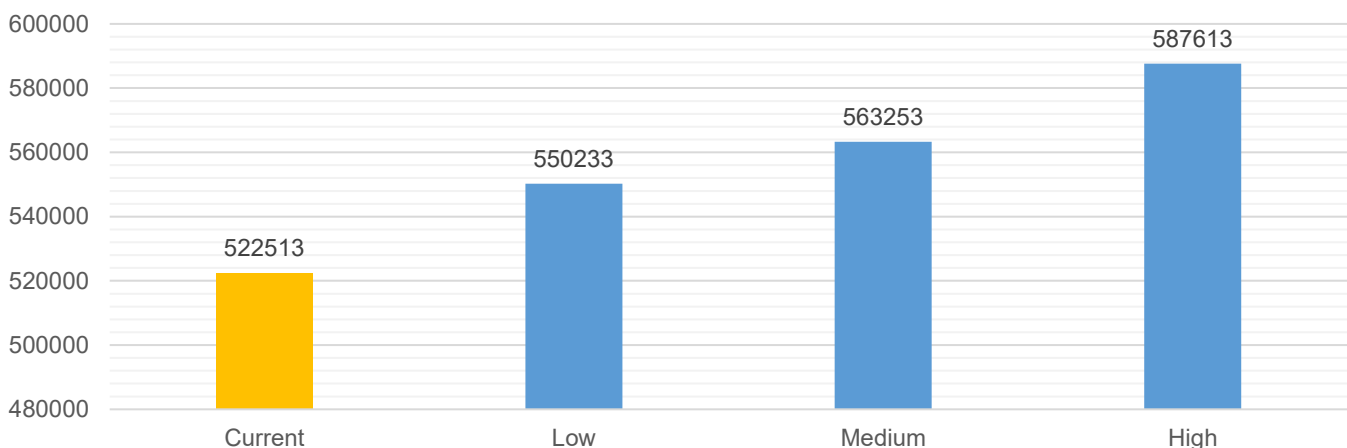


Source: Research and Development Unit, DEDaT 2020

In 2019, the estimated food poor people numbered 327 924, whilst with the impact of COVID-19 the number could increase by almost 40 000 using the low-level growth scenario, that is estimated at 39 169. However, the figure is elevated to 92 898 when using the high-level scenario, which represents a steeper decline in per capita income. This implies that over 90 000 more people could in the future, not be able to provide the most essential nutrients to have a quality life as espoused in the South African constitution.

The implementation of measures such as the SASSA-administered social relief of distress (SRD) grant of R 350 per month currently

Figure 29: Northern Cape Lower Bound Poverty Level Estimates - Scenario Analysis



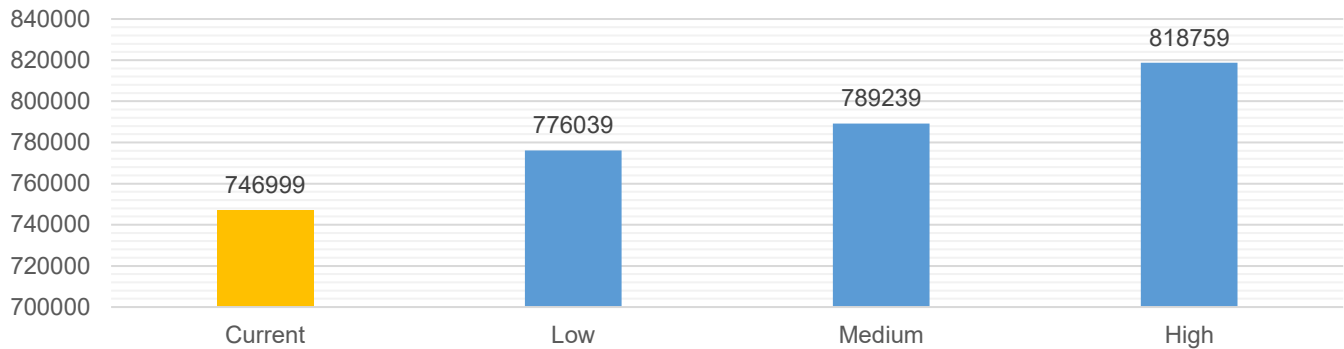
Source: Research and Development, 2020

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The figure above elucidates the lower bound poverty scenario analysis level as computed based on the 2019 figure of 522 513. In terms of the analysis, the lower poverty bound will increase by around 27 740 using the low growth scenario. On the other hand, using the higher growth scenario the increase in poverty incidence amounts to 40 750. This is estimated at an unprecedented decline in the country's growth, which would inadvertently lead to higher contraction in per capita incomes spelling a disastrous outcome for the fight against poverty.

Figure 30: Northern Cape Upper Bound Poverty Level Estimates - Scenario Analysis



Source: Research and Development, 2020

The steepest increase will be in the upper bound of the poverty levels in terms of absolute number of those in poverty, as per the calibrations in figure above. It is estimated that there will be around 29 000 more people in the upper poverty bound, this is considerable due to the COVID-19. Whereas, using the more negative scenario analysis, the poverty levels in the upper bound is expected to increase by about 71 000 in 2020. The higher contraction in the per capita income will see the Northern Cape poor increase to around 818 750, as steep poverty problem given that it will be around 65.5% of the provincial population.

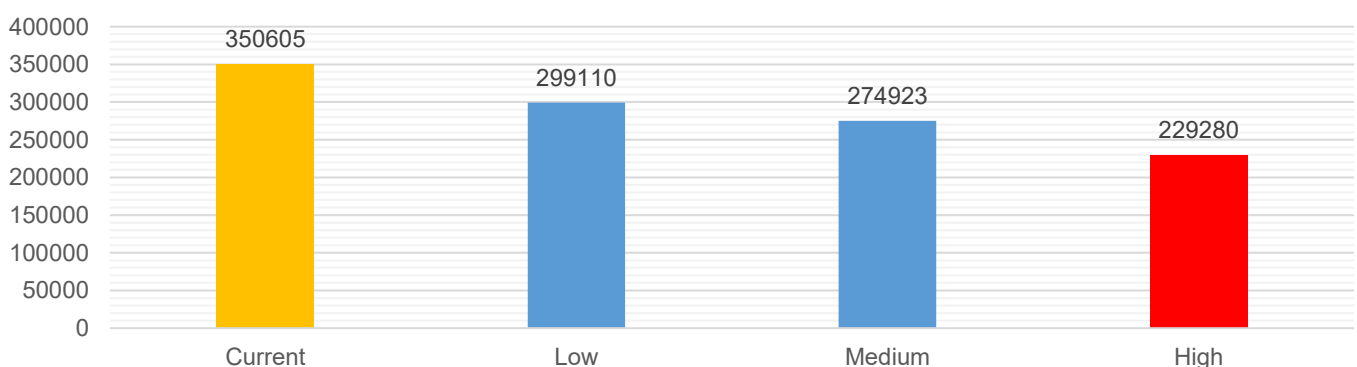
These higher estimates are in light of the poverty measure being higher in the form of an Upper Bound Poverty Level and thus incomes unable to meet this higher threshold.

Provincial Employment estimate outcomes under Covid-19 Scenarios

Bucking the trend nationally, provincial labour force declined substantially in the second quarter of 2020. The labour force decreased by almost 120 000 persons, when compared to the first quarter. This is indicative of the increase in the category of "other", which increased by 145 905 persons, during the same period. Of grave concern is the decline in the number of persons employed in the province as the Province saw over 80 000 decrease in those employed.

The less than expected increase in the unemployed is explained by the increase in the number of those deemed to be in the "other" category, as well as those cited as not economically active. The other finding of significance is the decline in the number of the discouraged work-seekers during the period. The discouraged work-seekers declined by 25 119, on a quarter-on-quarter basis, suggesting that the COVID-19 lockdown restrictions impacted negatively on the veracity to seek employment. Moreover, the figure of those discouraged work-seekers increased more pronouncedly when analysed on a yearly basis.

Figure 31: Northern Cape Employment estimates - Scenario Analysis



Source: Research and Development, 2020

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The Northern Cape employment levels is estimated at 350 000 at the end of 2019. Thus, using the total employment level, the province expects higher than anticipated declines in the number of the employed during 2020. Using the StatsSA, quarterly labour force survey, around 80 500 jobs were shed in the second quarter of 2020. As such using the high-impact the estimates suggest that 40 000 more jobs will be lost, leading to 121 325. The low impact scenario suggests a more muted decline in the employment level, decreasing by around 51 500.

2.2.2. Service Delivery Improvement Plan

Annual Progress Report 2020/2021

Chapter 3, Part 3, of the Public Service Regulations states that an Executive Authority (EA) shall establish and maintain an **Operations Management Framework (OMF)** which includes; a Service Delivery Model (SDM), Service Standards and Service Charters as well as Standard Operating Procedures (SOP's) for all departmental services. It states further that An EA shall establish and maintain a Service Delivery Improvement Plan (**SDIP**) for his/ her department aligned to the Strategic Plan.

The Service Delivery Improvement Plan (**SDIP**) is a plan developed by an institution to address the gap between the current standard of service and the desired standard of service delivery. It is service beneficiary driven. The focus of the SDIP is to:

- bring the Batho Pele principles to life,
- to promote effective and efficient service delivery,
- to strive for continuous improvement in service delivery,
- to improve government performance in achieving desired outcomes and
- to improve service delivery through changing the way government works.

SERVICE DELIVERY IMPROVEMENT PLAN (SDIP) 2018- 2021

The Department developed a Service Delivery Improvement Plan (SDIP) for the 2018 – 2021 cycle. The primary objective of the SDIP was to develop and implement service improvement standards for the key service with focus on aspects that hinder effective service delivery to beneficiaries in order to ensure value and impact. The secondary objectives of the SDIP were to:

- Outline the services provided by the department
- Identify a key service that the department would focus on improving
- Identify shortcomings/gaps with regard to the delivery of the key service
- Identify the service beneficiaries of the key service
- Identify and utilise the baseline standards of service in order to develop desired service standards for the key service



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Main Services and Standards

Main services	Beneficiaries	Current / Actual Standard of Service	Desired Standard of Service	Actual Achievement
<p>The Support and Development of enterprises (SMME's & Co- operatives) across all sectors identified in the PGDP (PDP). It involves three (3) Programmes within the Department namely: Programme 2: Integrated Economic Development Services (IEDS),</p> <p>Programme 3: Trade and Sector Development, and</p> <p>Programme 6: Tourism.</p> <p>The choice of key service was based on the fact that it is core to the department's mandate of economic development.</p>	<p>Support and development services to enterprises; SMME's & Co- operatives across all sectors identified in the PGDP (PDP). To ensure sustainable business and/or for them to create permanent employment opportunities.</p>	<p><u>Tourism</u></p> <p>8 tourism industry interventions</p>	9 tourism industry interventions	<p>18 Black -owned tourism enterprises supported via the Mier Tourism Incubator.</p> <p>15 Tourism enterprises exposed to quality assurance and skills development working sessions.</p> <p>7 Black- owned Tourism enterprises supported financially.</p>
		<p><u>Trade & Investment</u></p> <p>5 investment initiatives supported.</p>	5 investment initiatives supported.	<p>5 existing NC exporters participated in the China-Guiyang – Africa import and export Trade Fair.</p> <p>15 Companies participated in the Global Export Passport Programme (Phase 3).</p>
		<p>19 Companies exposed to export markets</p>	20 companies exposed to export markets	<p>Two companies exposed to export markets via marketing through the Trade Invest Africa e-newsletter platform.</p> <p>A meat processing plant in Kimberley exposed to Hong Kong export market.</p> <p>5 companies exposed to US Markets through virtual webinar while 6 other companies marketed their products on a virtual exhibition booth.</p>
		<p><u>Small Business Development</u></p> <p>75 enterprises assisted by 31 March 2020 through:</p> <ul style="list-style-type: none"> - business plans appraisals and - Facilitation of access to finance from various sources, as well as facilitation of access to markets. 	<p>80 enterprises assisted by 31 March 2021 through:</p> <ul style="list-style-type: none"> - business plans appraisals and - facilitation of access to finance from various sources, as well as facilitation of access to markets. 	<p>165 enterprises assisted with:</p> <ul style="list-style-type: none"> - business plans appraisals and facilitation of access to finance from various sources, as well as facilitation of access to markets. CIPC related services.

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Batho Pele Arrangements with beneficiaries

Current Arrangement	Desired Arrangement	Actual Achievement
Consultation Improving consultation with customers, stakeholders and service delivery partners.	Regular stakeholder consultative meetings and interactions.	Regular stakeholder consultative meetings and interactions.
	Workshops, Business Seminars, Individual visits, Trade Expos, trade fact sheets, Investment promotion missions, Investment conferences and exhibitions. (some Virtual)	Workshops, Business Seminars, Individual visits, Trade Expos, trade fact sheets, Investment promotion missions, Investment conferences and exhibitions. (some virtual)
	Completed projects profiles/ fact sheets by business sector stakeholders.	Completed projects profiles/ fact sheets by business sector stakeholders.
Access Improving access to services for enterprises in all regions	Promote access to services for tourism enterprises by targeting smaller towns in designated tourism nodes.	Promote access to services for tourism enterprises by targeting areas in designated rural areas.
	Enterprises were referred to SEDA for assistance with business plan development, marketing materials and quality assurance. Enterprises were referred to SEFA and NEF for financial support.	Enterprises were referred to SEDA for assistance with business plan development, marketing materials and quality assurance. Enterprises were referred to SEFA and NEF for financial support. CIPC System has gained momentum and is becoming a popular sought-after service that will benefit all districts. CIPC services range from company registrations, filing of annual returns, director amendments to company amendments.
	Full access to office via adequate signage, email, memoranda, telephonically, meetings and face-to-face presentations which comply fully with the Batho-Pele principle of access 2006 (PSC). Official meetings as required. Creation of more service points, through workshops and seminars in the districts on a quarterly basis.	Full access to office via adequate signage, email, memoranda, telephonically, meetings and face-to-face presentations which comply fully with the Batho-Pele principle of access 2006 (PSC). Official meetings as required. Creation of more service points, through workshops and seminars in the districts on a quarterly basis.
Openness & Transparency Marketing of departmental services for enterprises in all regions.	Regular awareness programmes and virtual sessions advising enterprises on DEDaT services available to them.	Regular awareness programmes and virtual sessions advising enterprises on DEDaT services available to them.
	Advertise services in local newspapers	Advertise services in local newspapers
	Reviewed booklet Stakeholder information (services & products) to be printed and disseminated to all enterprises including those in rural areas annually.	Reviewed booklet Stakeholder information (services & products) to be printed and disseminated to all enterprises including those in rural areas annually.

Service Delivery Information Tool

Current/actual information tools	Desired Information Tools	Actual Achievements
Documentation relevant to services offered to enterprises to be made available on the departmental website and the Tourism e-newsletter for easy access.	Updated departmental website Tourism Newsletter	Updated departmental website Tourism Newsletter
Services are promoted during encounters with customers such as at public events, Imbizos, walk-ins and development and empowerment workshops (some virtual)	Services are promoted during encounters with customers such as at public events, Imbizos, walk-ins and development and empowerment workshops (some virtual).	Services are promoted during encounters with customers such as at public events, Imbizos, walk-ins and development and empowerment workshops. An Investment Booklet was printed for distribution to stakeholders.
Information on departmental services as well as opportunities that are available for businesses available on departmental website.	Information on departmental services as well as opportunities that are available for businesses available on departmental website.	Information on departmental services as well as opportunities that are available for businesses available on departmental website.

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Complaints Mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual Achievements
Complaints relating to support and development of SMMEs will be resolved within 25 working days from the date of receipt.	<p>Acknowledge of receipt of complaint is done within 5 working days of receipt.</p> <p>Constant feedback regarding queries electronically or in writing.</p> <p>Complaints relating to support and development of SMME's will be resolved within 25 days</p>	<p>Complaints were responded to accordingly within the stipulated time frames.</p> <p>No Presidential Hotline complaints were registered.</p>

2.2.3. Organisational environment

2.2.3.1. Administration

The Economic Technical Cluster Secretariat provides technical support to the Economic Sectors. Investment, Employment and Infrastructure Cluster. The Office of the HOD (OHOD) is also responsible for coordinating the Economic Technical Advisory Committee (ETAC) which is a research and planning component, compiling research reports and analysing the High Impact Projects within the Province. The Economic Sectors, Investment, Employment and Infrastructure Development Technical Cluster Secretariat plays a role in the verification of information that must serve before the Economic Cluster.

The Financial Management Unit delivers supportive functions within the Department relating to financial accounting, management accounting, supply chain, risk and strategic management. There are a few funded posts that are still vacant in Strategy Management and Management Accounting.

Supporting functions rendered within Corporate Services include HRA&D, Communications, ICT Management, Employee Health and Wellness, Registry, Security, Labour and Legal Services.

2.2.3.2. Integrated Economic Development Services

This programme consists of three sub-programmes i.e. Enterprise Development; Regional Economic Development Services (REDS) which was formerly known as Regional and Local Economic Development (RaLED); and the sub-programme Economic Empowerment.

Enterprise Development consists of two units i.e. Enterprise Development and Corporate Development. The strategic intent of Enterprise Development is to create an enabling environment in which SMMEs and Cooperatives can be developed and flourish through financial and non-financial support. The sub-programme also addresses the informal business sector to help them to "migrate" towards sustainability and formalisation.

Regional Economic Development Services (REDS) supports the economic development, enterprise planning and implementation in the municipalities. It focuses on supporting municipal IDP's, LED Strategies, the reduction of Red tape and Township Development. REDS also provide EPWP project support as per conditional grant.

The focus of the Economic Empowerment unit is the provision of support to HDIs to enable them to participate in the mainstream economy. The sub-programme promotes and supports these HDIs through business intelligence, skills development and enterprise development.

2.2.3.3. Trade and Sector Development

This programme is divided into three distinctive sub-programmes. They are:

- Trade and Investment Promotion which is mandated to market and promote the province as a suitable trade and investment location. Through the application of best practice methodology and focused targeting, this sub-programme will proactively seek to attract, facilitate and retain foreign investment and promote exports and market access into the Province.
- Sector Development which actively pursues catalytic interventions with snow-balling effect that could trigger development initiatives on related industries within and outside manufacturing sector. One major intervention of note is the introduction of manufacturing clusters (Mineral Beneficiation Cluster, Agro-Processing Cluster and Clothing & Textile Cluster) whose attempts are none other than encouraging the development of industries in the Province. In conjunction with economic analysis research the Sub-programme conducted on Exports Industries, inter-sectoral trade linkages and the multiplier effects of manufacturing industries, the Sub-programme became better informed on what interventions can be introduced to boost manufacturing in the Province while responding to the national call for industrial development in the country as a strategy for economic growth and job creation.

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- Strategic Initiatives: This sub-programme whose strategic objective is to Identify and implement strategic initiatives within key economic sectors.

2.2.3.4. Business Regulation and Governance

The main aim of the Programme is to promote and oversee good governance of the public entities, namely the Gambling Board, Liquor Board and the Consumer Protection Authority, including the Consumer Court. On a quarterly basis, the performance and financial reports of these entities are analysed and processed. These public entities are a creation of statutes and function in accordance thereto and are held accountable by the Department through monitoring and evaluation of their strategic performance plans.

The Programme is divided into:

- Governance is mandated to provide support to public entities in order to ensure both compliance and good governance.
- Regulation Services: although it is unstaffed and unfunded, it is included in the Annual Performance Plan because it is part of the generic structures for similar units in the whole country. While the department wants to restructure and change this, it can only be done after extensive national consultation in this regard.
- Consumer Protection is mandated to promote and protect the rights of consumers in the Northern Cape Province.

2.2.3.5. Policy Research and Innovation

This Programme seeks to support and facilitate the radical transformation of the economy by developing economic policies and strategies informed by relevant economic research. It is comprised of the following sub-programmes:

- The Economic Policy Development sub-programme places greater emphasis on the alignment of provincial strategies to the National Development Plan (NDP) and the National Infrastructure Plan (NIP). It consolidates the departments inputs towards other outcomes i.e. Outcome 7 (A Vibrant, equitable, sustainable rural communities contributing towards food security for all) and skills development initiatives to Outcome 5 (A skilled and capable workforce to support an inclusive growth path).
- The Research and Development sub-programme seeks to conduct and facilitate socio-economic research that will inform planning to promote growth and development.
- In terms of the promotion of the knowledge economy and information society, Knowledge Economy and Innovation sub-programme focuses on the promotion of Management information Systems (MIS) and Enterprise Information Architecture (EIA), as key tools in the promotion of a knowledge society and economy.
- The Monitoring and Evaluation (M&E) sub-programme ensures timeous monitoring of Outcome 4 and channelling such reports to the Office of the Premier M&E Unit. Outcome 4 monitoring is of critical importance as it monitors progress on job creation. Furthermore, the sub-programme will also evaluate outcomes and impact of directly funded projects of the Department to measure value for money and the meeting of government objectives.

2.2.3.6. Tourism

The objective of the Tourism Programme is to promote and facilitate efficient tourism research and planning; to stimulate demand through tourism industry development and promotion; and the transformation of the tourism industry for inclusive economic growth and job creation.

In the year under review, the Tourism programme consisted of two sub-programmes i.e.

- Tourism Growth, and
- Tourism Development.

2.2.4. Key Policy Developments and Legislative Changes

There were no key policy developments or legislative changes in the year under review.

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2.3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The impact statement as defined in the Strategic Plan 2020-2025, is “Sustainable and Inclusive Economic Growth and Development.”

The MTSF priority is “Economic transformation and job creation.”

The two outcomes are “Higher economic growth” and “Improved levels of employment.” The outcome indicators and targets for the period 2020-2025 are:

- Percentage growth of the provincial economy (GDP) with a targeted growth range of 2%-3%, and
- Unemployment rate reduced with a range of 24%-26%.

Percentage growth of the provincial economy (GDP)

South Africa's real GDP declined by -7.0% in 2020 following lacklustre growth of 0.2% during 2019, as depicted in the figure above. This steep decline was at the back of a global COVID-19 pandemic, which precipitated the world economic activity restrictions. As the -7.0% decline in growth outcome is somewhat positive in comparison to predictions, mention has to be made that the easing of economic restrictions softened the economic impact. On the expenditure side, GDP decreased by -7.1% in 2020, following a subdued increase of 0.1% in 2019.

The annual real GDP growth rate of -7.0% in 2020 was primarily led by decreases in manufacturing, which contributed -1.4 percentage points based on growth of -11.6%; trade, which contributed -1.3 percentage points based on growth of -9.1%; and transport, which contributed -1.3 percentage points based on growth of -14.8%. Agriculture on the other hand increased by 13.1% in 2020, and government services by 0.7% in 2020 (ibid). Mining and construction supported the economy from a pronounced decline, as they were the only sectors to record positive growth rates in the year.

StatsSA reported that eight industries recorded positive growth between the third and fourth quarters of 2020. The largest positive contributors to growth in GDP in the fourth quarter are outlined in the foregoing figure. Mining and the financial sector were the only sectors to record decline in the fourth quarter of 2020. Mining and finance sector grew by -1.4% and -0.2%, respectively, spelling a decline in contribution of -0.1% for both sectors. The decline is due a decreased production as reported in the platinum group metals (PGMs), coal and diamonds mining activities.

According to StatsSA, the economy of the Northern Cape contracted by 0.6% in 2019, down from positive growth of 0.5% in 2018. In contrast, the country's GDP grew by a lacklustre yet positive growth in 2019, of 0.2%. The negative growth rate recorded by the province was due to the fact that seven out of the ten sectors recorded negative growth rates. This includes the biggest sector in the province which is mining, declining by -0.9% whilst only three industries that did not contract in 2019 were financial services, personal services and government

The provincial economy is estimated at R 103 billion during 2019, in nominal terms (i.e. current prices). This is a gradual growth improvement in comparison to 2018 when the provincial economy was estimated to have bridged the R 100 million mark (see table below). Whilst on the real or constant price definition, the provincial economy is estimated to be worth around R 68.4 billion. Explicating a decline of 0.6%, when compared to the constant GDP figures of 2018, wherein it recorded R 68.9 billion.

The decline in the provincial economy, was at the back of seven of its economic sectors recording negative growth outcomes. Included in this was agriculture which declined by -6.5%. The second biggest sectoral decline was construction with -2.5%, whilst trade recorded a decline of -1.4%. Mining, the biggest contributor to the provincial economy also recorded a subdued -0.9%, yet impactful given the sector's contribution. Only finance, government services as well as personal services cushioned the provincial economy from a more severe decline

The Northern Cape Province recorded the steepest decline in growth at -0.6%, however due to the province's smallest contribution to the South African economy at 2.2%, the impact is rather muted. On the other hand, the Gauteng province which is the biggest contributor to the South African economy, grew positively by 0.6% ensuring the that the country did not reach the negative growth mark.

The provincial economy continues to be concentrated in mining activities. In context, the provincial mining activities contributed around 23.3% of the total gross-value added, followed by the government service sector. The government service sector is estimated to have contributed about 18.2%, in terms of GVA during 2019. Construction (2.7%), manufacturing (3.5%) as well as the utilities industry (3.9%) have the lowest contribution with a combined 10.1% contribution.

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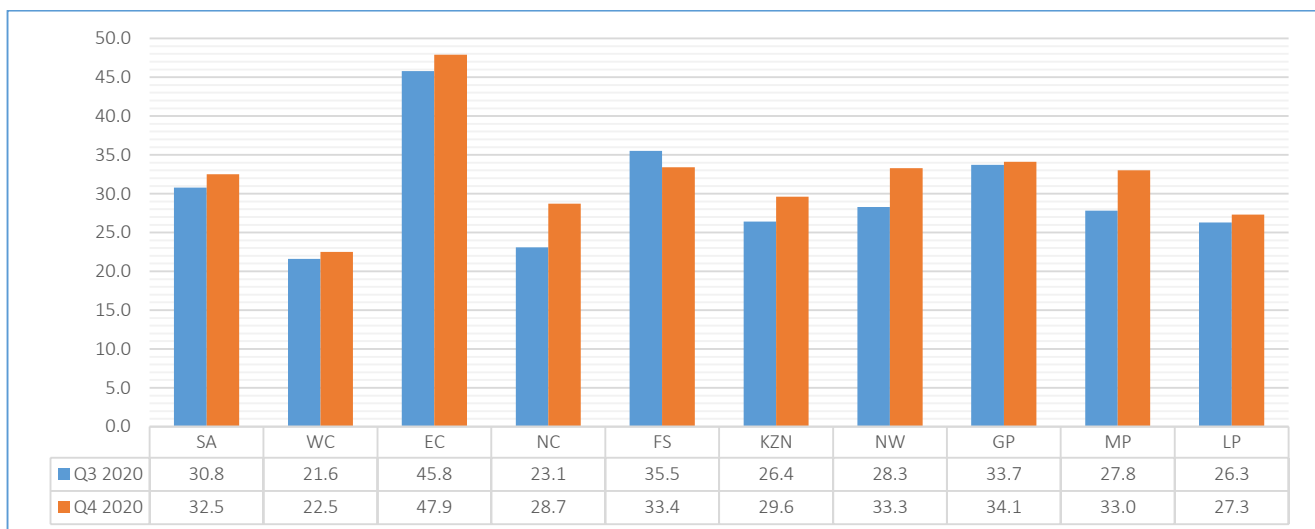
The provincial economy rebounded sharply, as the COVID-19 restrictions were eased. As computed by IHS MarkIT, the provincial economy recorded an impressive quarterly recovery of 78.1%. This was from lowest recorded growth of -54.2% at the height of COVID-19 restrictions in the second quarter of 2020. Noteworthy, the estimate by IHS MarkIT suggest that the provincial growth eclipsed the country's growth outcome, which was recorded at 66.1% by StatsSA.

Unemployment rate reduced with a range of 24%-26%.

The easing of the lockdown restrictions has helped the provincial labour market, as there was an improved appetite to seek employment and being economically active. This is noting that the provincial labour force increased on a quarter-on-quarter basis. The provincial labour force now stands at 431 000, increasing by 58 571. In tandem, the provincial employment level also increased by around 7.3%, when contrasting between the third and fourth quarters of 2020. In real terms, almost 21 000 people became employed in the fourth quarter. With 17 295 of those newly employed being in the formal sectors, accounting for 82.5% of the employed.

The informal sector also made notable contribution, with around 2 200 persons employed in the fourth quarter, culminating in the sector employing around 20 000. With that said, the informal sector has been negatively impacted on a year-on-year basis, as the sector's employment dropped by over 50%, from the 41 000 employed in the fourth quarter of 2019.

According to the quarterly labour force survey (QLFS) report, the Northern Cape Province had 124 000 persons willing and able to work but unable to find work (StatsSA, 2021). This implied that 37 612 more people were considered unemployed. This as the number of discouraged work-seekers declined, declining by over 17 000 between the third and the fourth quarters of 2020.



Source: StatsSA, 2021

The figure above details the unemployment rates of each province in relation to the unemployment figure of the country. The Western Cape had the lowest unemployment at 22.5%. The Western Cape Province is thus followed by the Limpopo province, with an official unemployment rate of 27.3%, having marginally increased by 1.0 percentage point. The Northern Cape Province has the third lowest unemployment rate at 28.7%, as at the end of the fourth quarter of 2020. The Eastern Cape Province has the highest unemployment rate – which is estimated at 47.9% by StatsSA.



PROGRAMME 1:

Administration



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2.4 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

2.4.1. Programme 1: Administration

Purpose

Provide strategic, leadership, management and support services to the department.

Administration's role is that of an enabler and a controller. It supports the functioning of the five implementation "arms" (Programmes 1, 2,3,4,5 and 6) of the department whose collective responsibility is to impact on the 1st Priority of the MTSF i.e. Economic Transformation and Job Creation.

The sub-programmes are:

- Office of the HOD
- Financial Management
- Corporate Services

Institutional Outcome/s supported:

- Higher Economic Growth

2.4.1.1. Office of the HOD

Outcomes, Outputs, Output Indicators, Targets and actual achievements table

Sub-Programme: Office of the HOD									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 (until date of re-tabling)	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ Annual Targets
Higher Economic Growth	Improved Technical Cluster Stakeholder coordination.	1.1.1 Technical cluster support.	-	New	11	2	9	Lockdown level 5.	The budget was revised which necessitated the revision of the APP.
	Coordinated Economic Advisory Research.	1.1.2 Economic Policy Advocacy initiatives.	-	New	2	1	1	Lockdown level 5.	The budget was revised which necessitated the revision of the APP.
	Improved Technical Cluster Stakeholder coordination.	1.1.3 Economic Cluster Stakeholder support.	-	New	4	1	3	Lockdown level 5.	The budget was revised which necessitated the revision of the APP.

**Note that the actual achievement reported in the table above is in relation to the Annual Performance Plan 2020-2021 prior to re-tabling.*



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Sub-Programme: Office of the HOD								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
Higher Economic Growth	Managing an effective and efficient Economic Technical Cluster.	1.1.1 Proceedings of the Technical Economic Sector, Investment, Employment and Infrastructure Development Cluster.	12	8	10	6	4	Only 6 achieved as the country was working according to the COVID19 risk adjusted strategy
	Coordinate a departmental Economic Advisory Research Team to provide research on relevant economic sector concerns.	1.1.2 Economic Technical Advisory Committee (Think Tank) narratives.	2	2	2	1	1	The country was working according to the COVID19 risk adjusted strategy.
	Provide strategic direction for decision making purposes to ensure government priorities are realized.	1.1.3 Progress on Economic Cluster Resolutions.	-	New	2	3	1	Additional report requested from the Office of the Premier.
	Analyze the progress on departmental high impact projects.	1.1.4 Analysis of High impact projects.	2	2	2	2	0	None

****Note that the actual achievement reported in the table above is in relation to the re-tabled Annual Performance Plan 2020/2021.**

PERFORMANCE NARRATIVE FOR OFFICE OF THE HOD

For the 2020/2021 financial year, eight (8) proceedings of the Economic Sectors, Investment, Employment and Infrastructure Technical Cluster have been completed. Meetings were held on 11 June, 30 June, 7 July, 4 August, 7 September and 10 November 2020, 9 February 2021 and 9 March 2021.

In the meeting dated 11 June 2020, one item served namely "Changing the face of a city." This item was not recommended to serve at the Economic Sectors, Investment, Employment and Infrastructure Development Cluster. In the meeting dated 30 June 3 items served namely REEFSA, SKA, and Changing the face of a city. Of these items the SKA and Changing the face of a city was recommended to serve at the Economic Sectors, Investment, Employment and Infrastructure Development Cluster. In the meeting dated 7 July, one (1) item served namely, Cochrane Global. This item was recommended to serve at the Economic Sectors, Investment, Employment and Infrastructure Development Cluster. In the meeting dated 4 August, three (3) items served namely, Northern Cape Dream Cabin Aviation Proposal, Renewable Energy Entrepreneurs Forum South Africa (REEFSA) and Northern Cape Innovation Forum (NCIF). Of these items, only The NCIF was recommended to serve at the Economic Cluster. The Northern Cape Dream Cabin Aviation Proposal was recommended to serve before the Social Protection, Community Development and Crime Prevention Cluster and Governance, State Capacity and Institutional Development Cluster. REEFSA was referred to Programme 3 of the Department of Economic Development and Tourism for further deliberation. In the meeting dated 14 September 2020, one (1) item served namely the Economic Recovery Plan. This item was recommended to serve at the Economic Sectors, Investment, Employment and Infrastructure Development Cluster.

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In the meeting dated 10 November 2020, the following items served, Full value chain manganese business proposal for the Northern Cape, Mittah Seperepere International Convention Centre (MSICC) Business Management Model, Kathu Industrial Park equity opportunity for the Northern Cape, Northern Cape Socio Economic Recovery Plan and Climate Change Summit. Of these items, Full value chain manganese business proposal for the Northern Cape, Mittah Seperepere International Convention Centre (MSICC) Business Management Model and Kathu Industrial Park equity opportunity for the Northern Cape was recommended to serve at the Economic Sectors, Employment Investment and Infrastructure Development Cluster. These items also served at EXCO. The Northern Cape Socio Economic Recovery Plan was referred to the HOD forum and Climate change summit was referred back as additional information was required and the date of 10-11 December 2020 was considered too early as the Infrastructure Summit was also scheduled to take place in December 2020.

In the meeting dated 9 February 2021 only one item served namely Northern Cape Economic Development Agency (NCEDA) projects. This item was referred to the Economic Sectors, Investment, Employment and Infrastructure Development Cluster. In the meeting dated 9 March 2021, one (1) item also served namely the transfer of Boegoebaai Harbour and Deep-Sea Port and De Aar Logistics Hub. This item was referred to the Economic Sectors, Employment and Infrastructure Development Cluster, but was not tabled at the Economic Sectors, Investment, Employment and Infrastructure Development Cluster. However it had been referred to the Department of Transport, Safety and Liaison.

Three reports on progress of Economic Cluster resolutions has been completed. The purpose of the first report was to appraise the Executive Council on progress made on Exco Resolutions from 2019-2020 and progress on the Makgotla Resolutions from 2019-2020. These resolutions were dealt with per annum with a brief description of the resolution and outlining the progress. Where applicable resolutions have been clustered together as they refer to the same subject matter. It may furthermore have areas of duplication or coordination within the Governance and Administration Cluster, and Social Cluster however the reason for reflecting it in the report, is due to the fact that it is reported on in the Economic Sectors, Investment, Employment and Infrastructure Development Technical Cluster as well. A number of the resolutions had been contained within the context of the 9-point plan.

The second and third report focused on the resolutions taken in the 2020/2021. These included resolutions taken on the Kathu Industrial Park, NCEDA and the Northern Cape investment booklet amongst others.

In addition, one (1) report was consolidated and compiled for the department in preparation for the annual State of the Province Address (SOPA).

Analysis of Changing the face of a city as a High Impact Project had been conducted. This report served at both the Economic Sectors, Investment, Employment and Infrastructure Development Cluster as well as EXCO.

Desktop work on a position paper in relation to the impact of prevalence or none prevalence of By-laws at Sol Plaatje Local Municipality in support of SMMEs, Co-ops and Informal Traders had been completed.

Linking performance with budgets

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the HOD	2 888	2 888	-	4 439	4 439	-
Total	2 888	2 888	-	4 439	4 439	-

2.4.1.2. Financial Management

Sub-Programme: Financial Management									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 (until date of re-tabling)	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/output indicators/ Annual Targets
There were no revisions to any outputs/output indicators/annual targets.									

**Note that the actual achievement reported in the table above is in relation to the Annual Performance Plan 2020-2021 prior to re-tabling.*

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Sub-Programme: Financial Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
Higher Economic Growth	Effective, efficient and economical utilisation of resources.	1.2.1 % of expenditure within the Vote 6.	-	New	98%	98.52%	0.52%	Effective internal controls.
	Increased departmental public procurement spend.	1.2.2 % of departmental budget spent on procurement	-	New	40%	15.39%	24.61%	The LockDown regulations in terms of the COVID19 pandemic led to reduction in the need to appoint service providers because fewer services were required.
		1.2.3 % of procurement from women.	-	New	30%	50.2%	20.2%	Women-owned service providers were more responsive to requests for quotations.
		1.2.4 % of procurement from youth.	-	New	30%	27.53%	2.47%	Quotations received from youth-owned service providers failed to qualify them as the most successful bidder.
		1.2.5 % procurement from people with disabilities.	-	New	1%	0.6%	0.4%	Suppliers do not disclose disability status on CSD.
		1.2.6 % of invoices paid within 30 days	-	New	100%	99.66%	0.34%	Two invoices not paid within 30 days.

****Note that the actual achievement reported in the table above is in relation to the re-tabled Annual Performance Plan 2020/2021.**

PERFORMANCE NARRATIVE FOR FINANCIAL MANAGEMENT

Effective and efficient internal controls allowed the sub-programme to ensure that 98.52% of the departmental budget was spent within Vote 6. The impact of the COVID19 pandemic adversely impacted the efforts to ensure that 40% of the departmental budget be spent on procurement because the Lockdown regulations in terms of the COVID19 pandemic led to reduction in the need to appoint service providers as fewer services were required than anticipated. Women-owned service providers were more responsive to requests for quotations and this allowed the target set for ensuring procurement from women to be exceeded by 20.2%. Unfortunately the targets as set for the procurement from youth and people with disabilities could not be achieved. In addition all legislatively required submissions were met within the required timeframes. These included the tabling (and re-tabling) of strategic plans, annual performance plans, Annual Report, Quarterly Performance Reports and Budget Statement #2.

Linking performance with budgets

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Financial Management	26 546	26 097	449	32 973	32 973	-
Total	26 546	26 097	449	32 973	32 973	-

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2.4.1.3 Corporate Services

Sub-Programme: Corporate Services									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 (until date of re-tabling)	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ Annual Targets
Higher Economic Growth	Human Resource Management	1.3.5 Information dissemination initiatives	4	4	8	2	6	The other 6 initiatives were to be achieved in Q2, 3 and 4.	Revision of Budget necessitated a revision of the target.
		1.3.6 Legal sessions	1	2	2	1	1	The additional session was to take place in Q4.	Revision of Budget necessitated a revision of the target

Note that the actual achievement reported in the table above is in relation to the Annual Performance Plan 2020-2021 prior to re-tabling.

Sub-Programme: Corporate Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
Higher Economic Growth	Human Resource Management	1.3.1 Employment equity reports.	4	4	4	4	0	None
		1.3.2 SMS financial disclosures	26	26	26	26	0	None
		1.3.3 Performance Agreements	176	173	162	159	3	One employee failed to submit a performance agreement. Two employees resigned.
		1.3.4 Employee Health and Wellness initiatives.	4	4	4	4	0	None.
		1.3.5 Information dissemination initiatives	4	4	4	5	1	One additional information dissemination session was concluded.
		1.3.6 Legal sessions	1	2	0	1	1	One legal session was conducted in Q1 prior to re-tabling of the APP in which the target was revised to 0.
	e-Governance	1.3.7 Percentage of Local Area network Uptime maintained.	95%	95%	95%	95%	0	None.
		1.3.8 Percentage of Wide Area Network uptime maintained.	95%	95%	95%	95%	0	None.

**Note that the actual achievement reported in the table above is in relation to the re-tabled Annual Performance Plan 2020/2021.

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PERFORMANCE NARRATIVE FOR CORPORATE SERVICES

Many strides have been made over the years in the sub-programme. It has matured as consistently evidenced by the good rate of achievement of its targets. Corporate Services has taken its place in the strategic management of the department and most of its activities are key to the achievement of high levels of corporate governance standards in the department. We have successfully institutionalised the Corporate Governance of ICT (CGICT) Framework, Employee Health and Wellness, the ethics programme and regular employee information sessions. Our management of the employee performance management development system (PMDS) has also matured throughout the years and it is clear that the sub-programme has added value to the progress of the department, including by improving audit outcomes. Despite working under Covid-19 and the fact that we could only have full complement of staff from September 2020, we were still able to perform well. The departmental employee sessions assisted with the dissemination of COVID -19 and other departmental information to its officials. Our attention was also on the scourge of Gender-based Violence (GBV) and GBV Dialogues which were held in the department. We continue to manage COVID-19 based through our steering committee and approved protocols.

Linking performance with budgets

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Corporate Services	23 290	22 711	579	27 553	27 553	-
Total	23 290	22 711	579	27 553	27 553	

Strategy to overcome areas of under performance

The Programme employed a practical COVID-19 workforce strategy that prioritised the health of the employee. Remote working protocols were initialised and dual working shifts were introduced. The first shift started at 7:30 to 12:00. The second shift ran from 12:00 to 16:30. This was applied in terms of a mission critical response to the demands of the tasks that needed to be completed. Face-to-face meetings were kept to a minimum and instead conducted through electronic media platforms such as Microsoft Teams. In addition targets and performance indicators were revised in the re-tabled Annual Performance Plan.

Performance in relation to Standardised Outputs and Output Indicators for sectors with concurrent functions

The Department of Economic Development and Tourism has no customised or standardised Outputs and Output Indicators.



PROGRAMME 2:

Integrated Economic Development Services



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2.4.2. Programme 2: Integrated Economic Development Services

Purpose

Promote the development of small businesses and cooperatives that contribute to inclusive economic growth and job creation.

Programme 2 has been structured to address its mandate through three sub-programmes:

- Enterprise Development,
- Regional Economic Development Services (REDS) and
- Economic Empowerment

Institutional Outcome/s supported:

- Higher Economic Growth
- Improved levels of employment

Outcomes, Outputs, Output Indicators and Targets and actual achievements table

2.4.2.1 Enterprise Development

Sub-Programme: Enterprise Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 (until date of re-tabling)	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/output indicators/ Annual Targets
Higher Economic Growth	Strengthen development finance towards SMME development	2.1.1 Financial support provided to enterprises. .	97.5%	13.05%	100%	0%	100%	This achievement is calculated in Q3. Total budget of the EGDF was cut by Provincial Treasury during the COVID-19 budget adjustments	Total budget of the EGDF was cut by Provincial Treasury during the COVID-19 budget adjustments
	Non-financial support to enterprises.	2.1.3 Enterprise support initiatives.	4	3	8	2	6	The target was set to be achieved in Q2, Q3 and Q4.	Reduction in budget
		2.1.4 Enterprise procurement opportunities.	7	3	4	1	3	The target was set to be achieved in Q1, Q2, Q3 and Q4.	Reduction in budget

*Note that the actual achievement reported in the table above is in relation to the Annual Performance Plan 2020-2021 prior to re-tabling.



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Sub-Programme: Enterprise Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
Higher Economic Growth	Strengthen development finance towards SMME development	2.1.1 Percentage of EGDF disbursed.	97.5%	13.05%	0%	0%	0%	None
	Non-financial support to enterprises.	2.1.2 Enterprises assisted with non-financial support services.	125	197	100	165	65	More walk-ins than anticipated.
		2.1.3 Enterprise support initiatives.	4	3	6	5	1	One enterprise support initiative was not reported.
		2.1.4 Enterprise procurement opportunities.	7	3	3	2	1	The target was not achieved on account of the COVID19 Risk Adjusted Strategy.

****Note that the actual achievement reported in the table above is in relation to the re-tabled Annual Performance Plan 2020/2021.**

PERFORMANCE NARRATIVE FOR ENTERPRISE DEVELOPMENT

The year under review has been extremely challenging with the COVID-19 pandemic disrupting whatever was the norm in our daily lives and affecting the economy of the province, country and world in a manner that we could not have imagined. This was primarily effected through a lockdown that of necessity had to be imposed. The response from national government pertaining to the impact of the COVID-19 pandemic and measures to address the challenges and stimulate the economy is two-fold:

- To offer financial and non-financial support for relief and
- Provide support in the recovery phase.

Our response as a Department was to support the efforts of the Department of Small Business Development (DSBD) by creating awareness and disseminating information on all the communication platforms created in the province and co-ordinating the assimilation of information required by DSBD, specifically with respect to the informal sector and enterprises in the textile industry. This role was largely due to the limited provincial financial resources in the province and also, the interventions were underpinned by funds available in national departments; with no decentralisation occurring.

Provincially, the response to address this challenge resulted in a total re-prioritisation of the provincial budget that saw the DEDaT having its budget reduced by R 96 million. For Programme 2: IEDS, this meant a reduction from R 70,652 million to R 29,075 million, reduction of 59% of its allocated budget. Concomitantly, this led to a reduction in targeted outputs for the financial year.

The financial support to enterprises; primarily provided through the Economic Growth and Development Fund (EGDF), that received an allocation of R 31,539 million, was cut to zero by Provincial Treasury during the Covid-19 budget adjustment process.

The Companies and Intellectual Property Commission (CIPC) services being offered in the programme remains the most sought-after service in the Programme with 157 of the 165 clients assisted, seeking CIPC services. Of the remaining eight (8) clients assisted, three (3) required general business advice and five (5) were referred to SEDA for business plan development.

Interventions embarked upon during the financial year are:

- Engaged municipalities for informal traders that had permits and submitted these to DSBD for inclusion in programmes being offered by DSBD.

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- In an effort to stimulate the clothing and textile sector, a proposal was written for a micro-economic intervention relating to the manufacture of one million (1 000 000) face masks.
- The DEDaT, in collaboration with the Small Enterprise Development Agency (SEDA), the Small Enterprise Finance Agency (SEFA), the National Youth Development Agency (NYDA), the National Empowerment Fund (NEF) and the Industrial Development Corporation (IDC) held a virtual webinar for clients across the province in July 2020 to share information of instruments on offer.
- Printed pamphlets regarding the support measures being offered by SEDA, SEFA, and NYDA. These were distributed across the province. This effort served as a precursor to the Township and Rural Entrepreneurship Programme (TREP) intervention being offered by DSBD.
- An Economic Recovery proposal was developed.
- Activated the Memorandum of Understanding with Productivity South Africa by hosting a webinar to introduce the companies to the service offering of Productivity South Africa directed at ensuring an increase in the productivity and efficiency of operations in enterprises. Thirty-four (34) enterprises were invited to participate in the programme of which only eleven (11) responded by completing the company information sheet to indicate their willingness to participate.
- Signed a Memorandum of Understanding with the National Empowerment Fund (NEF) for the establishment of Northern Cape SMME Blended Fund.

The Preferential Procurement Initiatives (PPI) unit continues its pursuit of linking SMMEs to procurement opportunities. To this effect, the following was done:

A consolidated database consisting sixty-six (66) enterprises registered with the Northern Cape Clothing and Textile Cluster and those involved in the School Uniform Project was developed for linkage to the mask project. Of the sixty-six (66) enterprises linked to the project, twenty-four (24) were "vetted" for participation in the project; with the others, that are either lone worker enterprises or start-ups without machinery, being linked to the more established enterprises.

Eleven (11) of the twenty four (24) enterprises were linked to the manufacture of 12 000 masks.

Engaged Transnet Economic Hub in De Aar and deliberated on procurement opportunities and localization for potential service providers in that municipal area. Services providers (SMMEs) were also addressed on how to access procurement opportunities in both the private (State-Owned Enterprises) and public sector (Government Departments).

Facilitated a formal meeting between Transnet, DEDaT and an SMME in order to continue supporting SMMEs in terms of procurement opportunities. The enterprise was afforded the platform to explore and participate in the mainstream economy of the Northern Cape Province.

Linking performance with budgets

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Enterprise Development	40 686	40 686	-	13 637	13 073	564
Total	40 686	40 686	-	13 637	13 073	564



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2.4.2.2 Regional Economic Development Support

Sub-Programme: Regional Economic Development Support									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 (until date of re-tabling)	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ Annual Targets
Improved levels of employment.	Catalytic projects supported that contribute towards employment creation.	2.2.1 Municipal Economic Development Projects supported	9	8	4	0	4	T a r g e t was to be achieved in Q4.	Reduction in budget and Human Resources in only two district municipalities.
	Municipalities supported to develop plans to improve Local Economic Development that will contribute towards employment creation.	2.2.2 Municipalities' plans aligned to economic development policies.	6	11	6	0	6	T a r g e t was to be achieved in Q4.	Reduction in budget and Human Resources in only two district municipalities.

**Note that the actual achievement reported in the table above is in relation to the Annual Performance Plan 2020-2021 prior to re-tabling.*

Sub-Programme: Regional Economic Development Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
Improved levels of employment.	Catalytic projects supported that contribute towards employment creation.	2.2.1 Municipal Economic Development Projects supported	9	8	2	2	0	None
	Municipalities supported to develop plans to improve Local Economic Development that will contribute towards employment creation.	2.2.2 Municipalities' plans aligned to economic development policies.	6	11	2	2	0	None
	Expanded Public Works Opportunities.	2.2.3 EPWP Work opportunities.	381	325	150	166	16	Additional work opportunities sourced from departmental security and cleaners.
	Local Economic Development forums,	2.2.4 Number municipalities assisted to establish a LED Forum.	-	New	2	2	0	None

***Note that the actual achievement reported in the table above is in relation to the re-tabled Annual Performance Plan 2020/2021.*

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PERFORMANCE NARRATIVE FOR REGIONAL ECONOMIC DEVELOPMENT SUPPORT (REDS)

The Regional Economic Development Support sub-programme continued to support economic development planning and implementation in the municipalities and in doing so administer EPWP on behalf of the Accounting Officer as per the national mandate. This will be achieved through support for their IDPs, LED Strategies and plans that will include Red Tape Reduction interventions.

During 2020/21 a total of Municipalities were assisted with LED plans and inputs for their IDPs, in terms of the development of Kheis and John Taolo Gaetsewe LED Strategies. A detailed Section 47 LED maturity analysis was conducted of all 31 municipalities. In addition, an IDP analysis was conducted and submitted to COGHSTA. Two (2) projects were supported through developing concepts documents and stakeholder coordination namely: Kuruman Regional Airport and the Upington Industrial technology station. The Department also developed and implementation plan for Red Tape Reduction (RTR) of which the plan will be rolled out all municipalities which were selected done through the RTR assessments completed.

A key enabler for EPWP in the Department is the conditional grant received via the Environmental Sector. This provides project funding that is applied to initiate exit orientated EPWP projects. The intention is to fund projects selected via an application process and report all the jobs created by the Department of Economic Development and Tourism. The EPWP funding is applied to assist enterprises/interventions which can be sustainable post the EPWP grant. For 2020/21 100% of the sum of Two million and twenty five thousand rand (R 2 025 000) was spent. This was done by supporting three projects and creating a total of 166 work opportunities. The projects included Sol Plaatje Environmental, Namakwa removal of Prosopis trees projects) and Pixley Ka Seme Environmental project. This was achieved by instilling business principles and providing the necessary funding for start-up capital equipment and stipends.

Linking performance with budgets

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Regional Enterprise Development Support	6 277	6 277	-	7 603	7 399	204
Total	6 277	6 277	-	7 603	7 399	204

2.4.2.3 Economic Empowerment

Sub-Programme: Economic Empowerment									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 (until date of re-tabling)	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/output indicators/ Annual Targets
Higher economic growth.	Increased economic growth for target groups through empowerment, support and entrepreneurship	2.3.1 Target groups interventions.	14	18	14	4	10	Target was to be achieved over the four quarters (Q1, Q2, Q3 and Q4).	Budget constraints.
		2.3.2 BBBEE interventions.	7	5	4	1	3	Target was to be achieved over the four quarters (Q1, Q2, Q3 and Q4).	Budget constraints.

**Note that the actual achievement reported in the table above is in relation to the Annual Performance Plan 2020-2021 prior to re-tabling.*

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Sub-Programme: Economic Empowerment								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
Higher economic growth.	Increased economic growth for target groups through empowerment, support and entrepreneurship	2.3.1 Target groups interventions.	14	18	4	9	5	The over achievement was brought about by the collaboration with different stakeholders
		2.3.2 BBBEE interventions.	7	5	2	3	1	A survey was done as an additional intervention and there was no cost implication.

****Note that the actual achievement reported in the table above is in relation to the re-tabled Annual Performance Plan 2020/2021.**

PERFORMANCE NARRATIVE FOR ECONOMIC EMPOWERMENT

In the quest to achieve the mandate of empowering the different target groups, the sub-programme continued to support target groups through interventions that gives them knowledge, skills and access to information needed to grow their business. For the financial year 2020/21 the sub-programme had planned to implement eighteen interventions, but due to the COVID 19 Pandemic the plans had to be reduced due to budget reduction.

The sub-programme implemented target group and BBBEE interventions. The target group interventions implemented are aimed at empowering target groups (women, youth and persons living with disability). These include training, compliance, information sessions on Funding and other opportunities, BBBEE interventions implemented were compliance workshops for both target groups and sector departments.

For the financial year 2020/21 the sub-programme had planned to identify opportunities and facilitate information sessions and other empowerment interventions to support HDIs from the different target groups. Unfortunately due to the COVID 19 pandemic the country was locked down so the facilitation part of the interventions was not feasible. This hampered implementation of all planned empowerment interventions for quarter one. Support rendered to SMMEs was all virtual until June. During lockdown level 3 the sub-programme could have information sessions with SMMEs on a one and one or in small groups, adhering to COVID 19 regulations. Challenges that we faced was that interventions that needed travelling could not be done due to restrictions brought about by the lockdown. This resulted in most interventions to be limited to Frances Baard. All Planned national interventions were cancelled.

The following Interventions were implemented:

Information on relief funding from different stakeholders such as Department of Small business, NEF, SEFA and SEDA was shared with SMMEs. Other funding opportunities identified and shared was the Francis Baard machinery funding, and funding linked to the TREP (Township Revitalization Entrepreneurship Programmes), which is aimed at assisting township businesses. The SAB enterprise programme was also shared with the businesses.

Information on the opportunities in the hygiene and manufacturing sectors was shared with the target groups. The information was specific for the manufacturing of Fabric Face Masks and Pest Control Industry Training. The aim of the intervention was to share information on the benefits of having accreditation in Pest control.

The department through the sub-programme collaborated with a local driving school (Sophia's Driving School) to apply for drivers licence learnerships from TETA (Transport Education and Training Authority). The application was unsuccessful, but the department will continue to source opportunities for target groups from different stakeholders.

A survey was developed in order to identify how COVID 19 affected businesses and what challenges the SMMEs faced, therefore giving an indication of what the SMMEs needed and how they can be assisted. The aim of the survey was to assist in the identification and implementation of relevant interventions for the SMMEs going forward. The outcome of the survey indicated that most businesses suffered a loss during the lockdown and this resulted in the retrenchment of staff.

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The Persons living with disability portfolio of the Economic Empowerment engaged with key sector departments and stakeholders to provide an integrated support mechanism and platform for Informal and Formal SMMEs. The sub-programme was involved in two interventions for persons living with disability for the Month of November and December 2020. Both interventions took place in Kimberley. These interventions was a collaboration with UFS Business School, SEDA, Standard Bank and Sol Plaatje municipality. A New Venture Creation programme for 25 persons living with disability started on Monday 30 November 2020 until 04 December 2020. On Friday a panel of entrepreneurial Elders aka Development judges had a discussion with each individual entrepreneur and they were scored according to their presentation. SEDA provided Start-up training and Business Skills training for Boitumelo and Ivy-Cross Special School from 30 November 2020 - 03 December 2020. The Department collaborated with SEDA in the training, and the certificate event. To commemorate World Disability Day, a certificate event was held on the 04 December 2020. The Department was responsible for transporting the learners to and from the Horseshoe motel where the event was held.

Information on the role of the department and the assistance the department offers to SMMEs was shared with entrepreneurs and those aspiring to become entrepreneurs at the event.

The Global Entrepreneurship week intervention is an annual intervention that took place in Pixley ka Seme (Colesburg and De Aar). It was a collaboration between the Municipality, Mme Re Ka Thusa and DEDAT were the sub-programme had to present the recovery plan post COVID 19. The aim of this event is to empower SMMEs. The Global entrepreneurship week was attended by 161 women of which 40 was youth.

The training interventions implemented are entrepreneurship, Health and hygiene and compliance training focusing on bookkeeping and record keeping.

Eleven (11) businesses were trained in Entrepreneurship. Four of the businesses were women owned businesses in the construction and clothing and textile sector and the seven youth businesses are in the diamond beneficiation sector.

Fourteen women owned businesses who wanted to diversify their business and see the Health and Hygiene sector as a space they need to fill especially during this COVID 19 Pandemic period were trained.

The Persons living with disability transformation portfolio collaborated with Enterprise Development and Provincial Treasury to host a bookkeeping and record management training for SMMEs in the clothing and textile and manufacturing sector. Thirteen (13) people were trained in bookkeeping and recording management training. The aim of the training was to provide enterprises with knowledge, skills and tools needed to ensure that their businesses remain compliant, so that they can benefit from procurement opportunities that can grow their businesses. The SMMEs were guided through business operations and given the skills to maximize their resources necessary to facilitate their business growth. In addition to the training, an information session and training on how to check information on CSD to ensure all their company information and tax status with SARS is up to date was done by Provincial Treasury CSD unit

Compliance is still a major challenge in most small businesses, and in both the private and public sector. For the small business sector compliance challenges is mostly SARS, Central Supplier Database (CSD), and registration with the relevant body that regulates the sector in which they operate.

Therefore the sub-programme; Economic Empowerment saw a need to implement the different compliance interventions for the financial year. The following compliance interventions were implemented.

In order to assist the sector departments to comply, a BEE verification a survey was developed, so that the sub-programme can identify what assistance the sector departments needs to comply with BEE. The survey still identified that sector departments still require assistance from relevant stakeholders. Compliance is still a challenge and therefore the B-BBEE portfolio focused on B-BBEE compliance in the 2020/21 Financial Year.

The audit findings by AGSA against all sector departments in the province in the previous financial year required a targeted response to address B-BBEE compliance challenges in the province. Thus, two compliance workshops were conducted by the BBBEE portfolio. In the second quarter an Enterprise and Supplier Development and Compliance workshop was hosted virtually, where different sector departments were invited to the workshop. The Department of Provincial Treasury presented on CSD and the procurement spent of the province, SARS also presented on SARS compliance and what assistance is there for small businesses. The ESD and Compliance workshop was a webinar, which posed a challenge because most SMME's that were invited could not log on due to lack of data, this also highlight the challenges posed by COVID 19 on small businesses.

The second BEE compliance workshop was to assist sector departments with additional support and clarity on B-BBEE compliance requirements. This intervention in turn provided sector departments with better understanding of the B-BBEE policy for implementation and reporting in their respective departments. The expected outcome of

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compliance with B-BBEE reporting as mandated by the BEE Commission is effective implementation of B-BBEE across sectors.

Linking performance with budgets

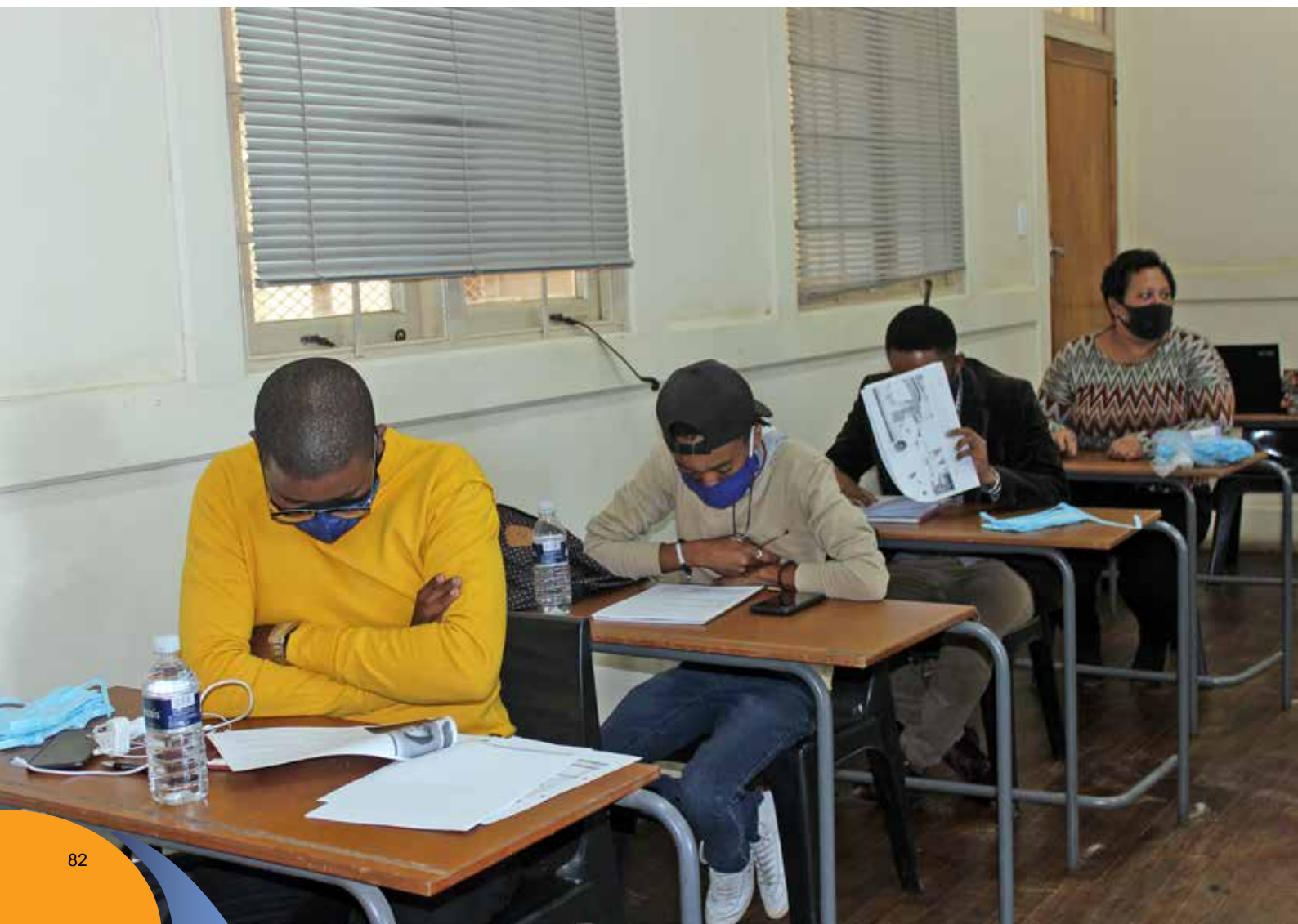
Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Economic Empowerment	5 155	5 155	-	5 621	5 621	-
Total	5 155	5 155	-	5 621	5 621	-

Strategy to overcome areas of under performance

The sub-programme (REDS) experienced tremendous challenges which include following:

- **Vacancies:** The full staff compliment is 11 incumbents. Currently there are 6 vacancies. Thus is the sub-programme operating on less of its total staff complement. The concern is that this was the situation for most of the year putting tremendous strain on the sub-programme.
- The response of municipalities: submissions are not adopted and implemented i.e. LED Strategies, LED IDP components.

To address the disruption to the workplace as a result of COVID-19 the Programme used chat and messenger applications and videoconferencing solutions by equipping employees with tools to communicate. A concerted effort was made address the tendency to work in silos and thus collaborative efforts (internally and externally)



PROGRAMME 3:

Trade and Sector Development



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2.4.3. Programme 3: Trade and Sector Development

Purpose

The programme is aimed towards stimulating economic growth in the Province through the development and industrialisation of key sectors as well as the promotion of trade and sourcing of domestic and foreign direct investment.

Programme 3 has been structured to address its mandate through three sub-programmes:

- Trade and Investment Promotion
- Sector Development
- Strategic Initiatives.

Institutional Outcome/s supported:

- Higher Economic Growth
- Improved levels of employment

2.4.3.1 Trade and Investment Promotion

Outcomes, Outputs, Output Indicators and Targets and actual achievements table

Sub-Programme: Trade and Investment Promotion									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 (until date of re-tabling)	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ Annual Targets
Higher Economic Growth	Domestic and FDI flows into the Northern Cape.	3.1.3 Existing investor aftercare.	-	New	8	0	8	The target was bi-annually set to be achieved in Q2 and Q4 respectively.	The target was amended because of budget cuts and travel restrictions as a result of COVID-19
	Diversification of exports to traditional and new markets.	3.1.4 Emerging exporter development.	-	New	50	10	40	The annual target was spread over the four quarters. The target set for Q1 was achieved.	The target was amended because of budget cuts and travel restrictions as a result of COVID-19

**Note that the actual achievement reported in the table above is in relation to the Annual Performance Plan 2020-2021 prior to re-tabling.*

Sub-Programme: Trade and Investment Promotion								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
Higher Economic Growth	Domestic and FDI flows into the Northern Cape.	3.1.1 High impact project investment recruitment	-	New	3	3	0	None
		3.1.2 Investment facilitation.	-	New	8	8	0	None

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Sub-Programme: Trade and Investment Promotion								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
		3.1.3 Existing investor aftercare.	-	New	2	2	0	None
	Diversification of exports to traditional and new markets.	3.1.4 Emerging exporter development.	-	New	20	22	2	Target overachieved due to collaboration with dtic and SEDA. SEDA and dtic facilitated the training. DEDaT identified the companies and secured the venue and catering. Twelve companies attended the GEPP training over three quarters. Ten companies attended Export Awareness Training in Q1,
		3.1.5 Exposure to export markets.	23	New	10	30	20	Target overachieved due to additional exporters who participated in online webinars and exhibitions which were gratis.

****Note that the actual achievement reported in the table above is in relation to the re-tabled Annual Performance Plan 2020/2021.**

PERFORMANCE NARRATIVE FOR TRADE AND INVESTMENT PROMOTION

This financial year was characterised by the outbreak of the coronavirus and the significant negative impact it had on the global economy. Early estimates predicated that most major economies will lose at least 2.4 percent of the value of their gross domestic product (GDP) over 2020, leading economists to already reduce their 2020 forecasts of global economic growth down from around 3.0 percent to 2.4 percent. The coronavirus pandemic also had serious ramifications in terms of global investment flows. Low business confidence has engulfed the global economy since the discovery of the coronavirus and companies around the world have deferred investment decisions due to universal/ partial lockdowns and travel restrictions.

The COVID-19 pandemic also resulted in budget cuts for the department and subsequently the Trade & Investment Promotion unit which resulted in the decision to cancel all foreign trips and exhibitions for this financial year. This decision was also based on health and safety considerations. Hence, in the promotion of investment projects and trade opportunities and products/services of the Northern Cape, the Trade Invest Africa e-newsletter was utilized to market to trade and investment opportunities to potential investors and foreign importers hence exposing companies to export markets via this platform.

During the year under review the compilation of the Northern Cape Investment Booklet was finalized. The booklet is a strategic and primary source of information for potential investors. Moreover, specific projects in the Investment booklet will facilitate access to international markets and will act as a trajectory in advancing the Northern Cape's competitive profile, both in reach and in content.

Through the NC Business Publication, the province was also marketed as an ideal trade & investment location highlighting the competitive and comparative advantages of the province, investment and trade opportunities and projects, cost of doing business and financial and economic infrastructure of the province.

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Three high impact projects were presented and marketed to recruit investment through the AIM Eurasia Conference as well as information dissemination to the Moscow and St. Petersburg Chambers of Commerce in Russia and members of the Confederation of India Industries. One-on-one meetings with potential investors were facilitated through NCEDA and continuous engagements and discussions will follow.

The unit also facilitated investment at the Kimberley Diamond and Jewellery Centre for two companies, Highrise Loft Diamonds and Blue Lounge Trading 107, specializing in diamond cutting & polishing and the sale of diamonds. Letters requesting exemption to pay normal retail lease rates were written to Public Works and draft eleven months leases was compiled.

In terms of improving the international competitiveness and product offer from the Northern Cape Province 27 companies received export training with assistance of the Department of Trade, Industry and Competition (dtic) and SEDA. Seventeen (17) Northern Cape companies participated in Global Exporter Passport Programme (Phase 1- Phase 3) and 10 companies underwent export awareness training. Thirty (30) companies were granted exposure on national and international platforms enabling them to market and promote their products through virtual webinars and exhibitions as well as marketing through the Trade Invest Africa e-newsletter.

The Unit also did extensive work in reviewing and assessing the Global Export Passport Programme (GEPP), working with a team of national and international experts namely the dtic and their international Swedish partners, Open Trade Gate Sweden, a public entity under Swedish authority: Ministry of Foreign Affairs. The purpose is to see how this programme can be updated and optimize to give better support to South African small, medium and large enterprises in the development of their export capacity.

Linking performance with budgets

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Trade and Investment Promotion	33 136	33 136	-	25 679	25 679	-
Total	33 136	33 136	-	25 679	25 679	-

2.4.3.2 Sector Development

Outcomes, Outputs, Output Indicators, Targets and actual achievements table

Sub-Programme: Sector Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 (until date of re-tabling)	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ Annual Targets
Improved levels of employment	Manufacturing, Renewable energy and Agro-processing sectors supported.	3.2.1 Number of economic sectors supported.	2	3	3	1	2	The annual target was spread over the four quarters. The target set for Q1 was achieved.	The target was amended from 3 to 2 because of budget cuts and travel restrictions as a result of COVID-19. The agro-processing sector was removed and support was provided to the Manufacturing and Renewable Energy sectors.

**Note that the actual achievement reported in the table above is in relation to the Annual Performance Plan 2020-2021 prior to re-tabling.*

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Sub-Programme: Sector Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
Improved levels of employment	Manufacturing, Renewable energy and Agro-processing sectors supported.	3.2.1 Number of economic sectors supported.	2	3	2	2	0	None.

****Note that the actual achievement reported in the table above is in relation to the re-tabled Annual Performance Plan 2020/2021.**

PERFORMANCE NARRATIVE FOR SECTOR DEVELOPMENT

There has not been major development on policy that impacted on the Sub-programme except the COVID-19 Pandemic that required a revision of the annual targets from 3 sectors to 2 sectors. This change was effected during the Departmental process of adjusting the APP which was subsequently tabled at the legislature.

Part of the work of the Sub-programme relates to the development of manufacturing clusters viz, Clothing Cluster and Metals Industrial Cluster. These are catalytic initiatives and the Metals Cluster in particular is one

of the high impact projects. The Sub-programme, performing under severe constraints due to COVID-19 that led to budget cuts, at least managed to expose some Clothing Cluster member firms to opportunities such as mask manufacturing. An amount of +/- R3000 was earned by each member in one week of producing a 1000 mask for the province.

The sub-programme also had a province wide road-show for the clothing cluster members where organizational structures (District Committees) were created to assist the Department in identifying district specific opportunities and challenges that will inform future plans and strategies in order to develop this sector.

Development of the clothing industry is the development and economic empowerment of a key target group in society, i.e. Women because they constitute the majority of stakeholders in this industry.

The achievements of the Sub-programme do make a contribution to the overall objective of the Department, that of economic growth and increasing employment levels, though such impact will only be realized in the long term i.e., in the next MTEF.

Linking performance with budgets

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Sector Development	7 504	7 504	-	9 064	9 064	-
Total	7 504	7 504	-	9 064	9 064	-



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2.4.3.3 Strategic Initiatives

Outcomes, Outputs, Output Indicators, Targets and actual achievements table

Sub-Programme: Strategic Initiatives									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 (until date of re-tabling)	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/output indicators/ Annual Targets
Improved levels of employment.	Addressed skills deficit in diamond and jewellery beneficiation industry.	3.3.1 Diamond and Jewellery skills development agencies capacitated.	-	New	1	0	1	This target was set to be achieved bi-annually i.e. Q2 and Q4.	"Agencies" revised to "agency."

**Note that the actual achievement reported in the table above is in relation to the Annual Performance Plan 2020-2021 prior to re-tabling.*

Sub-Programme: Strategic Initiatives								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
Improved levels of employment.	Skills deficit in diamond and jewellery beneficiation industry addressed.	3.3.1 Diamond and Jewellery skills development agency capacitated.	-	New	1	1	0	None.
	Enhanced target group participation in the diamond and jewellery beneficiation industry.	3.3.2 Diamond and Jewellery incubation agency capacitated.	-	New	1	1	0	None.

***Note that the actual achievement reported in the table above is in relation to the re-tabled Annual Performance Plan 2020/2021.*

PERFORMANCE NARRATIVE FOR STRATEGIC INITIATIVES

The country's lockdown due to the corona virus pandemic which came into effect March 2021 impacted on both Kimberley International Diamond and Jewellery Academy (KIDJA) and Kimberley Diamond and Jewellery Incubator (KDJI) as operations at the institutions had to be suspended. KDJI resumed operations once it became permissible under the gazetted lockdown level 3 regulations, however; KIDJA for the same period remained locked as the institution awaited the promulgation of regulations under level 2 for the opening of academic institutions.

Upon KIDJ resuming activities under level 3 regulations, it is worth noting that operations were not at full capacity as under normal conditions this most probably because of some SMME clientele taking precautionary measures in the form of self-quarantine. However, the institution was ready to return to full capacity operations as all the required health and safety precautionary measures such as disinfecting the premises, hand sanitisers, masks and physical workplace social distancing arrangements had been undertaken (this applies to KIDJA as well).

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Linking performance with budgets

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual/ Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Strategic Initiatives	4 127	4 127	-	7 928	7 253	675
Total	4 127	4 127	-	7 928	7 253	675

Strategy to overcome areas of under performance

In the promotion of investment projects and trade opportunities and products/services of the Northern Cape, the Trade Invest Africa e-newsletter was utilized to market to trade and investment opportunities to potential investors and foreign importers hence exposing companies to export markets via this platform.

Planned activities which were put in place to re-stimulating awareness and interest in the services offered by KIDJA and KDJI involve publicity and marketing efforts targeting the youth throughout the Province. Further recovery plans at KIDJA included revisiting the training programme to ensure that the completion of the interrupted training of learners at the time was expedited.



PROGRAMME 4: **Business Regulation and Governance**



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2.4.4. Programme 4: Business Regulation and Governance

Purpose

Develop and implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens.

Programme 4 has been structured to address its mandate through three sub-programmes:

- Governance
- Regulation Services
- Consumer Protection

Institutional Outcome/s supported:

- Higher Economic Growth

2.4.4.1 Governance

Outcomes, Outputs, Output Indicators, Targets and actual achievements table

Sub-Programme: Governance									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 (until date of re-tabling)	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/output indicators/ Annual Targets
There were no revisions to the outputs/output indicators/annual targets.									

**Note that the actual achievement reported in the table above is in relation to the Annual Performance Plan 2020-2021 prior to re-tabling.*

Sub-Programme: Governance								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
Higher Economic Growth	Effective and efficient entities.	4.1.1 Legislatively compliant entities.	-	New	4	4	0	None.

***Note that the actual achievement reported in the table above is in relation to the re-tabled Annual Performance Plan 2020/2021.*

PERFORMANCE NARRATIVE FOR GOVERNANCE

The Governance sub-programme promotes and oversees good governance of the Departmental Public Entities, namely the Northern Cape Gambling Board, Northern Cape Liquor Board, NCTA and NCEDA. The sub-programme also ensures compliance of the Public Entities with their legislation, PFMA and policies.

The Governance unit is a sub-programme of Business Regulation and Governance which delivers services to the departmental public entities namely Northern Cape Gambling Board, Northern Cape Liquor Board, Northern Cape Tourism Authority and Northern Cape Economic Development Agency and not directly to the public. The main aim of the programme is to promote good governance within these public entities. Governance monitors compliance of these entities through their respective legislation, PFMA and policies. On a quarterly and annual basis the performance and financial reports of these entities are analysed, and reported upon to the Department.

Governance derives its mandate from the PFMA, King 4 Report and the Treasury Regulations, for the four entities, namely:

- Northern Cape Gambling Board (NCGB),
- Northern Cape Liquor Board (NCLB),
- Northern Cape Tourism Authority (NCTA), and the
- Northern Cape Economic Development and Investment Agency (NCEDA).

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To ensure the above strategic objectives are met by all Boards, the unit conducts the following oversight functions, Boards reporting in terms PFMA, Compliance in terms treasury regulations, Compliance in terms corporate governance and King IV principles and compliance in terms of their respective legislations. Implementation of these regulations are of major importance as they deal extensively with Governance matters, strategic planning, budget processes, internal financial control systems and compliance matters.

Furthermore, the Governance sub-programme has received and analysed 16 entity quarterly reports, 16 compliance checklist reports, 4 Annual Reports and 4 strategic Plans in order to evaluate whether the core functions as well as the planned targets have been met for this financial year under review. All reports has been received and analysed.

Linking performance with budgets

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Governance	2 315	2 315	-	2 783	2 783	-
Total	2 315	2 315	-	2 783	2 783	-

2.4.4.2 Regulation Services

To create a functional organogram for the department as per the DPSA requirements the Department embarked on an organisational review process to align the structure to new strategic developments, to accommodate the return of the Consumer Authority (as part of the departmental establishment) and to accommodate the sub-programmes, directorates and sub-directorates created by means of ad-hoc arrangements and submissions.

Regulation Services has been included (although it is unstaffed and unfunded) in the Annual Performance Plan because it is part of the generic structures for similar units in the whole country. While the department wants to restructure and change this, it can only be done after extensive national consultation in this regard.

2.4.4.3 Consumer Protection

Outcomes, Outputs, Output Indicators, Targets and actual achievements table

Sub-Programme: Consumer Protection									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 (until date of re-tabling)	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ Annual Targets
Higher Economic Growth	Expanded Informed-economic-citizen footprint in the Northern Cape Province.	4.3.1 Expanded Consumer Protector reach.	-	New	6	0	6	The implementation of the Disaster Management Act 57 2002, restricted the movement of personnel and hence the target set for Q1 could not be achieved.	The target was amended from 6 to 4 because of budget cuts and travel restrictions as a result of COVID-19.
	Rapid economic redress	4.3.2 % of consumer complaints resolved	88.2%	93.6%	100%	0%	100%	The target was set for Q4.	The target was amended from 100% to 80% because of budget cuts and travel restrictions as a result of COVID-19.

*Note that the actual achievement reported in the table above is in relation to the Annual Performance Plan 2020-2021 prior to re-tabling.

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Sub-Programme: Consumer Protection								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
Higher Economic Growth	Expanded Informed-economic-citizen footprint in the Northern Cape Province.	4.3.1 Expanded Consumer Protector reach.	-	New	4	4	0	None.
	Rapid economic redress	4.3.2 % of consumer complaints resolved	88.2%	93.6%	80%	77.7%	2.3%	Due to the COVID-19 pandemic, the staff could only start working during May 2020. The Consumer Protection unit concluded the financial year by moving offices to MetLife Towers. This has brought about some delays in concluding cases, as staff did not have access to telephones, faxes or emails for the month of March 2021. This contributed to the inability to reach the target of 80%

****Note that the actual achievement reported in the table above is in relation to the re-tabled Annual Performance Plan 2020/2021.**

PERFORMANCE NARRATIVE FOR CONSUMER PROTECTION

In order to operate in a cost-effective manner, the department used the education and awareness campaign as a platform to conduct unplanned compliance inspections in those areas, which in turn could lead to a higher number of compliance inspections and in turn could increase the target set for education and awareness programmes. Five (5) Consumer Education and Awareness programmes were conducted in the 5 Districts throughout Northern Cape, this was held via radio talk shows. A total of 349 complaints were received and investigated, whereof 270 cases were resolved through mediation, investigation and referrals to other regulators. Compliance Inspections were conducted in the districts, where complaints of non-compliance was made.

Internationally Consumer Rights Day is a celebration that is held on 15 March, and in South Africa this is no different. Every year the occasion presents us with the opportunity to assess the progress made in defending consumer rights. It also provides us the opportunity to develop a common vision of how consumers can use their collective buying power not only to defend their rights, but most importantly, how they can use their power strategically and for their own development. The World Consumer Rights Day Celebration was conducted in Pixley Ka Seme (15/03/2021) via a roadshow with radio talk shows, this was due to the fact that COVID-19 restrictions do not allow gatherings to take place.

Linking performance with budgets

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Consumer Protection	11 379	11 143	236	11 628	11 628	-
Total	11 379	11 143	236	11 628	11 628	-

Strategy to overcome areas of under performance

None

PROGRAMME 5:

Policy, Research and Innovation



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2.4.5. Programme 5: Policy, Research and Innovation

Purpose

Improve government service delivery through integrated planning, monitoring and evaluation.

Programme 5 has been structured to address its mandate through four sub-programmes:

- Economic Policy Development
- Research and Development
- Knowledge Economy and Innovation
- Monitoring and Evaluation

Institutional Outcome/s supported:

- Higher Economic Growth
- Improved levels of employment

2.4.5.1 Economic Policy Development

Outcomes, Outputs, Output Indicators, Targets and actual achievements table

Sub-Programme: Economic Policy Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 (until date of re-tabling)	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/output indicators/ Annual Targets
improved levels of employment	Improved policy implementation to support job creation.	5.1.2 Reviewed economic policies.	-	New	4	1	3	COVID-19 Lockdown Level 5.	Due to budget cuts the number of policies reviewed had to be reduced from 4 to 2 for the financial year 2020/21.
	Informed policy and strategy development and implementation to improve levels of employment.	5.1.4 Economic Policy Briefs.	-	New	2	1	1	COVID -19 Lockdown Level 5.	Due to budget cuts the number of policies briefs had to be reduced from 2 to 1 for the financial year 2020/21.

**Note that the actual achievement reported in the table above is in relation to the Annual Performance Plan 2020-2021 prior to re-tabling.*



***Note that the actual achievement reported in the table above is in relation to the re-tabled Annual Performance Plan 2020/2021.*

An analysis of the policy paper: *Towards a Growth Agenda and Economic Transformation* by National Treasury was conducted, focusing specifically on what the implications for the Northern Cape Province are. It was found that although the province has made considerable progress in the areas of renewable energy, telecommunications as well as some IPAP sectors, more effort is needed on export promotion and competitiveness including red tape reduction, mineral beneficiation, transport and water infrastructure. It is also critical to accelerate progress on provincial high impact projects especially those with high employment and development potential. Furthermore, the province should also take advantage of the opportunities presented by the African Continental Free Trade Agreement (AfCFTA) to advance regional trade.

The Department in consultation with sector departments in developing a provincial Economic Reconstruction and Recovery Plan. The plan will set out interventions that are aimed at resuscitating the economy while creating the much-needed jobs and addressing the social impact of COVID. Quarterly reports on the implementation of the Priority 2 of the Medium Term Strategic Framework 2019-24 were developed. Priority 2 focuses on Economic Transformation and Job Creation.



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Linking performance with budgets

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Economic Policy Development	3 536	3 536	-	3 953	3 953	-
Total	3 536	3 536	-	3 953	3 953	-

2.4.5.2 Research and Development

Outcomes, Outputs, Output Indicators, Targets and actual achievements table

Sub-Programme: Research and Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 (until date of re-tabling)	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ Annual Targets
Higher Economic Growth	Investment in research and development as % of the departmental budget	5.2.1 Research reports compiled.	1	2	1	0	1	COVID -19 Lockdown Level 5.	COVID-19 Lockdown and Budget cuts.

**Note that the actual achievement reported in the table above is in relation to the Annual Performance Plan 2020-2021 prior to re-tabling.*

Sub-Programme: Research and Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	
Higher Economic Growth	Investment in research and development as % of the departmental budget	5.2.1 Research reports compiled.	1	2	0	0	0	None.	
		5.2.2 Research-and-development initiatives supported.	1	2	1	1	0	None.	
		5.2.3 Economic intelligence reports developed	4	4	4	4	0	None.	
		5.2.4 Economic overviews compiled.	-	New	6	6	0	None.	
		5.2.5 Reviewed DEDaT research agenda.	1	1	1	1	0	None.	

***Note that the actual achievement reported in the table above is in relation to the re-tabled Annual Performance Plan 2020/2021.*

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PERFORMANCE NARRATIVE FOR RESEARCH AND DEVELOPMENT

The Sub-programme developed a number of economic intelligence reports, research initiatives and economic overviews. The world was besieged by the deadly Corona Virus referred to as COVID-19 at the start of the 2020 calendar year. In order to proffer economic impact analysis of the virus an economic intelligence report was compiled. The report provide a nuanced understanding of the likely impact of the Corona Virus on the provincial economy. It found that the impact will be largely on the poor and could potentially arrest the efforts to improve livelihoods and living conditions. Moreover, the report provided sound recommendations on which sectors of the economy to safeguard in this unprecedented situation.

In tandem, economic overviews were completed to provide a more pragmatic understanding of the challenges brought about by the pandemic. In its 2020 World Investment Report, the United Nations Conference on Trade and Development (UNCTAD) reported global flows of foreign direct investment (FDI) will be under severe pressure as a result of the COVID-19 pandemic. These vital flows are expected to fall sharply from 2019 levels of \$1.5 trillion, dropping well below the trough reached during the global financial crisis and undoing the already lacklustre growth in international investment over the past decade. South Africa will also be confronted with a steep decline in its export earnings, given that the country has also a commodity-export oriented economy.

An Intelligence report was completed in order to understand the challenges that could be faced by the province with regards to the transportation of goods and services. The report's main aim was to assist with economic development planning, by means of an analysis of the transport sector in terms of national policy as well as background into the current status of transport in South Africa and the Northern Cape Province.

The changing financial services sector requires new and dynamic players , even more so with the advent of the Corona Virus pandemic. Thus, a report to assess and look at the possibility of establishing a Co-operative Bank in the Northern Cape compiled. It looked at Co-operative Banks as a mechanism towards transforming and diversifying the financial sector.

The COVID-19 pandemic represented the biggest shock, over the past century, to the global public health system with resounding impact on economies and societies – reversing progress on human development achieved over decades and impeding achievement of the Sustainable Development Goals (SDGs) by the year 2030. The pandemic created uncertainties that led countries to take bold actions (including complete lockdowns of economies and social activities) to safeguard public health. Such efforts, adopted to flatten the COVID-19 curve, unfortunately and coincidentally steepen the curve of economic recession in many countries.

Thus, there was a need to perform economic modelling exercise to discernibly interpret the impact of the pandemic. In this regard, the sub-programme embarked on the procurement of the Social Accounting Matrix (SAM) model in an effort to model the impact and while also contextualising the impact of future investment, the analysis of the Namakwa SEZ. Modelling interdependency highlights economic events that, through their impact on one sector, have repercussions that are experienced throughout the economy. The development of the Namakwa SEZ, could lead to a shift in the provincial industrial path, while also positively impacting on the creation of employment, as well as provincial GDP.

A Research Agenda was compiled and presented at several provincial forums. It sets out the research needs of the Department for the period 2021 Medium-Term Expenditure Framework (MTEF). It has been developed to support economic planning in the Department and the economic cluster, and thus ensure that the Department delivers on its economic development imperatives. The agenda also serves as a key signal to stakeholders on the areas of research that the Department has identified as being important. More specifically, the Research Agenda has been developed to: (a) inform planning and implementation processes within the Department; (b) inform stakeholders of the Department's research priorities; (c) signal to funders and development partners what research areas require investment, and (d) assist the Department to guide resource allocation.

Linking performance with budgets

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Research and Development	2 578	2 578	-	2 792	2 792	-
Total	2 578	2 578	-	2 792	2 792	-

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2.4.5.3 Knowledge Economy and Innovation

Outcomes, Outputs, Output Indicators, Targets and actual achievements table

Sub-Programme: Knowledge Economy and Innovation									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 (until date of re-tabling)	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/output indicators/ Annual Targets
Higher Economic Growth	Broadband rollout	5.3.2 Sites with access to broadband connectivity.	8	36	2	0	2	COVID 19 LockDown Level 5.	Resource optimization with partnering stakeholders.

**Note that the actual achievement reported in the table above is in relation to the Annual Performance Plan 2020-2021 prior to re-tabling.*

Sub-Programme: Knowledge Economy and Innovation									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	
Higher Economic Growth	Knowledge Management Systems	5.3.1 Knowledge Management Systems implemented.	2	1	1	1	0	None.	
	Broadband rollout	5.3.2 Sites with access to broadband connectivity.	8	36	20	34	14	Resource optimization with partnering stakeholders.	
	Digital infrastructure initiatives	5.3.3 Digital Infrastructure initiatives supported.	2	2	2	4	2	Resource optimization with partnering stakeholders.	
	Digital literacy and ICT entrepreneurship	5.3.4 e-Skills development initiatives.	12	9	4	5	1	Virtual training provided an opportunity for training to be expanded with no impact to budget.	
	Economic development initiatives in the SKA regional municipalities	5.3.5 Reports on economic development initiatives in the SKA regional municipalities.	New	New	4	4	0	None.	

***Note that the actual achievement reported in the table above is in relation to the re-tabled Annual Performance Plan 2020/2021.*

PERFORMANCE NARRATIVE FOR KNOWLEDGE ECONOMY AND INNOVATION

The purpose of the Knowledge Economy and Innovation (KE&I) sub-programme is to: Innovate and modernise the provincial economy by facilitating the development, protection and utilization of intellectual property, technology transfer and technological commercialization to enable entrepreneurs to benefit along the entire innovation value chain.

In the 2020/21 reporting period for KE&I, while being hampered by the Covid-19 pandemic, achieved its intended outcomes. As the Presidential Commission on the Fourth Industrial Revolution (4IR) released their Report on the 4IR, the Department of Communications and Digital Technologies (DCDT), released the Digital Future Skills Strategy. The coincidence of the issuing of the Report and Strategy, came at a time that necessitated the use of more Information and Communications Technologies (ICTs), to mitigate the spread of Covid-19 and accelerate the advent of the 4IR.

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Compliance to the State of Emergency and Covid-19 protocols fast tracked the use of ICTs into the virtual realm. The sub-programmes Knowledge Management activities supported the transition to online activities and have formulated requests to upgrade the Departments internal systems to enable the use of the tools for 4IR.

The need for broadband connectivity has further been accelerated by Covid-19. National broadband rollout, under SA Connect, continues to connect government facilities in the Pixley ka Seme District Municipality, with seventy-one sites being connected for 2020/21. Six sites are also testing WiFi to determine the ratio split between user and guest. Our Memorandum of Understanding with Afrovision Foundation was also signed-off in November, with WiFi rollout being planned in earnest across the Province.

Originally six sites were connected in Hulana Street; Galeshewe Library; Kimberley Skate Park; Galeshewe PnP; SMME Village; and Mayibuye Multi-Purpose Centre. Unfortunately, the equipment was stolen from the library. To date five WiFi hotspots are active in the Sol Plaatje Municipality, with thirteen in planning. In an approach to bridge the digital divide, a Community Network (CN) Advisory Committee has been established within the framework of the British High Commission project named Supporting Community-Led Approaches to Addressing the Digital Divide, which is being implemented between 2020 – 2023 in five countries. The countries are South Africa, Brazil, Indonesia, Kenya and Nigeria. A community network is being planned to resuscitate the John Taolo Gaetsewe wireless mesh project.

The mLab Northern Cape has seen its first cohort of software application developers graduate with two start-ups, LINK-it Up and Smart City going into incubation at the SMME Village in Galeshewe. The second cohort is currently being enrolled. The Northern Cape Innovation Forum, hosted by Sol Plaatje University with support from the CSIR Technology Localization Unit and the department was also officially launched in February 2021 by the Premier of the Northern Cape. In attendance were key stakeholders, who have expressed continued commitment and support of the forum's endeavour to drive innovation for socio-economic growth.

Skills for the digital era remain a key catalyst for the transition of the Province into the 4IR. While online events became the norm, some limited hybrid physical-virtual events were delivered. Events included the:

- Showcasing of the Digital Literacy for Development intervention in Barkley West;
- NEMISA CoLab Digital Transformation Workshop for Government Officials;
- Data Science Hackathon at Sol Plaatje University (SPU); and the
- Annual NCDev Hack in Prieska.

The sub-programme continues to collaborate with several stakeholders, including NEMISA, SPU, NCDev, Geekulcha, mLab with their respective partners. Coordination of the SKA project continues to support economic development opportunities in the local municipalities that fall within the SKA footprint. Engagements are ongoing between SARAO, DMR, CAA, the surrounding local municipalities, SAPS, EMS, and the telecoms service providers on the roll-out of alternative telecommunications technology equipment, in compliance with provisions of the AGA Act 21 of 2007 regulations.

Linking performance with budgets

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Knowledge Economy and Innovation	6 073	6 073	-	7 503	5 833	1 670
Total	6 073	6 073	-	7 503	5 833	1 670



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2.4.5.4 Monitoring and Evaluation

Outcomes, Outputs, Output Indicators, Targets and actual achievements table

Sub-Programme: Monitoring and Evaluation									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 (until date of re-tabling)	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/output indicators/ Annual Targets
Higher Economic Growth	Economic Development Initiatives monitored.	5.4.1 Monitoring reports	5	5	4	0	4	COVID-19 Lockdown Level 5.	COVID-19 Lockdown and Budget cuts.
	Economic Development Initiatives evaluated.	5.4.2 Evaluation reports	2	3	2	0	2	COVID-19 Lockdown Level 5.	COVID-19 Lockdown and Budget cuts.

**Note that the actual achievement reported in the table above is in relation to the Annual Performance Plan 2020-2021 prior to re-tabling.*

Sub-Programme: Monitoring and Evaluation								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
Higher Economic Growth	Economic Development Initiatives monitored.	5.4.1 Monitoring reports	5	5	2	2	0	None.
	Economic Development Initiatives evaluated.	5.4.2 Evaluation reports	2	3	1	1	0	None.

***Note that the actual achievement reported in the table above is in relation to the re-tabled Annual Performance Plan 2020/2021.*

PERFORMANCE NARRATIVE FOR MONITORING AND EVALUTION

The Monitoring and Evaluation (M&E) Unit achieved its revised targets as planned following the disruptions due to Covid-19 pandemic. Two monitoring reports produced on transfer funds i.e. EGDF and Tourism Funded Projects; and one evaluation report produced on Tourism funded projects respectively.

A Quarterly Performance Report relating to verification of the electronic reporting system (eQPRS) in terms of the Annual Performance Plan (APP) and Service delivery initiatives was also produced.

Linking performance with budgets

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Monitoring and Evaluation	2 794	2 794	-	3 252	3 252	-
Total	2 794	2 794	-	3 252	3 252	-

Strategy to overcome areas of under performance

None.

PROGRAMME 6:

Tourism





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2.4.6. Tourism

Purpose

Promote and support the growth and development of an equitable, competitive and sustainable tourism sector, enhancing its contribution to national priorities.

Programme 6 has been structured to address its mandate through two sub-programmes:

- Tourism Growth
- Tourism Development

Institutional Outcome/s supported:

- Higher Economic Growth

2.4.6.1 Tourism Growth

Outcomes, Outputs, Output Indicators, Targets and actual achievements table

Sub-Programme: Tourism Growth									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 (until date of re-tabling)	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ Annual Targets
Higher Economic Growth	Integrated planning.	6.1.1 Tourism Industry Stakeholder consultation.	4	4	19	0	19	Due to COVID-19 pandemic and lockdown Level Five restrictions the stakeholder consultation could not transpire in the 1 st quarter. It was postponed to the 3 rd quarter.	Travel restrictions based on the national lockdown risk adjusted strategy were enforced. This and the budgetary constraints resulted in need to revise the APP 2020/2021 which resulted in the annual target being revised from 19 to 3.
	Increased indigenous, rural and township Tourism Awareness.	6.1.2 Awareness campaigns.	8	8	9	0	9	Awareness Campaigns were not allowed to be conducted as a consequence of the national lockdown risk adjusted levels.	Budgetary constraints resulted in the reprioritization of the APP which resulted in the revision of the Output Indicator and target in keeping with South Africa's risk-adjusted strategy to manage spread of Coronavirus COVID-19.

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Sub-Programme: Tourism Growth									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 (until date of re-tabling)	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ Annual Targets
	Tourism Industry support.	6.1.3 Tourism Industry interventions.	7	7	6	0	6	The envisaged Tourism Industry Interventions were not allowed as a consequence of the national lockdown risk adjusted levels.	Budgetary constraints resulted in the reprioritization of the APP 2020/2021 in keeping with South Africa's risk-adjusted strategy to manage spread of Coronavirus COVID-19.
	Improved Tourism Guiding sector.	6.1.4 Tourism guiding sector interventions.	2	4	6	0	6	The annual target was positioned to be achieved in Q2, Q3 and Q4. Tourism Guiding sector interventions were not allowed as a consequence of the national lockdown risk adjusted levels.	Budgetary constraints resulted in the reprioritization of the APP 2020/2021 in keeping with South Africa's risk-adjusted strategy to manage spread of Coronavirus COVID-19.
	Improved safety in Tourism Sector.	6.1.5 Illegal tourism guide campaigns.	9	9	10	0	10	The annual target was positioned to be achieved in Q1, Q2, Q3 and Q4. The envisaged Illegal tourism guide campaigns were not allowed to take place as a consequence of the national lockdown risk adjusted levels.	Budgetary constraints resulted in the reprioritization of the APP 2020/2021 in keeping with South Africa's risk-adjusted strategy to manage spread of Coronavirus COVID-19.

**Note that the actual achievement reported in the table above is in relation to the Annual Performance Plan 2020-2021 prior to re-tabling.*

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Sub-Programme: Tourism Growth								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
Higher Economic Growth	Integrated planning	6.1.1 Tourism Industry Stakeholder consultation.	4	4	3	3	0	None
	Registration and upskilling.	6.1.2 Interventions to support the tourism guiding sector.	New	4	50	50	0	None
	Tourism Awareness and Advocacy Programmes	6.1.3 Indigenous, heritage, culture and rural tourist awareness programmes	-	New	2	2	0	None.

****Note that the actual achievement reported in the table above is in relation to the re-tabled Annual Performance Plan 2020/2021**

PERFORMANCE NARRATIVE FOR TOURISM GROWTH

The main purpose of the Tourism Growth Directorate is to facilitate opportunities for growth in the tourism industry to enable tourism development. This is achieved through the development of growth strategies, policies and plans as well as to ensure compliance with relevant legislation to increase competitiveness.

For the Tourism Growth Directorate to achieve its overall objectives, engagement with stakeholders is at the heart of obtaining support and build collaborative partnerships between the provincial government, private sector and communities to foster inclusive growth within the tourism sector. The Covid-19 pandemic has disrupted planned stakeholder and community engagement programmes which were aimed to increase knowledge about the benefits of tourism, as well as to obtain support from partners on the plans to grow the industry.

The tourism economy has been heavily disrupted by the coronavirus (COVID-19) pandemic, and the measures introduced to contain its spread. Over and above immediate measures to support the tourism sector, the province participated intensively in the national effort to developing recovery measures for the tourism sector. This was achieved through digital platforms consisting of webinars, zoom meetings and other virtual platforms of engagement. To date virtual meetings have been convened for the provincial tourism forum to discuss the new normal as brought about by the pandemic

The challenges faced by Indigenous and rural communities inclusive of those with successful tourism enterprises often have recurrent financial, marketing or visitor management issues. These communities are isolated in rural areas and are distant to key tourism destinations. This situation is exacerbated by the pandemic and the Directorate conducted tourism awareness campaigns through community radio stations to ensure that they are informed about the benefits of tourism and therefore are urged to participate in the industry.

The National Department of Tourism allocated R30 million relief fund specifically for registered tour guides. This R30 million relief fund was provided over three months. Each eligible tour guide received a financial relief of R1500.00. This relief fund's primary purpose was to cover specific tour guides, including freelancers and independent guides who were not previously eligible for assistance on the R200 million tourism relief fund.

The Tourism Growth Directorate was at the forefront to mobilise tourist guides in the province to submit applications to access the fund. From a database of 320 the Directorate managed to mobilise 105 tourist guides from the province who benefitted from the relief fund. Others were disqualified due to non-compliance with legislation. The Directorate through its intervention managed to pay for the registration of 50 tourist guide to ensure that they comply with relevant legislation.

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Linking performance with budgets

2020/2021				2019/2020		
Sub- Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Growth	4 928	4 928	-	6 275	6 275	-
Total	4 928	4 928	-	6 275	6 275	-

2.4.6.2 Tourism Development

Outcomes, Outputs, Output Indicators, Targets and actual achievements table

Sub-Programme: Tourism Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 (until date of re-tabling)	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ Annual Targets
Higher Economic Growth	Skilled tourism industry workforce.	6.2.1 Upskilled tourism industry entrepreneurs.	-	New	120	0	120	Training not allowed in Q1 as a consequence of the national lockdown risk adjusted levels. All other targets scheduled for Q2 to Q4.	Treasury budget adjustment to fund economic recovery in South Africa.
	Enhanced market offering of black-owned tourism enterprises.	6.2.2 Black-owned tourism enterprises supported.	-	New	20	0	20	Target scheduled for Q4.	Treasury budget adjustment to fund economic recovery in South Africa.
	Enhanced provincial visitor experience.	6.2.3 Initiatives to enhance provincial visitor experience.	-	New	23	0	23	Target scheduled for Q2 to Q4.	Treasury budget adjustment to fund economic recovery in South Africa.
	Improved provincial destination tourism infrastructure.	6.2.4 Tourism infrastructure development interventions.	-	New	11	0	11	Target scheduled for Q4.	Treasury budget adjustment to fund economic recovery in South Africa.
	Legislatively compliant Tourism Industry.	6.2.5 Tourism Industry compliance interventions.	-	New	78	0	78	Travel for compliance initiatives not allowed in Q1 as a consequence of the national lockdown risk adjusted levels. Compliance interventions could also not be launched by alternative means.	Treasury budget adjustment to fund economic recovery in South Africa.
	Optimally functioning provincial tourism authority.	6.2.6. NCTA support initiatives.	-	New	11	1	10	Except for NCTA Q1 report, all other targets were scheduled for Q2 to Q4.	Treasury budget adjustment to fund economic recovery in South Africa.

**Note that the actual achievement reported in the table above is in relation to the Annual Performance Plan 2020-2021 prior to re-tabling.*

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Sub-Programme: Tourism Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
Higher Economic Growth	Skilled tourism industry workforce.	6.2.1 Upskilled tourism industry entrepreneurs.	-	New	10	21	11	Target audience mobilisation benefits from working with promoting benefits of project, engaging industry stakeholders and local authorities. This culminated in a greater number of delegates attracted than planned.
	Enhanced market offering of black-owned tourism enterprises.	6.2.2 Black-owned tourism enterprises supported.	-	New	15	25	10	Following the result of a needs assessment on beneficiaries from the Mier Tourism enterprise Incubator, more tourism enterprises received funding than planned for but with no budget implication. Some projects received roll-over funding.
	Enhanced provincial visitor experience.	6.2.3 Initiatives to enhance provincial visitor experience.	-	New	2	3	1	Some projects received roll-over funding.
	Improved provincial destination tourism infrastructure.	6.2.4 Tourism infrastructure development interventions.	-	New	5	5	0	None
	Legislatively compliant Tourism Industry.	6.2.5 Tourism Industry compliance interventions.	-	New	75	90	15	The TGCSA committed an additional grading assessor to the project while a lesser number of large properties were graded than anticipated.
	Optimally functioning provincial tourism authority.	6.2.6. NCTA support initiatives.	-	New	4	4	0	None

****Note that the actual achievement reported in the table above is in relation to the re-tabled Annual Performance Plan 2020/2021**

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PERFORMANCE NARRATIVE FOR TOURISM DEVELOPMENT

The Tourism Development Directorate contributes to creating a much more attractive and competitive destination as it works towards developing, promoting and marketing the Northern Cape as a preferred destination. As such it is responsible for the following functions – tourism skills development, enterprise development, experience development, infrastructure development, tourism business compliance and the operational oversight of the Northern Cape Tourism Authority.

The first Quarter kicked off just as South Africa entered a hard lockdown. This rapid change of the state of affairs in South Africa virtually immediately decimated the provincial and national tourism industry. No travel was possible as severe restrictions on traveler mobility were put in place. As a result the Tourism Development Unit could not deliver on any of its planned projects which forced a complete rethink of how best to support tourism development and marketing going forward.

The national and provincial response to the COVID-19 pandemic and global lockdown was to develop a provincial tourism recovery plan. It was entitled, “Resilience Beyond Fear: A Matrix Framework For The Deliverables Of The Recovery Of The Northern Cape Tourism Industry”. This plan was designed to be seamlessly delivered between the Tourism growth Unit, Tourism Development Unit and the Northern Cape Tourism Authority.

The recovery plan rested on several pillars for its success –

- knowledge management,
- destination preparation,
- organizing the industry,
- enterprise support,
- experience development,
- infrastructure development,
- destination marketing,
- supporting the meetings and conference sector,
- and communication.

The plan is being rolled out over three phases which are the survival phase, recovery phase and thriving phase.

The impact of the pandemic on the provincial tourism industry called for a new annual performance plan to be designed and implemented. This plan was approved for implementation in Quarter 2.

However, as the national government had to manage the financial strain of an economic lockdown. Treasury effected rather severe cuts to all government budgets and as a result the Tourism development unit not only had to respond to a tourism recovery strategy but also to implement its new annual performance plan with a significantly smaller budget.

Being faced with the mammoth task of assisting the provincial tourism industry with survival and recovery on a much reduced budget called for innovative thinking making use of cost effective opportunities in the virtual business world, as well as refining and realigning of partnerships to share the load of industry support.

Job losses and business foreclosures, even a roll back on transformation gains, was inevitable given that the global tourism industry came to an abrupt halt. The Northern Cape did not escape this unfortunate situation. Our response to this was to work with the national department of tourism to provide as much as possible relief funding to the provincial tourism industry. Some 224 tourism enterprises applied for national tourism relief funding and 124 businesses, black and white-owned, received funding to the amount of R6.2 million. The majority of the applicants required assistance to improve their compliance with the fund's criteria. This was a major challenge for the Tourism Programme.

Fifteen tourism enterprises were supported to improve quality assurance in their guesthouse operations. The opportunity was also used to upskill business owners in the COVID-19 protocols as we prepared to provide assurance to the market that the province will be safe once travel is allowed again. The Pixley ka Seme and Frances Baard districts benefitted from this programme.

Twenty five black-owned tourism enterprises benefitted from financial support made available by the unit, eighteen of them beneficiaries of the Mier Tourism Enterprise Incubator located in the ZF McGawu district. The latter is a partnership project between our department and the national department of Tourism.

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Tourism Development supported four tourism experience development projects, two of them in partnership with the McGregor Museum as we worked towards modernizing the tourism experience offered by digitalizing the humanities display at the McGregor Museum in Kimberley and the Wonderwerk Cave near Kuruman. We also supported two black-owned business concerns to develop more activity based tourism in Kimberley and to promote township tourism in Galeshewe.

Five tourism infrastructure projects were supported. We provided financial support to rejuvenate the Namakwa 4x4 Eco Trail, a community-based tourism enterprise that benefits all the villages near the Orange River between Pella and Alexander Bay. Funding was provided to upgrade the Cricket South Africa-accredited Northern Cape Cricket stadium infrastructure in Kimberley in an effort to attract games for the forthcoming women's Cricket World Cup and other higher ranked international team games. The Richtersveld Municipality was supported to upgrade its beach tourism infrastructure in McDougal's Bay. We also provided funding for the building of two new bungalows in the Witsand Provincial nature Reserve and repairs to the air-conditioning system of the Mittah Sepepere International Conference Centre.

The Tourism Programme in partnership with the national department of Tourism completed work on the redevelopment of the Big Hole Precinct and finalized plans for the development of the Galeshewe Tourism Precinct. Both projects are located in the Frances Baard district.

Funding has been secured for the establishment and construction of the Square Kilometer Array Carnarvon Exploratorium, a science visitor centre. This facility will contribute to the attractiveness of the Karoo Highlands Route and the stargazing corridor between Carnarvon and Sutherland. The project memorandum of understanding has been finalized and will be signed between project partners early in the 2021/22 financial year.

The department and Dawid Kruiper Municipality in the Z.F. McGawu district are project partners in the development of Hakskeenpan in Mier as an open-air mega event venue. The Tourism Development unit contributed to funding for the upgrade of the waste water treatment works in Rietfontein in an effort to process the additional waste to be generated by tourism activity on the pan. The environmental authorization has been issued paving way for completion of the construction phase of the project.

Apart from assisting a vast number of tourism enterprises to comply with general business regulations, the Tourism development Unit provided funding for the grading of 90 accommodation and conference facilities. This is to address the very low take up of grading in the province and to stem the harm it does to the reputation of the province as destination. All five districts benefitted from this initiative.

The Northern Cape Tourism Authority continued to deliver on its plans and perform well in the execution of its tasks. The entity received an unqualified audit opinion from the Auditor-General.

Linking performance with budgets

Sub-Name	Programme	2020/2021			2019/2020		
		Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000
Tourism Development		43 352	42 032	1 320	74 897	72 560	2 337
Total		43 352	42 032	1320	74 897	72 560	2 337

Strategy to overcome areas of under performance

The Tourism Growth Directorate was at the forefront to mobilise tourist guides in the province to submit applications to access the fund. From a database of 320 the Directorate managed to mobilise 105 tourist guides from the province who benefitted from the relief fund. Others were disqualified due to non-compliance with legislation. The Directorate through its intervention managed to pay for the registration of 50 tourist guide to ensure that they comply with relevant legislation.

The tourism economy has been heavily disrupted by the coronavirus (COVID-19) pandemic, and the measures introduced to contain its spread. Over and above immediate measures to support the tourism sector, the Province participated intensively in the national effort to developing recovery measures for the tourism sector. This was achieved through digital platforms consisting of webinars, zoom meetings and other virtual platforms of engagement.

In order to assist the provincial tourism industry with survival and recovery on a much reduced budget called for innovative thinking which required the use of cost effective opportunities in the virtual business world, as well as refining and realigning of partnerships to share the load of industry support.

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Reporting on the institutional Response to the COVID-19 Pandemic

Budget Programme	Intervention	Geographic location (province/district/local municipality – where possible)	Number of beneficiaries (where possible)	Disaggregation of beneficiaries (where possible)	Total Budget Allocation per intervention. (R'000)	Budget spent per intervention.	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Programme 2: IEDS	Concept document regarding Economic Recovery developed.	Across the province.	Officials of DSBD, DEDaT, Coghsta, COGTA, SALGA Municipalities.	-	-	-	Enterprise support initiatives.	Planning for implementing the Township and Rural Entrepreneurship Program (TREP).
Programme 2: IEDS	Webinar with clients across province regarding service offerings in collaboration with SEDA, SEFA, NYDA, NEF and IDC.	Across the province.	Officials of DSBD, DEDaT, Coghsta, COGTA, SALGA Municipalities.	-	-	-	Enterprise support initiatives.	
Programme 2: IEDS	Pamphlets regarding the TREP printed and distributed across the province. (Z-folder and electronic distribution via e-mail and social media).	Across the province.	-	-	-	R 460 000	Enterprises assisted with non-financial support services.	Marketing of the TREP Programme
Programme 2: IEDS	Companies assisted through the R1.6 billion paid out by the Unemployment Insurance Fund's special COVID 19 benefit scheme – determine NC beneficiaries.	-	-	-	-	-	-	Awareness – distribution of information received to communication platforms of DEDaT and the Office of the Premier.
Programme 2: IEDS	Participated in TREP in four of five districts across the province.	Frances Baard, Z F McGawu, Namakwa and John Taolo Gaetsewe	-	-	-	R 1 000.00	Enterprises assisted with non-financial support services.	Implementation of the TREP Programme.
Programme 2: IEDS	DSBD Township and Rural Entrepreneurship Programme (TREP) implemented.	Across the province	522 applications, from across the province, for TREP instruments	Enterprises across the province.	R50 000	0	Enterprise support initiatives.	Investment directed at growing of township economies.
Programme 2: IEDS	Outreach programmes with Ministry.	Postmasburg, Petrusville, Pampierstad and Upington	-	-	R 60 000	R 30 000	Enterprises assisted with non-financial support services.	Marketing of the TREP Programme.
Programme 2: IEDS	Formal engagement structure between government and agriculture and mining industries	Hosted the District LED Forum on the 4 th Nov 2020	33 people attended the LED Forum	8 Females 25 Males	R15000	R5000	TREP programme was marketed during the session, and other information	Collaboration to effect capacity building programs in municipalities.
Programme 2: IEDS	DSBD Township and Rural Entrepreneurship Programme (TREP) implemented.	Across the province	applications, from across the province, for TREP instruments	Enterprises across the province.	0	0	Enterprise support initiatives.	Investment directed at growing of township economies.

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Budget Programme	Intervention	Geographic location (province/ district/local municipality – where possible)	Number of beneficiaries (where possible)	Disaggregation of beneficiaries (where possible)	Total Budget Allocation per intervention. (R'000)	Budget spent per intervention.	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Programme 2: IEDS	Information sharing on Francis Baard Machinery and equipment funding opportunity to support women, youth and persons with disability.	Frances Baard.	Information shared with 21 businesses	20 Women owned 1 Youth owned	R0	R0	-	Distribution of information.
Programme 2: IEDS	Information sharing on SAB Tholoana enterprise programme opportunity to support women, youth and persons with disability	-	Information shared with 28 businesses	7 Youth owned 21 Women	R0	R0	-	Distribution of information.
Programme 2: IEDS	Information sharing on Spaza shop funding opportunity	-	Information shared with 1 spaza shop businesses	1 business owned by people living with disability	R0	R0	-	Distribution of information.
Programme 2: IEDS	Companies assisted through the R1.6 billion paid out by the Unemployment Insurance Fund's special COVID-19 benefit scheme – determine NC beneficiaries	All districts.	17 177	Information not available	-	R 564 194 844.67	-	Companies assisted through the R1.6 billion paid out by the Unemployment Insurance Fund's special COVID-19 benefit scheme – determine NC beneficiaries.
Programme 2: IEDS	Benefit to workers from the R1.6 billion paid out by the Unemployment Insurance Fund's special COVID-19 benefit scheme – support to determine NC beneficiaries.	Northern Cape	130 726	Information not available	-	-	-	Benefit to workers from the R1.6 billion paid out by the Unemployment Insurance Fund's special COVID-19 benefit scheme – support to determine NC beneficiaries.
Programme 2: IEDS	R162 million – finance approved by the Industrial Development Corporation (IDC) to support companies to procure or manufacture personal protective equipment	-	-	-	-	-	-	Financial support to SMMEs.

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Budget Programme	Intervention	Geographic location (province/district/local municipality – where possible)	Number of beneficiaries (where possible)	Disaggregation of beneficiaries (where possible)	Total Budget Allocation per intervention. (R'000)	Budget spent per intervention.	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Programme 2: IEDS	Woman, Youth and Persons with Disabilities: Information session on opportunities to support woman, youth and persons with disabilities Proposal written for the manufacturing of one million face masks Engaged municipalities for informal traders that had permits and submitted these to DSBD	Frances Baard/Sol Plaatje All districts across the province All Municipalities	7 businesses supported with COVID 19 relief Information and skills development training for Covid 19 related services 24 Enterprises identified across the province	5 Woman owned businesses 2 Companies of persons with disabilities 2 Youth owned 24 enterprises	R0	R0	Number of interventions implemented for target groups in all districts. Enterprise support initiatives	Non-financial support to targeted groups as per external stakeholders (SEDA, NEF and DSBD) participation.
Programme 2: IEDS	Youth Development Stakeholder Meeting – Not held	-	-	-	-	-	-	Meeting did not take place. No immediate outcomes.
Programme 2: IEDS	Youth Development Fund	All districts.	To be determined	100 % Youth	None. Awaiting budget pressure submitted	None. Awaiting budget pressure submitted	Financial support for youth enterprises	Budget pressure submitted. Not successful.
Programme 2: IEDS	BBBEE Compliance workshop	Frances Baard.	3	2 Women (sector dept.) 1 Woman (SMME)	R 30 000.00	R0. (due to COVID 19 pandemic the intervention was done virtually)	BBBEE Interventions	Sector departments to Comply with BBBEE compliance by submitting reports to the BBBEE Commission.
Programme 2: IEDS	Enterprises supported with Companies and Intellectual Properties Commission services (CIPC)	Frances Baard	58 enterprises	Female (F) 8 Male (M) 28 Male Youth (MY) 16 Female Youth (FY) 13 = 65	0	0	Enterprises assisted with non-financial support services.	Enterprises supported with non-financial support services.
Programme 2: IEDS	Establishment of the Northern Cape SMME Fund (Access to finance – blended funding instrument between NEF and DEDaT)	All districts.	-	-	30 000 000.00	30 000 000.00	Enterprise support initiatives.	Improve the productivity and sustainability of enterprises.
Programme 2: IEDS	Enterprises supported with Companies and Intellectual Protocol Commission services (CIPC)	Frances Baard	165	-	0	0	Enterprises assisted with non-financial support services.	Enterprises supported with non-financial support services.

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Budget Programme	Intervention	Geographic location (province/district/local municipality – where possible)	Number of beneficiaries (where possible)	Disaggregation of beneficiaries (where possible)	Total Budget Allocation per intervention. (R'000)	Budget spent per intervention.	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Programme 2: IEDS	Service provider appointed to manage the manufacture of 12000 masks from 11 enterprises on the Clothing Cluster database.	Frances Baard	11	-	-	246 000.00	Enterprise procurement opportunities.	Micro-economic intervention.
Programme 2: IEDS	SMMEs, LEDs and Jobs Created	-	-	-	-	-	-	-
Programme 2: IEDS	Participation in Global Entrepreneurship Week (GEW) in Frances Baard and Pixley Ka Seme	Kimberley, Barkly West, Warrenton and Hartswater, Colesberg, De Aar, Carnarvon	Kimberley 38 Barkly West; Warrenton 28 Hartswater 42 attended Carnarvon 34 attended The De Aar event - 161 attendees	Kimberley -F 13, MY 9, FY 6 = 28 Barkly West Warrenton 28 -Target groups not indicated on register Hartswater 42 - Target groups not indicated on register Carnarvon 34 – Target groups not indicated on register Awaiting attendance register De Aar – 161 Women, includes 40 youth	R 60 000	R 55 000	Enterprises assisted with non-financial support services.	Workshops and Training
Programme 2: IEDS	Jobs created: EPWP	FB = 98 PKS= 28 Namakwa = 40	166	-	2 025 000	2 025 000	Creation of employment opportunities in the Province.	Reduction in unemployment.
Programme 2: IEDS	Benefit to workers from the R1.6 billion paid out by the Unemployment Insurance Fund's special COVID-19 benefit scheme – support to determine NC beneficiaries	-	-	-	-	-	The department of Labour is the custodian of this intervention.	-
Programme 2: IEDS	R162 million – finance approved by the Industrial Development Corporation (IDC) to support companies to procure or manufacture personal protective equipment	-	-	-	-	-	The department of Labour is the custodian of this intervention.	-

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Budget Programme	Intervention	Geographic location (province/ district/local municipality – where possible)	Number of beneficiaries (where possible)	Disaggregation of beneficiaries (where possible)	Total Budget Allocation per intervention. (R'000)	Budget spent per intervention.	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Programme 2: IEDS	Entrepreneurship training for women and youth owned businesses	Frances Baard/ Sol-Plaatje	9 interventions 55 women, youth and persons living with disabilities supported entrepreneurship training.	W- 4 Y – 6 PWD - 45	R 16 000	R12000	Target group interventions	Entrepreneurship training done for SMMEs
Programme 3 Trade and Sector Development	Formal engagement structure between government and agriculture and mining industries.	-	-	-	-	-	TREP programme was marketed during the session, and other information	Collaboration to effect capacity building programmes in municipalities.
Programme 3 Trade and Sector Development.	Bookkeeping Training	Frances Baard	Thirteen (13) beneficiaries	9 Youth 4 Women	40 000.00	21 850.00	Target group interventions	-SMME's were empowered with information, knowledge and skills to do proper bookkeeping and record keeping that will assist them with compliance.
Programme 3 Trade and Sector Development.	Activation of the MOU with Productivity South Africa.	All districts.	11	-	R40 000	0	Enterprise support initiatives.	Improve the productivity and sustainability of enterprises.
Programme 4 Business Regulation and Governance	NCLB - Conduct education and awareness with the Liquor Traders / confiscation of Liquor licences	All districts.	-	-	-	-	Expanded and informed economic-citizen footprint in the Northern Cape Province.	Education and awareness workshops were conducted at different police stations, in Frances Baard and Pixley Ka Seme. Concentrated on Designated Police Officers (DPOs) specifically because they are the custodian of the Liquor Act, and had to be educated on new regulations. 55 DPOs reached. Compliance inspections were conducted at 746 licensed outlets. No liquor licences were confiscated.

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Budget Programme	Intervention	Geographic location (province/district/local municipality – where possible)	Number of beneficiaries (where possible)	Disaggregation of beneficiaries (where possible)	Total Budget Allocation per intervention. (R'000)	Budget spent per intervention.	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Programme 4 Business Regulation and Governance	Consumer Protection Authority – Issue compliance notices to suppliers and shop owners to protect the consumers against exploitation	ZFM JTG PKS	Inspections = 113 Notices issued = 17 Radio interviews conducted = 4 that is estimated at 97 000.	-	-	-	Expanding consumer reach and provided effective redress to people of the Northern Cape.	Informed consumer in the Province. Consumer exploitation of consumers redressed.
Programme 5 Policy, Research and Innovation	Information dissemination	All districts/ municipalities in the Province.	-	-	-	-	-	Awareness – distribution of information received to communication platforms of DEDaT and the Office of the Premier.
Programme 6 Tourism	Tourism and NCTA. Monitoring of incentives and Foreign visitors tracking	-	222 applications submitted to the Tourism relief fund. 124 tourism enterprises received funding from Tourism Relief Fund	-	6.2 million received from Tourism relief Fund.	No departmental budget expenditure.	Tourism infrastructure development interventions.	124 tourism enterprises received funding to continue operating.







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2.5. TRANSFER PAYMENTS

2.5.1 Transfer payments to Public Entities

Table 2.5.1.1: transfer payments made for the period 1 April 2020 to 31 March 2021

Name of Public Entity	Key Outputs of the Public Entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity (R'000)	Achievements of the public entity
Northern Cape Trade and Investment Agency (NCEDA)	Promoting direct foreign and local investment in the Province	R30 701	R30 701	Please refer to the annual report of The Northern Cape Trade and Investment Agency (NCEDA) obtainable from the Public Entity.
Northern Cape Liquor Board	Regulating the Liquor Industry in the Province	R13 346	R13 346	Please refer to the annual report of the Northern Cape Liquor Board obtainable from the Public Entity
Northern Cape Gambling Board	Regulating the Gambling Industry in the Province	R13 071	R12 257	Please refer to the annual report of the Northern Cape Gambling Board obtainable from the Public Entity
Northern Cape Tourism Agency (NCTA)	Marketing the Province as a Tourist Destination	R22 942	R22 886	Please refer to the annual report of the Northern Cape Tourism Agency (NCTA) obtainable from the Public Entity,
Total		R80 060	R79 190	

2.5.2. Transfer payments to all organisations other than public entities

Table 2.5.2.1: Transfer payments made for the period 1 April 2020 to 31 March 2021

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
DEPARTMENT OF ROADS AND PUBLIC WORKS	DEPARTMENTAL AGENCIES	MSICC(AIRCONS)	YES	129	129	-
MCGREGOR MUSEUM	DEPARTMENTAL AGENCIES	HERRITAGE SITES AND MONUMENTS	YES	163	163	-
NATIONAL EMPOWERMENT FUND TRUST	DEPARTMENTAL AGENCIES	ENTERPRISE DEV PARTNERSHIP: NEF	YES	30 000	30 000	-
NCMIC NPC	DEPARTMENTAL AGENCIES	METALS INDUSTRIAL CLUSTER	YES	2 819	2 819	-
NORTHERN CAPE SMME TRUST	DEPARTMENTAL AGENCIES	SMME DEVELOPMENT	YES	5 166	5 166	-
TOURISM GRADING COUNCIL OF SOUTH	DEPARTMENTAL AGENCIES	ACCOMMODATION GRADING	YES	400	400	-
SOL PLAATJE UNIVERSITY	HIGHER EDUCATION INSTITUTIONS	MLAB	YES	500	500	-
DA MARTIN	EX-EMPLOYEE	LEAVE GRATUITY	N/A	569	569	-
GEPF	EX-EMPLOYEE	EARLY RETIREMENT	N/A	485	485	-
H WILLIAMS	EX-EMPLOYEE	LEAVE GRATUITY	N/A	192	192	-
KODA	DONATION	SPONSORSHIP	YES	60	60	-
KR KOOPMAN	EX-EMPLOYEE	LEAVE GRATUITY	N/A	23	23	-
SE BETHANIE	EX-EMPLOYEE	LEAVE GRATUITY	N/A	1	1	-
NAMAKWA DISTRICT MUNICIPALITY	MUNICIPALITY	EPWP CAPITAL AND STIPENDS	YES	430	430	-

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Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
PIXLEY KA SEME DISTRICT MUNICIPALITY	MUNICIPALITY	EPWP CAPITAL AND STIPENDS	YES	970	970	-
RICHTERSVELD MUNICIPALITY	MUNICIPALITY	BEACH EXPERIENCE DEVELOPMENT	YES	500	500	-
SOL PLAATJE-NC LOCAL MUNICIPAL	MUNICIPALITY	EPWP CAPITAL AND STIPENDS	YES	625	625	-
IVAN M TRADING AND ENTERPRISE	PRIVATE ENTERPRISES	TOURISM-SMME GRANTS	YES	176	176	-
KAROO TRAVEL DIMENSIONS	PRIVATE ENTERPRISES	TOURISM-SMME GRANTS	YES	200	200	-
KAROO TUIS CATERING	PRIVATE ENTERPRISES	TOURISM-SMME GRANTS	YES	146	146	-
KIMBERLEY DIAMOND AND JUWELARY INCUBATOR	PRIVATE ENTERPRISES	KIDJI (DIAMOND AND JUWELARY INCUBATOR)	YES	1 824	1 824	-
LERUO'S GUEST HOUSE	PRIVATE ENTERPRISES	TOURISM-SMME GRANTS	YES	100	100	-
MLAB SOUTHERN AFRICA	PRIVATE ENTERPRISES	MLAB	YES	1 040	1 040	-
NAMAKWA 4X4 EXPLORATION NPC	PRIVATE ENTERPRISES	TOURISM-SMME GRANTS	YES	850	850	-
NC MARKETING AGENCY(PTY)LTD	PRIVATE ENTERPRISES	TOURISM-EVENT SUPPORT	YES	200	200	-
NORTHERN CAPE CRICKET NPC	PRIVATE ENTERPRISES	TOURISM-EVENT SUPPORT	YES	1 000	1 000	-
PINO-TAU OUTDOOR MEDIA(PTY)LTD	PRIVATE ENTERPRISES	TOURISM-SMME GRANTS	YES	277	277	-
SIGMA INTERNATIONAL	PRIVATE ENTERPRISES	TOURISM-SMME GRANTS	YES	300	300	-
TEEMANENG RUNNING CLUB	PRIVATE ENTERPRISES	TOURISM-EVENT SUPPORT	YES	78	78	-
UKUVUKA PADSTAL EN VETPLANT KWE	PRIVATE ENTERPRISES	TOURISM-SMME GRANTS	YES	200	200	-
UNDULATA COUNTRY LODGE	PRIVATE ENTERPRISES	TOURISM-SMME GRANTS	YES	100	100	-
WYDEX EVENTS PROMOTIONS	PRIVATE ENTERPRISES	TOURISM-EVENT SUPPORT	YES	200	200	-
TOTAL				49 723	49 723	

Table 2.5.2.2: Transfer payments budgeted for but not made for the period 1 April 2020 to 31 March 2021

Name of transferee	Type of organisation	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
UNBOXED PROJECTS	PRIVATE ENTERPRISES	TOURISM-EVENT SUPPORT	200	200	WAS COMMITTED BUT NOT YET PAID DUE TO ADMINISTRATIVE DELAYS
MOB ENTERTAINMENT	PRIVATE ENTERPRISES	TOURISM-EVENT SUPPORT	230	230	WAS COMMITTED BUT NOT YET PAID DUE TO ADMINISTRATIVE DELAYS
GEPF	EX-EMPLOYEE	EARLY RETIREMENT	579	579	WAS COMMITTED BUT NOT YET PAID DUE TO ADMINISTRATIVE DELAYS
Total	-	-	1 009	1 009	

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2.6. CONDITIONAL GRANTS

2.6.1 Conditional grants and earmarked funds paid

Table 2.6.1.1: Conditional Grants and Earmarked funds paid for the period 1 April 2020 to 31 March 2021

Department/ Municipality to whom the grant has been transferred	NAMAKWA DISTRICT MUNICIPALITY
Purpose of the grant	EPWP
Expected outputs of the grant	Expansion of the EPWP
Actual outputs achieved	100% implementation
Amount per amended DORA	430
Amount transferred (R'000)	430
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	430
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Monitoring mechanism by the transferring department	In year monitoring report completed and submitted monthly. Employment contracts, attendance registers and site visits.

Table 2.6.1.2: Conditional Grants and Earmarked funds paid for the period 1 April 2020 to 31 March 2021

Department/ Municipality to whom the grant has been transferred	PIXLEY KA SEME DISTRICT MUNICIPA
Purpose of the grant	EPWP
Expected outputs of the grant	Expansion of the EPWP
Actual outputs achieved	100% implementation
Amount per amended DORA	970
Amount transferred (R'000)	970
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	970
Reasons for the funds unspent by the entity	N/A
Reasons for deviation on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the transferring department	In year monitoring report completed and submitted monthly. Employment contracts, attendance registers and site visits.

Table 2.6.1.3: Conditional Grants and Earmarked funds paid for the period 1 April 2020 to 31 March 2021

Department/ Municipality to whom the grant has been transferred	SOL PLAATJE-NC LOCAL MUNICIPAL
Purpose of the grant	EPWP
Expected outputs of the grant	Expansion of the EPWP
Actual outputs achieved	100% implementation
Amount per amended DORA	625
Amount transferred (R'000)	625
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	625
Reasons for the funds unspent by the entity	N/A
Reasons for deviation on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the transferring department	In year monitoring report completed and submitted monthly. Employment contracts, attendance registers and site visits.

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Table 2.6.1.4: Conditional Grants and Earmarked funds paid for the period 1 April 2020 to 31 March 2021

Department/ Municipality to whom the grant has been transferred	SOL PLAATJE-NC LOCAL MUNICIPAL
Purpose of the grant	EPWP
Expected outputs of the grant	Expansion of the EPWP
Actual outputs achieved	100% implementation
Amount per amended DORA	625
Amount transferred (R'000)	625
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	625
Reasons for the funds unspent by the entity	N/A
Reasons for deviation on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the transferring department	In year monitoring report completed and submitted monthly. Employment contracts, attendance registers and site visits.

2.6.2. Conditional grants and earmarked funds received**Table 2.6.2.1: Conditional Grants and Earmarked funds received during for the period 1 April 2020 to 31 March 2021**

Department who transferred the grant	N/A
Purpose of the grant	N/A
Expected outputs of the grant	N/A
Actual outputs achieved	N/A
Amount per amended DORA (R'000)	N/A
Amount received (R'000)	N/A
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	N/A

2.7. DONOR FUNDS**2.7.1 Donor Funds Received****Table 2.7.1.1: Donor funds received during for the period 1 April 2020 to 31 March 2021**

Name of donor	N/A
Full amount of the funding	N/A
Period of the commitment	N/A
Purpose of the funding	N/A
Expected outputs	N/A
Actual outputs achieved	N/A
Amount received (R'000)	N/A
Amount spent by the department (R'000)	N/A
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	N/A

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2.8. CAPITAL INVESTMENTS

2.8.1. Capital investment, maintenance and asset management plan

Infrastructure projects	2020/2021			2019/2020		
	Final Appropriation (R'000)	Actual Expenditure (R'000)	(Over)/Under Expenditure (R'000)	Final Appropriation (R'000)	Actual Expenditure (R'000)	(Over)/Under Expenditure (R'000)
New and replacement assets	-	-	-	-	-	-
Existing infrastructure assets	-	-	-	-	-	-
Upgrades and additions	1 282	1 282	-	2 799	2 799	-
Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
Total	1 282	1 282	-	2 799	2 799	-



PART C:

GOVERNANCE





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PART C: GOVERNANCE

3.1. INTRODUCTION

The Accounting Officer is responsible for the governance of the Department. The following makes up the department's governance structures:

- An executive management committee chaired by the Head of Department.
- An extended executive management committee which includes senior managers and responsibility managers and is also chaired by the Head of Department.
- An Enterprise Risk and Ethics Management Committee chaired by an external Executive Manager.
- An Information Communication Technology Steering Committee chaired by the Chief Operations Officer.
- A departmental Planning Forum chaired by the Head of Economic Policy Development.
- An independent internal audit function providing independent assurance that the controls in place to manage risks are adequate and function effectively.
- An Audit Committee providing independent oversight over governance, risk management and control processes

3.2. RISK MANAGEMENT

The Department has an approved risk management policy, risk management strategy and an annual risk management implementation plan in place. The policy, strategy and risk and ethics management committee was reviewed during the financial year.

Annual risk identification and assessments were conducted both at a strategic and operational level. Risks were prioritised based on its likelihood and impact at an inherent and residual level. Management developed risk response plans and implemented those plans to ensure risks are mitigated to acceptable levels.

The departmental risk and ethics management committee is chaired by an external Chairperson. The departmental risk and ethics management committee assists the Accounting Officer in addressing his oversight requirements of risk management and evaluating and monitoring the department's performance with regards to Risk and Ethics Management. The Committee operates under an approved Risk and Ethics Management Committee Charter. The committee submitted quarterly committee reports to the Accounting Officer and the Audit Committee. -

The Audit Committee was furnished with quarterly progress reports on the significant risks faced by the Department.

3.3. FRAUD AND CORRUPTION

The Department has an approved fraud prevention and ethics management strategy with an annual implementation plan implemented by departmental officials. The approved departmental whistle blowing policy and fraud prevention and ethics management strategy encourage and outlines how and where concerns should be reported.

3.4. MINIMISING CONFLICT OF INTEREST

The Department has adopted the Remuneration for Work Outside the Public Service (RWOPS) policy to manage conflict of interest, which ensures that the department does not do business with its employees. The Gifts Policy provides for the Gifts Register and ensures that employees refrain from accepting or soliciting gifts. Departmental officials from levels 11 to 15 as well as financial management (including supply chain management) declared their interest through the E-Disclosure system. The department has an approved financial disclosure policy in place. ·

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3.5. CODE OF CONDUCT

The Department of Economic Development and Tourism uses the Code of Conduct for the Public Service and generally disciplines employees who breach this code. Awareness sessions are conducted and all new employees are issued with a copy of the Code and they sign for receipt thereof.

3.6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department has an adopted Health and Safety Policy in place. All the necessary structures are in place to ensure that it is implemented. Health and Safety Committee members are trained on the Occupational Health and Safety Act.

3.7. PORTFOLIO COMMITTEES

Resolution and Date	Matters raised by the Portfolio Committee	Response by the department
Resolutions of Annual Performance Plan/Budget 2020/21 financial year.	<p>6 Recommendations</p> <p>6.1 Together with the MEC of Finance, Economic Development and Tourism and the Office of the Premier, expedite the rationalisation of the two regulating bodies to ensure that service delivery takes place.</p> <p>6.2 Review duties amongst themselves and the Entities and address the duplication of duties and report back to the Committee.</p> <p>6.3 Together with the MEC ensure that it performs optimally in future by attaining clean audits.</p> <p>6.4 Together with the MEC, in the APP include plans with specific timeframes to ensure job creation and stimulation of the economy in the Province.</p>	The Department submitted a signed report on the Resolutions of Annual Performance Plan/Budget 2020/21 financial year with supporting documentation on the 19 th of August 2020.
Committee Report: 1 st quarterly performance report of the 2020/21 financial year.	<p>6 Recommendations:</p> <p>The committee therefore recommends that the Department must:</p> <p>6.1 In conjunction with the Office of the Premier, submit a plan on how the process of rationalisation of public entities in the Province will unfold.</p> <p>7 Reports to be forwarded to the Committee within 30 days of tabling of this Report in the House, on the following issues:</p> <p>7.1 Submit the plan addressing training in the tourism sector, with specified objectives and timeframes.</p> <p>7.2 An elaborate report on the capital assets expenditure incurred during the period under review.</p> <p>7.3 A breakdown of the Covid-19 Relief Funding to SMME's as well as the specific support provided by the Department.</p>	The Department submitted a signed report on the 1 st quarterly performance report with supporting documentation (reports) on the 28 th of January 2021.
2 nd quarterly performance report of the 2020/21 financial year.	Preliminary questions based on the 2 nd quarterly report 2020/21 of the Department of Economic Development and Tourism.	The Department submitted the responses on the 2 nd quarterly performance report on the 18 th of March 2021.

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3.8. SCOPA RESOLUTIONS

The Department presented its Annual Report for the financial year 2019/20 virtually to the Portfolio Committee on Finance, Economic Development & Tourism and the Standing Committee on Public Accounts on Wednesday, 24 March 2021.

Resolution No.	Subject	Details	Response by the department	Resolved (yes/no)
-	Committee report – Annual Report of the 2019/2020 financial year.	<p>Recommendations</p> <p>The Committee therefore recommends that the Department must:</p> <p>6.1 At all times when planning key performance indicators, ensure that it does not negatively impact on good governance and ensure that funds are spent adequately.</p> <p>6.2 Engage the Office of the Premier and provide the Committee with the plan and timeframes in respect of the process to rationalise all entities in the Province. This plan must be forwarded to the committee within three months.</p>	The Department submitted the responses on the Annual Report of the 2019/20 financial year on the 13 th of May 2021.	<p>6.1 Yes</p> <p>6.2 In progress</p>

3.9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Qualified Audit Opinion		
<p>Receivables</p> <p>The department did not record all receivables in accordance with Chapter 9, <i>General Departmental Assets and Liabilities</i>, which resulted in receivables disclosed in note 9 to the financial statements and recoverable revenue disclosed in the statement of financial position being understated by R 3 168 861 respectively. In addition, I was unable to obtain sufficient appropriate audit evidence that all receivables had been recorded, as the department did not have adequate systems in place. I could not confirm this by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to receivables and recoverable revenue stated at R 37 568 000 (2019: R 35 075 000) and R43 322 000 (2019: R41 658 000) respectively in the financial statements.</p>	2018-19	The matter is still in progress

3.10. INTERNAL CONTROL UNIT

The Department does not have an Internal Control Unit, However, the Directorate: Management Accounting and Directorate: Financial Accounting in Supply Chain Management Unit fulfil the function of an Internal Control Unit as submissions, forms, route forms and delegations are compiled in such a manner to ensure compliance.

3.11. INTERNAL AUDIT AND AUDIT COMMITTEES

The Northern Cape Provincial Treasury established the shared Internal Audit function. The function was established in terms of section 38(1) (a) (i) and section 76(4) (e) of the Public Finance Management Act (PFMA) as a shared function for the Northern Cape Provincial Administration, and in terms of paragraph 3.2.3. of the Treasury Regulations. The unit fulfils an independent assurance and consulting function.

The Internal Audit unit follows a risk-based audit approach in providing management and the Audit Committee with assurance on the adequacy and effectiveness of governance, risk management, and internal control processes. The Internal Audit is guided by an Internal Audit Charter, approved by the Audit Committee and performs its functions as provided for in the PFMA and the Internal Audit Charter.

The Internal Audit unit compiles a rolling three-year strategic, risk-based Internal Audit plan and prepares an annual Internal Audit plan after taking into consideration the risks faced by the department, strategic objectives, the department's mandate, audit issues and inputs by management. The Audit Committee considers and approves the Internal Audit plan for implementation.

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The Internal Audit reviews performed for the financial year under review, were all in line with the approved annual Internal Audit plan and are detailed in the Audit Committee annual report.

Internal Audit findings were communicated timely to management and measures to mitigate the risks were implemented. Significant matters identified during the year were reported to the Audit Committee.

Audit Committee members and attendance

Throughout the year under review, the Audit Committee operated in terms of an approved Audit Committee Charter, which was the committee's approved terms of reference. The Audit Committee comprised of three external members and two internal members, all of whom are not employed by the department. The Audit Committee's term ended on 30 November 2020 and a new 3 year term membership started on 1 December 2020.

The Audit Committee has, as part of its oversight responsibility on a quarterly basis, followed up on audit findings to ensure that issues raised were addressed timely.

Further information relating to the Audit Committee, as required by the PFMA and Treasury Regulations, is included in the Audit Committee's report, which is incorporated in the annual report of the department.

The Audit Committee comprises of five members in total. Four meetings were convened during the financial year under review.

The following Audit Committee members attended the 3 meetings as their term ended 30 November 2020.

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Ms M Mbonambi	Qualifications - Bachelor of Accountancy - B.Com Honours – (CTA) - Certificate in Risk Management and Certificate in Board Governance	External	n/a	01 December 2017	n/a	03
Ms A Mafuleka	- CA (SA) B Com – Honours	External	n/a	01 December 2017	n/a	03
Mr VA Makaleni	- Master in Public Management - Bachelor of Commerce (Accounting); - Postgraduate Diploma in Corporate Governance; - Management Advancement Programme; - Advanced Management Development Programme; - Certificate in Risk Management	External	n/a	01 December 2014	n/a	03
Ms Vallabh	- Bachelor of Arts - Post Graduate Diploma in Library and Information Science - Certificate Programme in Public Service Management	Internal	Chief Director: Performance, Monitoring and Evaluations (OTP)	01 December 2017	n/a	01
Mr M Mdunge	- BA Degree - Post graduate diploma governance and political transformation - Masters in governance and political transformation	Internal	Director: Frances Baard Head COGHSTA	01 April 2019	n/a	01

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The following Audit committee members attended 1 meeting in March as their term started 1 December 2020.

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Ms A Mafuleka	- CA (SA) - B Com – Honours	External	n/a	01 December 2020	n/a	01
Ms J Gunther	- Certified Internal Auditor - CRMA - Associate General Accountant - Masters in Cost Accounting - BCompt Various accounting and auditing certificates	External	n/a	01 December 2020	n/a	01
Mr F Docrat	- Master of Business Administration - Chartered Director (SA) - Certified Information Security Manager - Certified Information Systems Auditor - Certified in the Governance of Enterprise Information Technology - Certified Risk Management Practitioner - Management Advancement Program - Total Quality Management - Computer Operations Proficiency Examination	External	n/a	01 December 2020	n/a	01
Ms Vallabh	- Bachelor of Arts - Post Graduate Diploma in Library and Information Science - Certificate Programme in Public Service Management	Internal	Chief Director: Performance, Monitoring and Evaluations (OTP)	01 December 2020	n/a	00
Mr M Mdunge	- BA Degree - Post graduate diploma governance and political transformation - Masters in governance and political transformation	Internal	Director: Frances Baard Head COGHSTA	01 April 2020	n/a	01

During the year under review the Audit Committee consistently engaged with the senior management of the department, Internal Audit and the Auditor-General South Africa (AGSA), individually and collectively, to address risks and challenges facing the department.

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3.12. AUDIT COMMITTEE REPORT

We are pleased to present the Audit Committee report of the Northern Cape Department of Economic Development and Tourism for the financial year ended 31 March 2021.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee further reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the department revealed certain weaknesses, which were then raised with the department. The following Internal Audit projects were completed during the year under review:

- COVID-19 Emergency Procurement & Return to work readiness
- Receivables (Economic Growth and Development Fund)
- Performance Information Q2
- Annual Financial Statements
- Interim Financial Statements
- COVID-19 Emergency Procurement
- COVID-19 Expenditure
- Follow-up on AGSA Report
- Follow-up on IA Reports
- Performance Information Q3
- Performance Information Q4
- Completeness and Adequacy Review of AGSA audit action plan
- Risk, Fraud and Ethics Management

The following were noted by the Committee:

- The Department did not incur unauthorized, fruitless and wasteful expenditure for the 2020/21 financial year.

The following were areas of concern:

- The vacancy rate within the Department and particularly the vacancy of the Head of Department for the 2020/21 financial year.
- Continuous budget cuts
- The departmental achieved 54% of the set targets.
- Inconsistencies in providing support to entities and lack of monitoring thereof.

In-Year Management and Monthly/Quarterly Report

The Department reported monthly and quarterly to the Provincial Treasury as is required by the PFMA.

Risk Management

Progress on the departmental risk management was reported on a quarterly basis and the Audit Committee was satisfied that the actual management of risk was receiving attention, although there were areas that still required improvement. Management should continue to support the Risk Officer to further enhance the performance of the Department.

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Evaluation of Financial Statements

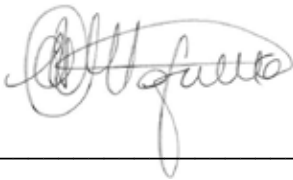
The Audit Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General South Africa (AGSA) and the Accounting Officer;
- reviewed significant adjustments resulting from the audit.
- reviewed the AGSA audit report;
- reviewed the AGSA management report and management's responses thereto; and
- reviewed the Department's compliance with legal and regulatory provisions.

Auditor General's Report

The AGSA's report was reviewed and the Audit Committee congratulated the Department for an improved audit outcome. The Department managed to resolve previous year's audit issues which improved the audit outcomes from a qualified to unqualified audit opinion.

The Audit Committee concurs and accepts the conclusions of the Auditor-General South Africa 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 South Africa.



Ms A Mafuleka

Chairperson of the Audit Committee
Department of Economic Development and Tourism

Dated: 10 August 2021

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3.13. B-BBEE Compliance Performance Information

Has the Department/Public Entity applied the relevant Code of Good Practice (B-BBEE Certificate Levels 1-8) with regards to the following:		
Criteria	Response (yes/no)	Discussion
Determining the qualification criteria for the issuing of licenses, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	-
Developing and implementing a preferential procurement policy?	Yes	-
Determining qualification criteria for the sale of state-owned enterprises?	N/A	-
Developing criteria for entering into partnerships with the private sector?	N/A	-
Determining criteria for the awarding of incentives, grants and investment schemes in supporting Broad Based Black Economic Empowerment?	N/A	-



PART D:

HUMAN RESOURCE MANAGEMENT



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PART D: HUMAN RESOURCE MANAGEMENT

4.1. INTRODUCTION

The status of human resources in the department

The human resource function is performed efficiently and effectively within the directorate of human resource management, with the following sub-directorates fully functional:

- Human Resource Administration,
- Human Resource Development,
- Labour Relations, and
- Employee Health and Wellness.

The comprehensive HR Plan, HRD Implementation Plan, Employment Equity Plan and the Workplace Skills Plan all guide the HR function in the department. The function is also directed by the comprehensive policy framework that includes the Public Service Regulations, the Leave Determination, Recruitment and Selection Policy, Training Policy, Employee Health and Wellness Policy, Sexual Harassment Policy and others which ensure consistent application of rules and regulations.

Human resource priorities for the year under review and the impact of these

The priorities include the following:

- The reduction of the vacancy rate to within 10% or below,
- To maintain the turnover rate at 10% or below,
- A review of the HR policies to comply with any changes in the Labour Law, and
- The implementation of the ethics standards as required by the Public Administration Management Act.

Workforce planning and key strategies to attract and recruit a skilled and capable workforce

The recruitment process was guided by a comprehensive HR Plan which sought to recruit and place a skilled and capable workforce at the right place at the right time. The recruitment of senior management was guided by the competency assessment as prescribed. The pursuit of targeting 50% women at senior management level continued, as well as efforts to ensure that 5 % the workforce of the department is comprised of those who are physically challenged.

Employee performance management

The Department utilises the Employee Performance and Management System and Chapter 4 of the SMS Handbook to manage performance in a manner that rewards excellence and correct poor performance. The performance agreements, work plans, personal development plans are concluded annually as part of performance management.

Employee wellness programmes

The Department has established the employee wellness and diversity unit to manage the employee wellness programmes. As part of this, four compulsory employee health and wellness policies and operational plans are guiding our wellness programmes. It is a plan of the Department to institute a 24-hour employee assistance programme in the near future. The Department also took steps to reduce the risk of occupational exposure to COVID-19 in the workplace.

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Achievements and challenges faced by the Department, as well as future human resource plans/goals.

The human resource function is now focussed and dedicated and is a reliable strategic partner to the line functionaries in the Department. In the past few years, it has consistently improved its value addition to the strategic direction of the Department. It has facilitated the recruitment of suitable candidates into key posts in the department. The Department is subsidising its employees in their efforts to upskill themselves through several bursaries.

We strive to continuously upskill and motivate our human resource team to be ethical HR generalists who add value to the strategic objectives of the Department. The Ethics Programme is being institutionalised within the labour Relations unit.

Due to the moratorium on the filling of vacancies, no posts were filled for the 2020 /2021 period and due to the COVID- 19 pandemic, the department did not participate in a learnership / internship programme for the year.

For the 2020/2021 period, 2 retirements and 2 resignations were recorded.

4.2. HUMAN RESOURCE OVERSIGHT STATISTICS

4.2.1. Personnel related expenditure

Table 4.2.1.1 Personnel expenditure by programme for the period 1 April 2020 and 31 March 2021

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	51788.00	37838.00	0.00	0.00	73.10	548.00
Small business Development (IEDS)	58006.00	15000.00	0.00	0.00	25.90	682.00
Trade and Sector Development	51175.00	10447.00	0.00	0.00	20.40	804.00
Business Regulation and Governance	40307.00	9875.00	0.00	0.00	24.50	429.00
Policy Research and Innovation (Economic Planning)	19884.00	14539.00	0.00	0.00	73.10	765.00
Tourism	51175.00	10447.00	0.00	0.00	20.40	589.00
Total	274484.00	99481.00	0.00	0.00	36.20	599.00

Table 4.2.1.2 Personnel costs by salary band for the period 1 April 2020 and 31 March 2021

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1-2)	0.00	0.00	0.00	0.00
Skilled (levels 3-5)	5943.00	5.90	22.00	270136.00
Highly skilled production (levels 6-8)	20467.00	20.40	51.00	4013140.00
Highly skilled supervision (levels 9-12)	44738.00	44.60	62.00	721581.00
Senior and Top management (levels 13-16)	25702.00	25.60	20.00	1285100.00
Contract (levels 1-2)		0.00	0.00	0.00
Contract (levels 3-5)	0.00	0.00	0.00	0.00
Contract (levels 6-8)	145.00	0.10	0.00	0.00
Contract (levels 9-12)	877.00	0.90	1.00	877000.00
Contract (levels 13-16)	1111.00	1.10	1.00	111000.00
Contract Other	983.00	1.00	2.00	491500.00
Periodical Remuneration	83.00	0.10	7.00	11857.00
Abnormal Appointment	0.00	0.00	0.00	0.00
Total	100048.00	99.70	166	602699.00

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Table 4.2.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2020 and 31 March 2021

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	31373.00	82.90	0.00	0.00	0.00	962.00	1871.00	1.90
Small business Development (IEDS) (INTEGRATED ECONOMIC DEV SERV)	12790.00	85.20	0.00	0.00	0.00	337.00	528.00	3.30
Trade and Sector Development	8915.00	80.00	0.00	0.00	0.00	220.00	389.00	3.50
Business Regulation and Governance	8316.00	83.70	0.00	0.00	0.00	245.00	502.00	5.10
Policy Research and Innovation (Economic Planning)	12535.91	86.00	0.00	0.00	0.00	337.00	481.00	3.30
Tourism	9811.00	82.80	0.00	0.00	0.00	298.00	574.00	4.80
Total	83740.00	82.50	0.00	0.00	0.00	2380.00	4345.00	4.30

Table 4.2.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2020 and 31 March 2021

Salary Band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (levels 1-2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Skilled (levels 3-5)	42406.00	71.40	0.00	0.00	392.00	0.00	0.00	0.00
Highly skilled production (levels 6-8)	15881.00	77.50	0.00	0.00	848.00	0.00	0.00	0.00
Highly skilled supervision (levels 9-12)	37994.00	84.70	0.00	0.00	759.300	0.00	0.00	0.00
Senior and Top management (levels 13-16)	22444.00	86.80	0.00	0.00	382.00	0.00	0.00	0.00
Contract (levels 1-2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (levels 3-5)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract Other	983.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (levels 6-8)	121.00	8300.40	0.00	0.00	0.00	0.00	0.00	0.00
Contract (levels 9-12)	877.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (levels 13-16)	1111.00	99.70	0.00	0.00	0.00	0.00	0.00	0.00
Periodical Remuneration	83.00	73.50	0.00	0.00	0.00	0.00	0.00	0.00
Abnormal Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	83740.00	83.50	0.00	2380.00	0.00	0.00	0.00	0.00

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4.2.2. Employment and Vacancies

Table 4.2.2.1 Employment and vacancies by programme as on 31 March 2021

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	77.00	69.00	10.39%	0.00
Small business Development (IEDS)	22.00	22.00	0%	0.00
Trade and Sector Development	14.00	13.00	7.14%	0.00
Business Regulation and Governance	19.00	16.00	15.79%	0.00
Policy Research and Innovation (Economic Planning)	21.00	19.00	9.52%	0.00
Tourism	21.00	20.00	4.76%	0.00
Total	174.00	159.00	8.62%	0.00

Table 4.2.2.2 Employment and vacancies by salary band as on 31 March 2021

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	0.00	0.00	0.00%	0.00
Skilled (3-5)	24.00	22.00	8.33%	0.00
Highly skilled production (6-8)	56.00	51.00	8.93%	0.00
Highly skilled supervision (9-12)	66.00	62.00	6.06%	0.00
Senior management (13-16)	24.00	21.00	12.5%	0.00
09 Other, Permanent	2.00	0.00	100%	0.00
Contract (levels 1-2)	0.00	0.00	0.00%	0.00
Contract (levels 3-5)	0.00	0.00	0.00%	0.00
Contract (levels 6-8)	0.00	0.00	0.00%	0.00
Contract (levels 9-12)	1.00	1.00	0.62%	0.00
Contract (levels 13-16)	1.00	1.00	0.62%	0.00
Periodical Remuneration	0.00	0.00	0.00%	0.00
Abnormal Appointment	0.00	0.00	0.00%	0.00
Total	174.00	159.00	8.62%	0.00

Table 4.2.2.3 Employment and vacancies by critical occupation as on 31 March 2021

Critical occupations	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related, Perm	59.00	54.00	8.47%	0.00
Client information clerks (e.g. switchboard	3.00	1.00	66.67%	0.00
Communication and information related	1.00	1.00	0.00%	0.00
Computer programmers	0.00	1.00	0.00%	0.00
Computer system designers and analysts	1.00	1.00	0.00%	0.00
Economists	2.00	2.00	0.00%	0.00
Finance and economics related	6.00	6.00	0.00%	0.00
Financial and related professionals	7.00	7.00	0.00%	0.00
Financial clerks and credit controllers	7.00	6.00	14.29%	0.00
Food services aids and waiters	0.00	0.00	0.00%	0.00
General legal administration and related professionals	1.00	1.00	0.00%	0.00
Human resources and organisation developed and related	11.00	11.00	0.00%	0.00
Human resources clerks	1.00	1.00	0.00%	0.00

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Critical occupations	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Human resources related	2.00	1.00	50.00%	0.00
Information technology related	0.00	0.00	0.00%	0.00
Language practitioners, interpreters and other communication	0.00	0.00	0.00%	0.00
Library mail and related clerks	2.00	2.00	0.00%	0.00
Material-recording clerks and transport clerks	0.00	0.00	0.00%	0.00
Messengers, porters and deliverers	2.00	2.00	0.00%	0.00
Other administration and related clerks and organisers	10.00	9.00	10.00%	0.00
Other administrative policy and related officers	5.00	0.00	100.00%	0.00
Other information technology personnel	2.00	0.00	100.00%	0.00
Other occupations	8.00	0.00	100.00%	0.00
Regulatory inspectors	8.00	8.00	0.00%	0.00
Risk management and security services	1.00	1.00	0.00%	0.00
Secretaries and other keyboard operating clerks	15.00	13.00	13.33%	0.00
Security guards	6.00	6.00	0.00%	0.00
Security Officers, Permanent	0.00	0.00	0.00%	0.00
Senior managers	16.00	13.00	18.75%	0.00
Trade Labourers, Permanent	1.00	1.00	0.00%	0.00
Trade/industry advisors and other related professionals	3.00	3.00	0.00%	0.00
Total	174.00	159.00	8.62%	0.00

4.2.3. Filling of SMS Posts

Table 4.2.3.1 SMS post information as on 31 March 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0%	1	100%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	1	1	100%	0	0%
Salary Level 14	6	6	100%	0	0%
Salary Level 13	14	13	92.86%	1	7.14%
Total	22	20	90.90%	2	9.09%

Table 4.2.3.2 SMS post information as on 30 September 2020

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0%	1	100%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	1	1	100%	0	0%
Salary Level 14	6	6	100%	0	0%
Salary Level 13	14	13	92.86%	1	7.14%
Total	22	20	90.90%	2	9.09%

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Table 4.2.3.3 Advertising and filling of SMS posts for the period 1 April 2020 to 31 March 2021

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant.	Number of vacancies per level filled in 6 months of becoming vacant.	Number of vacancies per level not filled in 6 months but filled in 12 months.
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	0	0	0
Total	0	0	0

Table 4.2.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2020 to 31 March 2021

Reasons for vacancies not advertised within six months
Moratorium on the filling of posts due to funds withdraw from Departments due to COVID-19
Reasons for vacancies not filled within twelve months
Moratorium on the filling of posts due to funds withdraw from Departments due to COVID-19

Table 4.2.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2020 to 31 March 2021

Reasons for vacancies not advertised within six months
Moratorium on the filling of posts due to funds withdraw from Departments due to COVID
Reasons for vacancies not filled within six months
Moratorium on the filling of posts due to funds withdraw from Departments due to COVID

4.2.4. Job Evaluation**Table 4.2.4.1 Job Evaluation by salary band for the period 1 April 2020 to 31 March 2021**

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (levels 1-2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Skilled (levels 3-5)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled production (levels 6-8)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled supervision (levels 9-12)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band A	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band B	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band C	0.00	0.00	0.00	0.00	0.00	0.00	0.00
09 Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band D	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (levels 1-2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (levels 3-5)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (levels 6-8)	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Contract (levels 9-12)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Band A)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Band B)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Band C)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Band D)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Table 4.2.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2020 to 31 March 2021

Beneficiaries	African	Asian	Coloured	White	Total
Female	0.00	0.00	0.00	0.00	0.00
Male	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00

Employees with a disability	0
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Table 4.2.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2020 to 31 March 2021

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Chief Financial Officer	1	14	15	Internal arrangement
Total number of employees whose salaries exceeded the level determined by job evaluation				1
Percentage of total employed				0.5%

Table 4.2.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2020 to 31 March 2021

Beneficiaries	African	Asian	Coloured	White	Total
Female	0.00	0.00	0.00	0.00	0.00
Male	0.00	1	0.00	0.00	1
Total	0.00	1	0.00	0.00	1

Employees with a disability	3	0.00	0.00	1	4
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Total Number of Employees whose remuneration exceeded the grade determined by job evaluation in 2020/2021	1
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4.2.5. Employment Changes

Table 4.2.5.1 Annual turnover rates by salary band for the period 1 April 2020 to 31 March 2021

Salary Band	Employment at beginning of period-April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (levels 1-2)	0.00	0.00	0.00	0.00
Skilled (levels 3-5)	24.00	0.00	0.00	0.00
Highly skilled production (levels 6-8)	49.00	0.00	0.00	0.00
Highly skilled supervision (levels 9-12)	66.00	0.00	3.00	4.50
Senior Management Service Bands A	12.00	0.00	0.00	0.00
Senior Management Service Bands B	7.00	0.00	1.00	14.30
Senior Management Service Bands C	1.00	0.00	0.00	0.00

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Salary Band	Employment at beginning of period-April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Senior Management Service Bands D	0.00	0.00	0.00	0.00
Other Permanent	30.00	2.00	30.00	100.00
Contract (Levels 1-2)	0.00	0.00	0.00	0.00
Contract (Levels 3-5)	0.00	0.00	0.00	0.00
Contract (Levels 6-8)	1.00	1.00	1.00	100.00
Contract (Levels 9-12)	1.00	0.00	1.00	100.00
Contract (Band A)	0.00	0.00	0.00	0.00
Total	192.00	3.00	36.00	18.80

Table 4.2.5.2 Annual turnover rates by critical occupation for the period 1 April 2020 to 31 March 2021

Salary Band	Employment at beginning of period-April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (levels 1-2)	0.00	0.00	0.00	0.00
Skilled (levels 3-5)	24.00	0.00	0.00	0.00
Highly skilled production (levels 6-8)	49.00	0.00	0.00	0.00
Highly skilled supervision (levels 9-12)	66.00	0.00	3.00	4.50
Senior Management Service Bands A	12.00	0.00	0.00	0.00
Senior Management Service Bands B	7.00	0.00	1.00	14.30
Senior Management Service Bands C	1.00	0.00	0.00	0.00
Senior Management Service Bands D	0.00	0.00	0.00	0.00
Other Permanent	30.00	2.00	30.00	100.00
Contract (Levels 1-2)	0.00	0.00	0.00	0.00
Contract (Levels 3-5)	0.00	0.00	0.00	0.00
Contract (Levels 6-8)	1.00	1.00	1.00	100.00
Contract (Levels 9-12)	1.00	0.00	1.00	100.00
Contract (Band A)	0.00	0.00	0.00	0.00
Total	192.00	3.00	36.00	18.80

Table 4.2.5.3 Reasons why staff left the department for the period 1 April 2020 to 31 March 2021

Termination Type	Number	% of Total Resignations
Death	1.00	2.80
Resignation	2.00	5.60
Expiry of contract	31.00	86.10
Dismissal – operational changes	0.00	0.00
Dismissal – misconduct	0.00	0.00
Dismissal – inefficiency	0.00	0.00
Discharged due to ill-health	0.00	0.00
Retirement	2.00	5.60
Transfer to other Public Service Departments	0.00	0.00
Other	0.00	0.00
Total	36.00	15.0%
Total number of employees who left as a % of total employment	94.5%	-

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Table 4.2.5.4 Promotions by critical occupation for the period 1 April 2020 to 31 March 2021

Occupation:	Employees 1 April 2020	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch promotions as a % of employees by occupation
Administrative related	62.00	0.00	0.00	50.00	80.60
Client information clerks	1.00	0.00	0.00	1.00	100.00
Communication and information related	2.00	0.00	0.00	2.00	100.00
Computer system designers and analysts	1.00	0.00	0.00	1.00	100.00
Economists	2.00	0.00	0.00	1.00	50.00
Finance and economics related	6.00	0.00	0.00	4.00	66.70
Financial and related professionals	7.00	0.00	0.00	5.00	71.40
Financial clerks and credit controllers	7.00	0.00	0.00	7.00	100.00
Food services aids and waiters	0.00	0.00	0.00	0.00	0.00
General legal administration and related professionals	2.00	0.00	0.00	1.00	50.00
Head of department	0.00	0.00	0.00	0.00	0.00
Human resources and organisational developed and related	9.00	0.00	0.00	10.00	111.00
Human resources clerk	1.00	0.00	0.00	1.00	100.00
Human resources related	1.00	0.00	0.00	0.00	0.00
Information technology related	1.00	0.00	0.00	1.00	100.00
Library mail and related clerks	1.00	0.00	0.00	0.00	0.00
Material-recording clerks and transport clerks	1.00	0.00	0.00	0.00	0.00
Messengers, porters and deliverers	2.00	0.00	0.00	2.00	100.00
Other administrative and related clerks and organisers	25.00	0.00	0.00	7.00	28.00
Other administrative policy and related officers	5.00	0.00	0.00	5.00	100.00
Other information technology personnel	2.00	0.00	0.00	2.00	100.00
Other occupations	2.00	0.00	0.00	1.00	50.00
Regulatory inspectors	11.00	0.00	0.00	9.00	81.80
Risk management and security services	1.00	0.00	0.00	1.00	100.00
Secretaries and other keyboard operating clerks	11.00	0.00	0.00	12.00	109.10
Security Guards	6.00	0.00	0.00	6.00	100.00
Security Officers	1.00	0.00	0.00	0.00	0.00
Senior managers	13.00	0.00	0.00	13.00	100.00
Trade Labourers	0.00	0.00	0.00	1.00	100.00
Statisticians and related professionals	0.00	0.00	0.00	0.00	0.00
Trade/industry advisers and other related professionals	4.00	0.00	0.00	3.00	75.00
Total	175	0.00	0.00	146.00	2073.5

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Table 4.2.5.5 Promotions by salary band for the period 1 April 2020 to 31 March 2021

Salary band	Employees 1 April 2020	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (levels 1-2)	0.00	0.00	0.00	0.00	0.00
Skilled (levels3-5)	24.00	0.00	0.00	23.00	95.80
Highly skilled production (levels 6-8)	49.00	0.00	0.00	49.00	100.00
Highly skilled supervision (levels 9-12)	66.00	0.00	0.00	55.00	83.30
Senior Management (level 13-16)	20.00	0.00	0.00	18.00	90.00
Other, Permanent	30.00	0.00	0.00	0.00	0.00
Contract (levels 1-2)	0.00	0.00	0.00	0.00	0.00
Contract (levels 3-5)	0.00	0.00	0.00	0.00	0.00
Contract (levels 6-8)	1.00	0.00	0.00	0.00	0.00
Contract (levels 9-12)	1.00	0.00	0.00	1.00	100.00
Contract (levels 13-16)	1.00	0.00	0.00	2.00	200.00
Total	192.00	0.00	0.00	148.00	669.10

4.2.6. Employment Equity**Table 4.2.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2021**

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	5.00	3.00	1.00	0.00	3.00	1.00	0.00	0.00	13.00
Professionals	14.00	1.00	0.00	0.00	2.00	8.00	5.00	4.00	29.00
Technicians and associate professionals	18.00	6.00	0.00	3.00	19.00	12.00	0.00	1.00	59.00
Clerks	5.00	2.00	0.00	0.00	14.00	10.00	0.00	2.00	33.00
Service and sales workers	1.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00
Labourers and related workers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Skilled agriculture and fishery workers	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Craft and related trades workers	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Plant and machine operators and assemblers	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Elementary occupations	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	43.00	14.00	1.00	0.00	38.00	31.00	5.00	7.00	139.00
Employees with disabilities	3.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	4.00

Table 4.2.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2021

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (L15-L16)	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	1.00
Senior Management (L13-L14)	6.00	4.00	0.00	3.00	4.00	2.00	0.00	0.00	19.00
Professionally qualified and experienced specialists and mid-management	28.00	7.00	0.00	2.00	14.00	7.00	0.00	4.00	62.00

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Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6.00	5.00	0.00	0.00	19.00	17.00	0.00	4.00	51.00
Semi-skilled and discretionary decision making	6.00	3.00	0.00	0.00	10.00	3.00	0.00	0.00	12.00
Not available, Permanent									
Unskilled and defined decision making	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Senior Management)	1.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	2.00
Contract (Professionally qualified)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Semi-skilled)	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00
Contract (Unskilled)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	47.00	19.00	1.00	5.00	48.00	31.00	0.00	8.00	148.00

Table 4.2.6.3 Recruitment for the period 1 April 2020 and 31 March 2021

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professionally qualified and experienced specialists and mid-management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Semi-skilled and discretionary decision making	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Not available, Permanent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unskilled and defined decision making	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Senior Management)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Professionally qualified)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Semi-skilled)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Unskilled)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Employees with disabilities	3.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	4.00

Table 4.2.6.4 Promotions for the period 1 April 2020 to 31 March 2021

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management	5.00	4.00	0.00	2.00	4.00	0.00	0.00	0.00	14.00
Professionally qualified and experienced specialists and mid-management	24.00	8.00	0.00	0.00	11.00	8.00	0.00	19.00	70.00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6.00	6.00	0.00	0.00	15.00	17.00	0.00	5.00	49.00

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Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Semi-skilled and discretionary decision making	5.00	3.00	0.00	0.00	12.00	3.00	0.00	0.00	0.00
Unskilled and defined decision making	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Senior Management)	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
Contract (Professionally qualified)	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00
Contract (Semi-skilled)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Unskilled)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	42.00	21.00	0.00	2.00	42.00	29.00	0.00	24.00	136.00
Employees with disabilities	3.00	-	-	1.00	-	-	-	-	4.00

Table 4.2.6.5 Terminations for the period 1 April 2020 to 31 March 2021

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Professionally qualified and experienced specialists and mid-management	1.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Semi-skilled and discretionary decision making	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Not available, Permanent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unskilled and defined decision making	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Senior Management)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Professionally qualified)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (semi-skilled)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Unskilled)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	1.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00
Employees with Disabilities	3.00	-	-	1.00	-	-	-	-	4.00

Table 4.2.6.6 Disciplinary action for the period 1 April 2020 to 31 March 2021

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Absenteeism	-	-	-	-	-	-	-	-	-
Insubordination	1	-	-	-	1	-	-	-	2
Refusing a lawful instruction	-	-	-	-	-	-	-	-	-
Non-compliance to supply chain processes	-	-	-	-	-	-	-	-	-
Non-compliance to EPMDS processes	-	1	-	1	-	-	-	-	2

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Table 4.2.6.7 Skills development for the period 1 April 2020 to 31 March 2021

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	3	-	-	1	2	1	-	1	8
Professionals	1	-	-	-	4	-	-	-	5
Technicians and associate professionals	-	-	-	-	-	-	-	-	-
Clerks	-	-	-	-	-	-	-	-	-
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
Total	4		-	1	6	1		1	13
Employees with disabilities					1				1

4.2.7. Signing of Performance Agreements by SMS Members**Table 4.2.7.1 Signing of Performance Agreements by SMS members as on 31 May 2021**

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	-	-	-	-
Salary Level 16	-	-	-	-
Salary Level 15	2	2	2	9.09%
Salary Level 14	7	7	7	31,8%
Salary Level 13	13	13	13	59,09%
Total	22	22	22	100%

Table 4.2.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2021

Reasons
N/A

Table 4.2.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2021

Reasons
N/A

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4.2.8. Performance Rewards

Table 4.2.8.1 Performance Rewards by race, gender and disability for the period 1 April 2020 to 31 March 2021

Race and Gender		Beneficiary Profile		Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	3	47	6,40	109.02	36 338.00
Female	3	45	6.70	44.07	14 691.00
Asian					
Male	0	1	0	0	0
Female	0	0	0	0	0
Coloured					
Male	1	19	5,30	20.28	20 285.00
Female	1	31	3,20	68.41	68 406.00
White					
Male	0	4	0	0	0
Female	0	8	0	0	0
Total	8	159	5,00		30 223.00

Table 4.2.8.2 Performance Rewards by salary bands for personnel below Senior Management Service for the period 1 April 2020 to 31 March 2021

Salary Bands	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Skilled (levels 3-5)	1.00	22.00	4.50	9.22	9218.00	-
Highly skilled production (levels 6-8)	1.00	51.00	2.00	15.17	15 167.00	-
Highly skilled supervision (levels 9-12)	4.00	62.00	6.50	80.58	20 146.00	-
Contract (levels1-2)	-	-	-	-	-	-
Contract (levels 3-5)	-	-	-	-	-	-
Contract (levels 9-12)	-	-	-	-	-	-
Abnormal Appointments	-	-	-	-	-	-
Total	6.00	136.00	4.30	104.97	17 495.00	

Table 4.2.8.3 Performance Rewards by critical occupations for the period 1 April 2020 to 31 March 2021

Critical Occupations		Beneficiary Profile		Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative Related	5.00	54.00	9.30	84.68	16937.00
Client information clerks	0.00	1.00	0.00	0.00	0.00
Communication and information related	0.00	1.00	0.00	0.00	0.00
Computer system designers and analysts	1.00	1.00	100.00	20.28	20285.00
Economists	0.00	2.00	0.00	0.00	0.00
Finance and economics related	0.00	6.00	0.00	0.00	0.00
Financial and related professionals	0.00	7.00	0.00	0.00	0.00
Financial clerks and credit controllers	0.00	7.00	0.00	0.00	0.00
Food services aids and waiters	0.00	0.00	0.00	0.00	0.00
General legal administration and related professionals	0.00	1.00	0.00	0.00	0.00

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Critical Occupations		Beneficiary Profile		Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Human resources and organisational development and related personnel	0.00	11.00	0.00	0.00	0.00
Human resources clerk	0.00	1.00	0.00	0.00	0.00
Human resources related	0.00	0.00	0.00	0.00	0.00
Information technology related	0.00	1.00	0.00	0.00	0.00
Library mail and related clerks	0.00	2.00	0.00	0.00	0.00
Material-recording clerks and transport clerks	0.00	0.00	0.00	0.00	0.00
Messengers porters and deliverers	0.00	2.00	0.00	0.00	0.00
Other administrative related clerks and organisers	0.00	9.00	0.00	0.00	0.00
Other administrative policy and related officers	0.00	5.00	0.00	0.00	0.00
Other information technology personnel	0.00	1.00	0.00	0.00	0.00
Other occupations	0.00	2.00	0.00	0.00	0.00
Regulatory inspectors	0.00	8.00	0.00	0.00	0.00
Risk management and security services	0.00	1.00	0.00	0.00	0.00
Secretaries and other keyboard operating clerks	0.00	13.00	0.00	0.00	0.00
Security guards	0.00	6.00	0.00	0.00	0.00
Security Officers	0.00	0.00	0.00	0.00	0.00
Senior managers	2.00	13.00	15.40	136.81	68406.00
Trade Labourers	0.00	1.00	0.00	0.00	0.00
Trade/industry advisors and other related professions	0.00	3.00	0.00	0.00	0.00
Total	8.00	159.00	5.00	241.78	30233.00

Table 4.2.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2020 to 31 March 2021

Salary Band	Number of beneficiaries			Cost		
	Number of beneficiaries	Number of employees	% of total within band	Total Cost (R'000)	Average cost per employee	Total cost as a % of the personnel expenditure
Band A	0.00	14.00	0.00	0.00	0.00	0.00
Band B	2.00	6.00	33.30	136.81	68405.90	1.40
Band C	0.00	1.00	0.00	0.00	0.00	0.00
Band D	0.00	0.00	0.00	0.00	0.00	0.00
Total	2.00	21.00	9.50	136.81	68405.90	0.50

4.2.9. Foreign Workers

Table 4.2.9.1 foreign workers by salary band for the period 1 April 2020 to 31 March 2021

Salary Band	01 April 2019	31 March 2020	Number	Change	Number	% Change
	Number	% of total		% of total		
Lower skilled	-	-	-	-	-	-
Highly skilled production (level 6-8)	-	-	-	-	-	-
Highly skilled supervision (level 9-12)	1	100%	1	0%	1	100%
Contract (level 9-12)	-	-	-	-	-	-
Contract (level 13-16)	-	-	-	-	-	-
Total	1	100%	1	0%	1	100%

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Table 4.2.9.2 foreign workers by major occupation

Major occupation	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
Economic and Advisory Support	1	100%	1	100%	0	0

4.2.10. Leave utilisation**Table 4.2.10.1 Sick leave for the period 1 January 2020 to 31 December 2020**

Salary Band	T o t a l 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 Skills (levels 1-2)	-	-	-	-	-	-
Skilled (levels 3-5)	-	-	-	-	-	-
Highly skilled production (levels 6-8)	222.00	74.80	37.00	26.60	6.00	327.00
Highly skilled supervision (levels 9 -12)	325.00	82.80	48.00	34.50	7.00	828.00
Top and Senior management (levels 13-16)	61.00	72.10	13.00	9.40	5.00	315.00
Contract (levels 1-2)	-	-	-	-	-	-
Contract (levels 3-5)	-	-	-	-	-	-
Contract Other	40	62.50	17	12.20	2.00	2.00
Contract (levels 6-8)	3	100	1	0.70	3.00	4.00
Contract (levels 13-16)	-	-	-	-	-	-
Total	651.00	392.20	116.00	83.40	23.00	1476.00

Table 4.2.10.2 Disability Leave (temporary and permanent) for the period 1 January 2020 to 31 December 2020

Salary Band	Total days	% 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)	-	-	-	-	-	-
Skilled (levels 3-5)	-	-	-	-	-	-
Highly skilled production (levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (levels 9-12)	-	-	-	-	-	-
Senior management (levels 13-16)	-	-	-	-	-	-
Total	-	-	-	-	-	-

Table 4.2.10.3 Annual Leave for the period 1 January 2020 to 31 December 2020

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (levels 1-2)	-	-	-
Skilled (levels 3-5)	485.00	24	20
Highly skilled production (levels 6-8)	1069.00	51.00	21.00
Highly skilled supervision (levels 9-12)	1299.00	65.00	20.00
Senior management (levels 13-16)	403.00	22.00	18.00
Contract (level 1-2)	-	-	-
Contract (level 3-5)	-	-	-
Contract (level 6-8)	3.00	1.00	3.00
Contract) level 9-12)	31.00	1.00	31.00
Contract Other	360.00	31.00	12.00
Contract (level 13-16)	13.00	1.00	13.00
Total	3663.00	19.00	196.00

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Table 4.2.10.4 Capped leave for the period 1 January 2020 to 31 December 2020

Salary Band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as at 31 March
Lower skilled (Levels 1-2)	-	-	-	-
Skilled Levels 3-5)	-	-	-	-
Highly skilled production (Levels 6-8)	0.00	0.00	13.00	4.00
Highly skilled supervision (Levels 9-12)	0.00	0.00	24.00	12.00
Senior management (Levels 13-16)	0.00	0.00	54.00	4.00
Total				20.00

Table 4.2.10.5 Leave pay outs for the period 1 April 2020 to 31 March 2021

Reason	Total Amount (R'000)	Number of Employees	Average per employee (R'000)
Leave payout for 2020/2021 due to non-utilisation of leave for the previous cycle.	25.00	2.00	12500.00
Capped leave payouts on termination of service for 2020/2021	264.00	2.00	132.00
Current leave payout on termination of service for 2020/2021	496.00	2.00	248.00
Total	785.00	6.00	

4.2.11. HIV/AIDS & Health Promotion Programmes**Table 4.2.11.1 Steps taken to reduce the risk of occupational exposure**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
A) HIV/AIDS, STI and TB Key population are: <ul style="list-style-type: none"> Youth Gay men Men who have sex with men; Transgender people Pregnant women Adults 	<ul style="list-style-type: none"> Hosting of Quarterly GEMS testing and screening days for staff; GEMS members Treatment Care and Support Programme interventions for all Public Servants Living with HIV AND AIDS General HIV/AIDS, STI & TB awareness programmes are conducted within the department; Increased access to a package of sexual and reproductive health (SRH) services i.e. condoms Staff capacity developed to implement the HIV/AIDS, STI & TB workplace management; Workplace/occupational health and wellness policies and strategies on HIV/AIDS, STI & TB developed.
B) COVID-19 PANDEMIC Key population are: <ul style="list-style-type: none"> Staff >18 years with co-morbidities. Staff >60 years 	<ul style="list-style-type: none"> Personal Protective Equipment (PPE) provided to all staff; COVID-19 screening and data collection at all entrances and exits; General COVID-19 education and awareness at all strategic points in the department Daily monitoring of staff to comply with all COVID-19 protocols i.e. social distance, sanitiser and wearing a mask; Departmental COVID-19 compliance reports and statistics submitted to OTP weekly; COVID-19 compliance protocols; COVID-19 Standard Operating Procedures developed; Department disinfected with each reported COVID-19 positive case; Control measures to prevent COVID-19 infections COVID-19 induction and communication procedures; COVID-19/SHERQ steering committee meetings held; Remote work arrangements for staff with comorbidities and quarantine; All departmental buildings additionally assessed for the following factors: Location; number of employees per building; nature of services rendered to public; number of client volumes per day, number of tenants sharing a building (government departments and private companies); Post COVID-19 assessment all buildings were categorised either as high risk, medium risk or low risk;

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Table 4.2.11.2 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 of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Dr Molefinyana Phera is such a designated SMS
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		We have a dedicated Employee Wellness and Diversity Management Unit, with 3 officials
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	A 3- year contract with ICAS ended in 2019. We are in the process of procuring the services of a new service provider in this regard.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		Health and Safety Committee has been established. The Members are: Dr. M. Phera (Chair) Ms. N. Mereotlhe Ms. M. Namate Mr. J. Van Zyl Ms. E. Dennis Ms. L. Molefe Mr. J. Jakavula Mr. R. Moses Mr. G. Bosman Mr. M. Makhathe and Mr. Gxotha
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 EHW policies are due for review this year. All HR policies ensures no discrimination on the basis of HIV/ AIDS Status.
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		Yes, we have policies in this regard. Workshops are conducted during HR Information Sessions to create awareness and ensure a culture free of discrimination towards department 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		Yes, we do have regular VCT programmes. the number of officials making use of this is small and feedback is given directing of those making use of this service.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Yes, A staff survey was conducted and feedback is also received from all forums in the Department.

4.2.12. Labour Relations

Table 4.2.12.1 Collective agreements for the period 1 April 2020 to 31 March 2021

Subject Matter	Total	Date
Total number of collective agreements.	0	N/A

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Table 4.2.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2020 to 31 March 2021

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	4	75
Final written warning	-	-
Suspended without pay	-	-
Fine	-	-
Demotion	-	-
Dismissal	-	-
Not guilty	-	-
Case withdrawn	1	25
Total	5	100

Total number of Disciplinary hearings finalised	0	
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Table 4.2.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2020 to 31 March 2021

Type of misconduct (based on annexure A)	Number	% of total
No misconduct addressed at disciplinary hearings	0	0
Total	0	0

Table 4.2.12.4 Grievances logged for the period 1 April 2020 to 31 March 2021

	Number	% of Total
Number of grievances resolved	0	0
Number of grievances not resolved	0	0
Total number of grievances lodged	0	0

Table 4.2.12.5 Disputes logged for the period 1 April 2020 to 31 March 2021

	Number	% of Total
Number of disputes upheld	1	100
Number of disputes dismissed	0	0
Total number of disputes lodged	1	100

Table 4.2.12.6 Strike actions for the period 1 April 2020 to 31 March 2021

Total number of persons working days lost	0
Total costs working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

Table 4.2.12.7 Precautionary suspensions for the period 1 April 2020 to 31 March 2021

Number of people suspended	0
Number of people whose suspension exceeding 30 days	0
Average number of days suspended	0
Cost (R'000) of suspension	0

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4.2.13. Skills development

Table 4.2.13.1 Training needs identified for the period 1 April 2020 to 31 March 2021

Occupational Categories	Gender	Number of employees as at 1 April 2020	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Males – 16	24	0	Leadership Management Programme	0	24
	Females - 8	-	-		-	-
Professionals	Males – 26	32	0	Advanced Project Management, Business Management	0	32
	Females – 6	-	-		-	-
Technicians and associate professionals	Males	-	-	-	-	-
	Females	-	-	-	-	-
Clerks	Males	-	-	-	-	-
	Females	-	-	-	-	-
Service and sales workers	Males	-	-	-	-	-
	Females	-	-	-	-	-
Skilled agriculture and fishery workers	Males	-	-	-	-	-
	Females	-	-	-	-	-
Craft and related trade workers	Males	-	-	-	-	-
	Females	-	-	-	-	-
Plant and machine operators and assemblers	Males	-	-	-	-	-
	Females	-	-	-	-	-
Elementary occupations	Males	-	-	-	-	-
	Females	-	-	-	-	-
Sub Total	Males	42	0		0	42
	Females	14	0		0	14
TOTAL		56	0		0	56

Table 4.2.13.2 Training provided for the period for the period 1 April 2019 to 31 March 2020

Occupational Categories	Gender	Number of employees as at 1 April 2018	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4	0	Change Management Skills Programme	-	4
	Male	4	0	Change Management Skills Programme	-	4
Professionals	Female	4	0	Change Management Skills Programme	-	4
	Male	1	0	Change Management Skills Programme	-	1
Technicians and associate professionals	Female	-	-	-	-	-
	Male	-	-	-	-	-
Clerks	Female	-	-	-	-	-
	Male	-	-	-	-	-
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-

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For the year ended the 31 March 2021

Occupational Categories	Gender	Number of employees as at 1 April 2018	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trade workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	-	-
	Male	-	-	-	-	-
Sub Total	Female	8	-	-	-	8
	Male	5	-	-	-	5
Total		13	-	-	-	-

4.2.14. Injury on duty

Table 4.2.14.1 Injury on duty for the period 1 April 2020 to 31 March 2021

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	0	0

4.2.15. Utilisation of Consultants

Table 4.2.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2020 to 31 March 2021

Project Title		Total Number of consultants that worked on project	Duration Work days	Contract value in Rand
1	The Hakskeenpan Tourism Development Project	5	94	212 400.00
2	The Northern Cape Social Accounting Matrix and Macroeconomic Modelling System	3	21	460 000.00
3	Reconciliation of receivables	1	30	483 000.00
4	Management of Skate Park	2	365	2 049 620.05
5	Project Managers on the face masks manufacturing project	3	30	264 000.00
Total number of projects		Total individual consultants	Total duration Work days	Total contract value in Rand
5		14	540	3 469 020.05

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Table.4.2.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2020 to 31 March 2021

Project Title		Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
1	The Hakskeenpan Tourism Development Project	100%	100%	5
2	The Northern Cape Social Accounting Matrix and Macroeconomic Modelling System	10%	10%	3
3	Reconciliation of receivables	100%	100%	1
4	Management of Skate Park	100%	100%	2
5	Project Managers on the face masks manufacturing project	100%	100%	3

Table.4.2.15.3 Report on consultant appointments using donor funds for the period 1 April 2020 to 31 March 2021

Project Title		Total number of consultants that worked on project	Duration (work days)	Donor and contract value in Rand
1	N/A	-	-	-

Total Number of projects		Total individual consultants	Total Duration (work days)	Total contract value in Rand
1	N/A	-	-	-

Table.4.2.15.4 Analysis of consultant appointments using donor funds in terms of Historically Disadvantaged individuals (HDIs) for the period 1 April 2020 to 31 March 2021

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
N/A	-	-	-

Severance Packages

Table.4.2.16.1 Granting of employee initiated severance packages for the period 1 April 2020 to 31 March 2022

Salary Band	Number of applications received	Number of applications referred to MPSA	Number of applications supported by MPSA	Number of packages approved by the department
Lower skilled (Levels 1-2)	-	-	-	-
Skilled (Levels 3 -5)	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-
Highly Skilled supervision (Levels 9-12)	1	1	1	1
Senior Management (Levels 13-16)	1	1	1	1

PART E: **FINANCIAL** **INFORMATION**



PART E: FINANCIAL INFORMATION

5.1 REPORT OF THE AUDITOR GENERAL

Report of the auditor-general to Northern Cape Provincial Legislature on vote no. 6: Department of Economic Development and Tourism

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Economic Development and Tourism set out on pages 168 to 239, which comprise the appropriation statement, statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Economic Development and Tourism as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2020 (Act No. 4 of 2020) (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

Restatement of corresponding figures

6. As disclosed in note 27 to the financial statements, the corresponding figures for 31 March 2020 were restated as a result of errors in the financial statements of the department at, and for the year ended, 31 March 2021.

Material underspending of the vote

7. As disclosed in the appropriation statement, the department materially underspent the budget by R3 060 000 on administration, integrated economic development services, trade and sector development, business regulation and governance, economic planning and tourism.

Other matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

9. The supplementary information set out on pages 230 to 239 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting office for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS prescribed by National Treasury and the requirements of the PFMA and DoRA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Introduction and scope

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the department's annual performance report for the year ended 31 March 2021:

Programmes	Pages in the annual performance report
Programme 6 – Tourism	105 – 111

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not identify material findings on the usefulness and reliability of the reported performance information for the following programme:

- Programme 6: Tourism

Achievement of planned targets

19. Refer to the annual performance report on pages 67 to 117 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

Adjustment of material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Tourism. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the departments's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
22. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

23. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1) (b) of the PFMA. Material misstatements of current assets and disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified opinion.

Expenditure Management

24. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R4 413 000, as disclosed in note 20 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance with the Supply Chain Management regulations.

Procurement and contract management

25. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by treasury regulations 16A6.1. Similar non-compliance was also reported in the prior year.

Consequence management

26. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.

Other information

27. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
28. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
29. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

31. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.
32. There were material findings identified in the financial statements which were addressed and corrected, the annual performance report had amendments as leadership did not adequately review the reports before submission for auditing.
33. The department's internal processes and systems did not prevent material misstatements in the financial statements and material non-compliance from occurring.
34. The department did conduct a risk assessment as required by the PFMA however the risk assessment performed was not adequate to detect or prevent the control deficiencies identified.

Other reports

35. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters.

These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

36. An investigation was conducted by the South African Police Services to probe the manner in which some projects utilized funds advanced as transfer payments by the department. The investigation aims to establish whether the funds were utilized for the intended purpose and in accordance with approved business plans. The investigation has been referred to the National Prosecution Authority for a final decision at the reporting date.
37. An investigation is being conducted by the South African Police Services on request by the department. The investigation was initiated based on the allegation of possible misappropriation of uncut diamonds that was acquired by the department. The investigation was still ongoing at the reporting date.

Auditor General

Kimberley

30 July 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the [consolidated and separate] financial statements and the procedures performed on reported performance information for selected programmes and on the department’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Department of Economic Development and Tourism to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a department to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

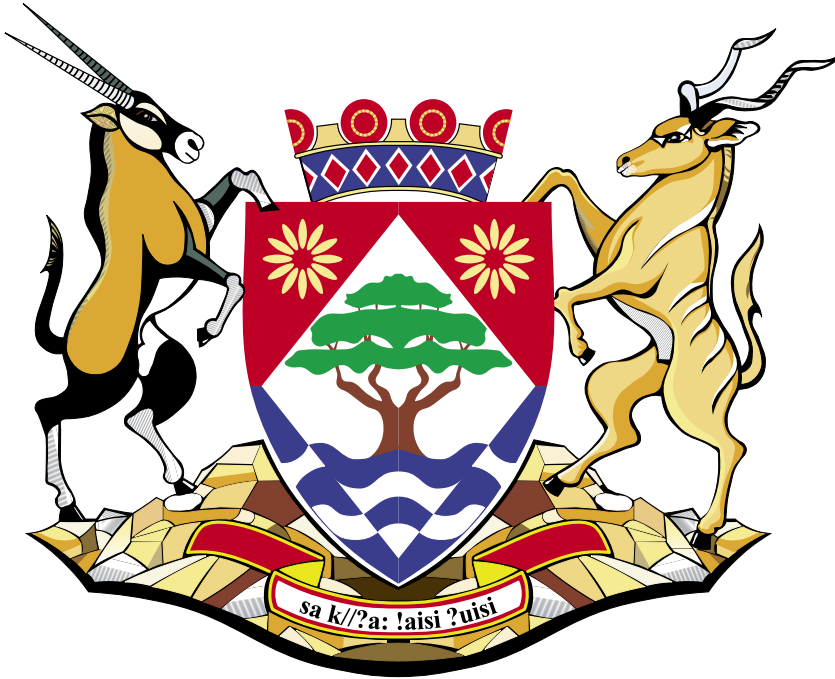
3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

5.2. ANNUAL FINANCIAL STATEMENTS



**ANNUAL FINANCIAL STATEMENTS
FOR DEPARTMENT OF ECONOMIC
DEVELOPMENT AND TOURISM**

For the year ended
31 March 2021

ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

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APPROPRIATION STATEMENT

For the year ended the 31 March 2021

Appropriation per programme									
2020/21								2019/20	
	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
Programme									
1. Administration	55,658	-	(2,934)	52,724	51,697	1,027	98.1%	65,907	65,907
2. Integrated Economic Development Services	61,221	-	(3,131)	58,090	57,988	102	99.8%	36,685	35,917
3. Trade and Sector Development	48,303	-	2,960	51,263	51,237	26	99.9%	51,529	50,854
4. Business Regulation and Governance	41,043	-	(476)	40,567	40,331	236	99.4%	43,415	43,415
5. Economic Planning	20,116	-	(219)	19,897	19,813	84	99.6%	22,554	20,884
6. Tourism	52,259	-	3,800	56,059	54,474	1,585	97.2%	90,879	88,542
Subtotal	278,600	-	-	278,600	275,540	3,060	98.9%	310,969	305,519
TOTAL	278,600	-	-	278,600	275,540	3,060	98.9%	310,969	305,519

	2020/21			2019/20	
	Final Appropriation	Actual Expenditure		Final Appropriation	Actual Expenditure
TOTAL (brought forward)					
Actual amounts per statement of financial performance (total revenue)	278,600	-		310,969	-
Actual amounts per statement of financial performance (total expenditure)		275,540			305,519

APPROPRIATION STATEMENT

For the year ended the 31 March 2021

Appropriation per economic classification									
2020/21								2019/20	
	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
Economic classification									
Current payments	149,374	(2,230)	(3,298)	143,846	142,490	1,356	99.1%	202,281	201,859
Compensation of employees	101,394	(1,296)	(381)	99,717	99,481	236	99.8%	107,497	107,323
Salaries and wages	87,846	(1,274)	(224)	86,348	86,348	-	100.0%	93,986	93,812
Social contributions	13,548	(22)	(157)	13,369	13,133	236	98.2%	13,511	13,511
Goods and services	47,980	(934)	(2,917)	44,129	43,009	1,120	97.5%	94,784	94,536
Administrative fees	227	(7)	-	220	220	-	100.0%	2,769	2,769
Advertising	1,083	134	-	1,217	1,217	-	100.0%	3,769	3,769
Minor assets	108	(7)	-	101	101	-	100.0%	96	96
Audit costs:									
External	3,029	(75)	(343)	2,611	2,611	-	100.0%	3,407	3,407
Bursaries:									
Employees	290	269	-	559	559	-	100.0%	941	941
Catering:									
Departmental activities	363	(66)	(53)	244	244	-	100.0%	2,402	2,402
Communication	1,796	367	(238)	1,925	1,925	-	100.0%	2,152	2,152
Computer services	1,598	243	(110)	1,731	1,731	-	100.0%	1,397	1,397
Consultants:									
Business and advisory services	3,872	(394)	(9)	3,469	3,469	-	100.0%	2,218	1,970
Legal services	106	(85)	-	21	21	-	100.0%	834	834
Contractors	355	148	2,894	3,397	2,277	1,120	67.0%	24,369	24,369
Agency and support / outsourced services	20	3	-	23	23	-	100.0%	24	24
Fleet services	503	(40)	(16)	447	447	-	100.0%	843	843
Consumable supplies	5,311	(790)	(3,319)	1,202	1,202	-	100.0%	2,261	2,261
Consumable:									
Stationery, printing and office supplies	246	(43)	(27)	176	176	-	100.0%	613	613
Operating leases	11,267	67	(1,058)	10,276	10,276	-	100.0%	10,002	10,002
Property Payments	13,730	811	204	14,745	14,745	-	100.0%	14,929	14,929
Travel and subsistence	3,434	(1,269)	(825)	1,340	1,340	-	100.0%	17,687	17,687
Training and development	362	(313)	-	49	49	-	100.0%	1,082	1,082
Operating payments	241	24	-	265	265	-	100.0%	511	511
Venues and facilities	39	89	(17)	111	111	-	100.0%	2,478	2,478

APPROPRIATION STATEMENT

For the year ended the 31 March 2021

Appropriation per economic classification									
2020/21								2019/20	
	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
Transfers and subsidies	127,514	1,401	1,647	130,562	129,783	779	99.4%	103,400	98,612
Provinces and municipalities	2,740	(60)	(155)	2,525	2,525	-	100.0%	5,010	4,860
Provinces	-	-	-	-	-	-	-	2,000	2,000
Provincial agencies and funds	-	-	-	-	-	-	-	2,000	2,000
Municipalities	2,740	(60)	(155)	2,525	2,525	-	100.0%	3,010	2,860
Municipal bank accounts	2,740	(60)	(155)	2,525	2,525	-	100.0%	3,010	2,860
Departmental agencies and accounts	113,467	2,989	2281	118,737	118,737	-	100.0%	85,061	84,386
Departmental agencies and accounts	113,467	2,989	2281	118,737	118,737	-	100.0%	85,061	84,386
Higher education institutions	1,540	(1,040)	-	500	500	-	100.0%	1,963	89
Public corporations and private enterprises	7,369	(205)	(273)	6,891	6,691	200	97.1%	8,582	6,493
Private enterprises	7,369	(205)	(273)	6,891	6,691	200	97.1%	8,582	6,493
Other transfers to private enterprises	7,369	(205)	(273)	6,891	6,691	200	97.1%	8,582	6,493
Households	2,398	(283)	(206)	1,909	1,330	579	69.7%	2,784	2,784
Social benefits	2,398	(343)	(206)	1,849	1,270	579	68.7%	784	784
Other transfers to households	-	60	-	60	60	-	100.0%	2,000	2,000
Payments for capital assets	1,712	829	1,651	4,192	3,267	925	77.9%	5,288	5,048
Buildings and other fixed structures	-	-	1,282	1,282	1,282	-	100.0%	2,799	2,799
Buildings	-	-	1,282	1,282	1,282	-	100.0%	2,799	2,799
Machinery and equipment	1,707	834	369	2,910	1,985	925	68.2%	2,489	2,249
Transport equipment	1,005	(138)	94	961	961	-	100.0%	953	953
Other machinery and equipment	702	972	275	1,949	1,024	925	52.5%	1,536	1,296
Software and other intangible assets	5	(5)	-	-	-	-	-	-	-
Total	278,600	-	-	278,600	275,540	3,060	98.9%	310,969	305,519

APPROPRIATION STATEMENT

For the year ended the 31 March 2021

Programme 1: ADMINISTRATION									
2020/21							2019/20		
	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expendi-ture as % of final ap-propria-tion	Final Appropriation	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Office of the MEC	144	(144)	-	-	-	-	-	942	942
2. Office of the HOD	3,163	(275)	-	2,888	2,888	-	100.0%	4,439	4,439
3. Corporate Services	23,001	495	(206)	23,290	22,711	579	97.5%	27,553	27,553
4. Financial Management	29,350	(76)	(2,728)	26,546	26,098	448	98.3%	32,973	32,973
Total for sub programmes	55,658	-	(2,934)	52,724	51,697	1,027	98.1%	65,907	65,907
Economic classification									
Current payments	53,801	(447)	(2,574)	50,780	50,780	-	100.0%	64,723	64,723
Compensation of employees	37,604	-	234	37,838	37,838	-	100.0%	42,816	42,816
Salaries and wages	32,422	(71)	216	32,567	32,567	-	100.0%	37,098	37,098
Social contributions	5,182	71	18	5,271	5,271	-	100.0%	5,718	5,718
Goods and services	16,197	(447)	(2,808)	12,942	12,942	-	100.0%	21,907	21,907
Administrative fees	150	(10)	-	140	140	-	100.0%	698	698
Advertising	73	-	-	73	73	-	100.0%	1,008	1,008
Minor assets	15	(8)	-	7	7	-	100.0%	37	37
Audit costs: External	3,029	(75)	(343)	2,611	2,611	-	100.0%	3,407	3,407
Bursaries: Employees	183	74	-	257	257	-	100.0%	471	471
Catering: Departmental activities	150	(43)	-	107	107	-	100.0%	751	751
Communication	656	464	-	1,120	1,120	-	100.0%	794	794
Computer services	1,477	236	-	1,713	1,713	-	100.0%	1,373	1,373
Consultants: Business and advisory services	-	-	-	-	-	-	-	51	51
Legal services	-	-	-	-	-	-	-	745	745
Contractors	2	118	-	120	120	-	100.0%	337	337
Agency and support / outsourced services	20	3	-	23	23	-	100.0%	24	24
Fleet services	127	(26)	-	101	101	-	100.0%	145	145
Consumable supplies	2,480	(53)	(1,407)	1,020	1,020	-	100.0%	2,063	2,063
Consumable: Stationery, printing and office supplies	123	7	-	130	130	-	100.0%	427	427
Operating leases	3,888	-	(1,058)	2,830	2,830	-	100.0%	1,976	1,976
Property payments	2,270	(4)	-	2,266	2,266	-	100.0%	2,114	2,114
Travel and subsistence	1,020	(771)	-	249	249	-	100.0%	4,798	4,798
Training and development	340	(340)	-	-	-	-	-	169	169
Operating payments	194	(19)	-	175	175	-	100.0%	268	268
Venue and facilities	-	-	-	-	-	-	-	251	251
Transfers and subsidies	1,215	-	(361)	854	275	579	32.2%	558	558
Provinces and municipalities	215	(60)	(155)	-	-	-	-	110	110
Municipalities	215	(60)	(155)	-	-	-	-	110	110
Municipal bank accounts	215	(60)	(155)	-	-	-	-	110	110

APPROPRIATION STATEMENT

For the year ended the 31 March 2021

Programme 1: ADMINISTRATION									
2020/21								2019/20	
	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
Households	1,000	60	(206)	854	275	579	32.2%	448	448
Social benefits	1,000	-	(206)	794	215	579	27.1%	448	448
Other transfers to households	-	60	-	60	60	-	100.0%	-	-
Payments for capital assets	642	447	1	1090	642	448	58.9%	626	626
Machinery and equipment	642	447	1	1090	642	448	58.9%	626	626
Transport equipment	394	(193)	-	201	201	-	100.0%	286	286
Other machinery and equipment	248	640	1	889	441	448	49.6%	340	340
Total	55,658	-	(2,934)	52,724	51,697	1,027	98.1%	65,907	65,907

1.1 OFFICE OF THE MEC

2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	144	(144)	-	-	-	-	-	942	942
Goods and services	144	(144)	-	-	-	-	-	942	942
Total	144	(144)	-	-	-	-	-	942	942

1.2 OFFICE OF THE HOD

2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	3,010	(310)	-	2,700	2,700	-	100.0%	4,260	4,260
Compensation of employees	2,362	55	-	2,417	2,417	-	100.0%	2,896	2,896
Goods and services	648	(365)	-	283	283	-	100.0%	1,364	1,364
Payments for capital assets	153	35	-	188	188	-	100.0%	179	179
Machinery and equipment	153	35	-	188	188	-	100.0%	179	179
Total	3,163	(275)	-	2,888	2,888	-	100.0%	4,439	4,439

APPROPRIATION STATEMENT

For the year ended the 31 March 2021

1.3 CORPORATE SERVICES									
2020/21								2019/20	
	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expend-iture	Variance	Expend-iture as % of final appropriation	Final Appropriation	Actual expendi-ture
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	21,924	458	-	22,382	22,382	-	100.0%	27,066	27,066
Compensation of employees	19,916	(59)	-	19,857	19,857	-	100.0%	23,226	23,226
Goods and services	2,008	517	-	2,525	2,525	-	100.0%	3,840	3,840
Transfers and subsidies	1,000	-	(206)	794	215	579	27.1%	323	323
Households	1,000	-	(206)	794	215	579	27.1%	323	323
Payments for capital assets	77	37	-	114	114	-	100.0%	164	164
Machinery and equipment	77	37	-	114	114	-	100.0%	164	164
Total	23,001	495	(206)	23,290	22,711	579	97.5%	27,553	27,553

1.4 FINANCIAL MANAGEMENT									
2020/21								2019/20	
	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expend-iture	Variance	Expend-iture as % of final appropriation	Final Appropriation	Actual expendi-ture
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	28,723	(451)	(2,574)	25,698	25,698	-	100.0%	32,455	32,455
Compensation of employees	15,326	4	234	15,564	15,564	-	100.0%	16,694	16,694
Goods and services	13,397	(455)	(2,808)	10,134	10,134	-	100.0%	15,761	15,761
Transfers and subsidies	215	-	(155)	60	60	-	100.0%	235	235
Provinces and municipalities	215	(60)	(155)	-	-	-	-	110	110
Households	-	60	-	60	60	-	100.0%	125	125
Payments for capital assets	412	375	1	788	340	448	43.1%	283	283
Machinery and equipment	412	375	1	788	340	448	43.1%	283	283
Total	29,350	(76)	(2,728)	26,546	26,098	448	98.3%	32,973	32,973

APPROPRIATION STATEMENT

For the year ended the 31 March 2021

Programme 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES									
2020/21								2019/20	
	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expendi-ture as % of final appropri-ation	Final Appro- priation	Actual expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Enterprise Development	43,079	(35)	(2,358)	40,686	40,686	-	100.0%	13,637	13,073
2. Regional and Local Economic Development	6,683	(30)	(376)	6,277	6,277	-	100.0%	7,603	7,399
3. Economic Empowerment	5,302	24	(171)	5,155	5,155	-	100.0%	5,621	5,621
4. Economic Growth and Development Fund	-	-	-	-	-	-	-	3,902	3,902
5. Office of the Chief Director	6,157	41	(226)	5,972	5,870	102	98.3%	5,922	5,922
Total for sub programmes	61,221	-	(3,131)	58,090	57,988	102	99.8%	36,685	35,917
Economic classification									
Current payments	23,662	(61)	(3,131)	20,470	20,470	-	100.0%	23,044	22,870
Compensation of employees	15,404	(61)	(342)	15,001	15,001	-	100.0%	15,907	15,733
Salaries and wages	13,363	9	(264)	13,108	13,108	-	100.0%	14,069	13,895
Social contributions	2,041	(70)	(78)	1,893	1,893	-	100.0%	1,838	1,838
Goods and services	8,258	-	(2,789)	5,469	5,469	-	100.0%	7,137	7,137
Administrative fees	16	(2)	-	14	14	-	100.0%	199	199
Advertising	460	-	-	460	460	-	100.0%	826	826
Minor assets	93	1	-	94	94	-	100.0%	15	15
Bursaries: Employees-	-	32	-	32	32	-	100.0%	194	194
Catering: Departmental activities	73	(31)	-	42	42	-	100.0%	241	241
Communication	290	(3)	(105)	182	182	-	100.0%	256	256
Consultants: Business and advisory services	132	483	-	615	615	-	100.0%	-	-
Contractors	48	-	(48)	-	-	-	-	26	26
Fleet services	30	(1)	-	29	29	-	100.0%	121	121
Consumable supplies	2,423	(499)	(1,893)	31	31	-	100.0%	25	25
Consumable: Stationery, printing and office supplies	41	(10)	(17)	14	14	-	100.0%	57	57
Operating leases	2,142	-	-	2,142	2,142	-	100.0%	1,983	1,983
Property payments	1,622	-	(55)	1,567	1,567	-	100.0%	1,463	1,463
Travel and subsistence	861	3	(654)	210	210	-	100.0%	1,381	1,381
Training and development	-	22	-	22	22	-	100.0%	-	-
Operating payments	8	7	-	15	15	-	100.0%	36	36
Venues and facilities	19	(2)	(17)	-	-	-	-	314	314
Transfers and subsidies	37,191	-	-	37,191	37,191	-	100.0%	11,597	11,243
Provinces and municipalities	2,025	-	-	2,025	2,025	-	100.0%	2,150	2,000
Provinces	-	-	-	-	-	-	-	2,000	2,000
Provincial agencies and funds	-	-	-	-	-	-	-	2,000	2,000
Municipalities	2,025	-	-	2,025	2,025	-	100.0%	150	-
Municipal bank accounts	2,025	-	-	2,025	2,025	-	100.0%	150	-

APPROPRIATION STATEMENT

For the year ended the 31 March 2021

Programme 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES									
2020/21								2019/20	
	Adjusted Appropriation	Shift-ing 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
Departmental agencies and accounts	35,166	-	-	35,166	35,166	-	100.0%	5,006	5,006
Departmental agencies	35,166	-	-	35,166	35,166	-	100.0%	5,006	5,006
Higher education institutions	-	-	-	-	-	-	-	293	89
Public corporations and private enterprises	-	-	-	-	-	-	-	3,902	3,902
Private enterprises	-	-	-	-	-	-	-	3,902	3,902
Other transfers to private enterprises	-	-	-	-	-	-	-	3,902	3,902
Households	-	-	-	-	-	-	-	246	246
Social benefits	-	-	-	-	-	-	-	246	246
Payments for capital assets	368	61	-	429	327	102	76.2%	2,044	1,804
Buildings and other fixed structures	-	-	-	-	-	-	-	1,376	1,376
Buildings	-	-	-	-	-	-	-	1,376	1,376
Machinery and equipment	363	66	-	429	327	102	76.2%	668	428
Transport equipment	97	(37)	-	60	60	-	100.0%	134	134
Other machinery and equipment	266	103	-	369	267	102	72.4%	534	294
Software and other intangible assets	5	(5)	-	-	-	-	-	-	-
Total	61,221	-	(3,131)	58,090	57,988	102	99.8%	36,685	35,917

2.1 ENTERPRISE DEVELOPMENT									
2020/21								2019/20	
	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	7,740	-	(2,358)	5,382	5,382	-	100.0%	6,445	6,271
Compensation of employees	4,130	-	(77)	4,053	4,053	-	100.0%	4,861	4,687
Goods and services	3,610	-	(2,281)	1,329	1,329	-	100.0%	1,584	1,584
Transfers and subsidies	35,166	-	-	35,166	35,166	-	100.0%	5,386	5,236
Provinces and municipalities	-	-	-	-	-	-	-	150	-
Departmental agencies and accounts	35,166	-	-	35,166	35,166	-	100.0%	5,006	5,006
Households	-	-	-	-	-	-	-	230	230
Payments for capital assets	173	(35)	-	138	138	-	100.0%	1,806	1,566
Buildings and other fixed structures	-	-	-	-	-	-	-	1,376	1,376
Machinery and equipment	173	(35)	-	138	138	-	100.0%	430	190
Total	43,079	(35)	(2,358)	40,686	40,686	-	100.0%	13,637	13,073

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For the year ended the 31 March 2021

2.2 REGIONAL AND LOCAL ECONOMIC DEVELOPMENT									
2020/21								2019/20	
	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expendi-ture as % of final appropriation	Final Appropriation	Actual expendi-ture
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4,628	-	(376)	4,252	4,252	-	100.0%	5,275	5,275
Compensation of employees	4,232	-	(84)	4,148	4,148	-	100.0%	4,200	4,200
Goods and services	396	-	(292)	104	104	-	100.0%	1,075	1,075
Transfers and subsidies	2,025	-	-	2,025	2,025	-	100.0%	2,309	2,105
Provinces and municipalities	2,025	-	-	2,025	2,025	-	100.0%	2,000	2,000
Higher Education	-	-	-	-	-	-	-	293	89
Households	-	-	-	-	-	-	-	16	16
Payments for capital assets	30	(30)	-	-	-	-	-	19	19
Machinery and equipment	25	(25)	-	-	-	-	-	19	19
Software and other intangible assets	5	(5)	-	-	-	-	-	-	-
Total	6,683	(30)	(376)	6,277	6,277	-	100.0%	7,603	7,399

2.3 ECONOMIC EMPOWERMENT									
2020/21								2019/20	
	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expendi-ture as % of final appropriation	Final Appropriation	Actual expendi-ture
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5,284	-	(171)	5,113	5,113	-	100.0%	5,590	5,590
Compensation of employees	5,178	-	(154)	5,024	5,024	-	100.0%	5,057	5,057
Goods and services	106	-	(17)	89	89	-	100.0%	533	533
Payments for capital assets	18	24	-	42	42	-	100.0%	31	31
Machinery and equipment	18	24	-	42	42	-	100.0%	31	31
Total	5,302	24	(171)	5,155	5,155	-	100.0%	5,621	5,621

2.4 ECONOMIC GROWTH AND DEVELOPMENT FUND									
2020/21								2019/20	
	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expendi-ture as % of final appropriation	Final Appropriation	Actual expendi-ture
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	-	-	-	-	-	-	-	3,902	3,902
Public corporations and private enterprises	-	-	-	-	-	-	-	3,902	3,902
Total	-	-	-	-	-	-	-	3,902	3,902

APPROPRIATION STATEMENT

For the year ended the 31 March 2021

2.5 OFFICE OF THE CHIEF DIRECTOR									
2020/21								2019/20	
	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expendi-ture as % of final appropri-ation	Final Appropriation	Actual expendi-ture
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	6,010	(61)	(226)	5,723	5,723	-	100.0%	5,734	5,734
Compensation of employees	1,864	(61)	(27)	1,776	1,776	-	100.0%	1,789	1,789
Goods and services	4,146	-	(199)	3,947	3,947	-	100.0%	3,945	3,945
Payments for capital assets	147	102	-	249	147	102	59.0%	188	188
Machinery and equipment	147	102	-	249	147	102	59.0%	188	188
Total	6,157	41	(226)	5,972	5,870	102	98.3%	5,922	5,922

Programme 3: TRADE AND SECTOR DEVELOPMENT									
2020/21								2019/20	
	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expendi-ture as % of final appropri-ation	Final Appropriation	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Trade and Investment Promotion	27,174	2,903	3,059	33,136	33,136	-	100.0%	25,679	25,679
2. Sector Development	8,295	(791)	-	7,504	7,504	-	100.0%	9,064	9,064
3. Strategic Initiatives	4,996	(770)	(99)	4,127	4,127	-	100.0%	7,928	7,253
4. Office of the Chief Director	7,838	(1,342)	-	6,496	6,470	26	99.6%	8,858	8,858
Total for sub programmes	48,303	-	2,960	51,263	51,237	26	99.9%	51,529	50,854
Economic classification									
Current payments	18,782	(1,514)	(99)	17,169	17,169	-	100.0%	27,868	27,868
Compensation of employees	11,293	(782)	(64)	10,447	10,447	-	100.0%	11,433	11,433
Salaries and wages	9,933	(735)	(64)	9,134	9,134	-	100.0%	10,071	10,071
Social contributions	1,360	(47)	-	1,313	1,313	-	100.0%	1,362	1,362
Goods and services	7,489	(732)	(35)	6,722	6,722	-	100.0%	16,435	16,435
Administrative fees	17	(9)	-	8	8	-	100.0%	837	837
Advertising	476	144	-	620	620	-	100.0%	1,064	1,064
Minor assets	-	-	-	-	-	-	-	12	12
Bursaries: Employees	22	75	-	97	97	-	100.0%	24	24
Catering: Departmental activities	62	7	-	69	69	-	100.0%	154	154
Communication	264	(71)	-	193	193	-	100.0%	291	291
Consultants: Business and advisory services	632	(500)	-	132	132	-	100.0%	-	-
Contractors	-	-	-	-	-	-	-	87	87
Fleet services	20	9	-	29	29	-	100.0%	38	38
Consumable supplies	306	(244)	-	62	62	-	100.0%	17	17
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	78	78
Operating leases	1,231	(1)	-	1,230	1,230	-	100.0%	1,429	1,429

APPROPRIATION STATEMENT

For the year ended the 31 March 2021

Programme 3: TRADE AND SECTOR DEVELOPMENT									
2020/21								2019/20	
	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expendi-ture as % of final appropriation	Final Appropriation	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Property payments	3,855	88	-	3,943	3,943	-	100.0%	5,722	5,722
Travel and subsistence	597	(356)	(35)	206	206	-	100.0%	5,148	5,148
Training and development	-	-	-	-	-	-	-	14	14
Operating payments	7	15	-	22	22	-	100.0%	92	92
Venues and facilities	-	111	-	111	111	-	100.0%	1,428	1,428
Transfers and subsidies	29,438	1,401	3,059	33,898	33,898	-	100.0%	23,479	22,804
Departmental agencies and accounts	24,972	2,989	3,059	31,020	31,020	-	100.0%	23,479	22,804
Departmental agencies	24,972	2,989	3,059	31,020	31,020	-	100.0%	23,479	22,804
Public corporations and private enterprises	3,069	(1,245)	-	1,824	1,824	-	100.0%	-	-
Private enterprises	3,069	(1,245)	-	1,824	1,824	-	100.0%	-	-
Other transfers to private enterprises	3,069	(1,245)	-	1,824	1,824	-	100.0%	-	-
Households	1,397	(343)	-	1,054	1,054	-	100.0%	-	-
Social benefits	1,397	(343)	-	1,054	1,054	-	100.0%	-	-
Payments for capital assets	83	113	-	196	170	26	86.7%	182	182
Machinery and equipment	83	113	-	196	170	26	86.7%	182	182
Transport equipment	45	22	-	67	67	-	100.0%	63	63
Other machinery and equipment	38	91	-	129	103	26	79.8%	119	119
Total	48,303	-	2,960	51,263	51,237	26	99.9%	51,529	50,854

3.1 TRADE AND INVESTMENT PROMOTION

2020/21								2019/20	
	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expendi-ture as % of final appropriation	Final Appropriation	Actual expendi-ture
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4,656	206	-	4,862	4,862	-	100.0%	7,292	7,292
Compensation of employees	3,504	(200)	-	3,304	3,304	-	100.0%	3,340	3,340
Goods and services	1,152	406	-	1,558	1,558	-	100.0%	3,952	3,952
Transfers and subsidies	22,473	2,669	3,059	28,201	28,201	-	100.0%	18,304	18,304
Departmental agencies and accounts	22,473	2,669	3,059	28,201	28,201	-	100.0%	18,304	18,304
Payments for capital assets	45	28	-	73	73	-	100.0%	83	83
Machinery and equipment	45	28	-	73	73	-	100.0%	83	83
Total	27,174	2,903	3,059	33,136	33,136	-	100.0%	25,679	25,679

APPROPRIATION STATEMENT

For the year ended the 31 March 2021

3.2 SECTOR DEVELOPMENT

2020/21								2019/20	
	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5,226	(564)	-	4,662	4,662	-	100.0%	5,544	5,544
Compensation of employees	4,453	19	-	4,472	4,472	-	100.0%	4,645	4,645
Goods and services	773	(583)	-	190	190	-	100.0%	899	899
Transfers and subsidies	3,069	(250)	-	2,819	2,819	-	100.0%	3,500	3,500
Departmental agencies and accounts	-	2,819	-	2,819	2,819	-	100.0%	3,500	3,500
Public corporations and private enterprises	3,069	(3,069)	-	-	-	-	-	-	-
Payments for capital assets	-	23	-	23	23	-	100.0%	20	20
Machinery and equipment	-	23	-	23	23	-	100.0%	20	20
Total	8,295	(791)	-	7,504	7,504	-	100.0%	9,064	9,064

3.3 STRATEGIC INITIATIVES

2020/21								2019/20	
	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2,497	(118)	(99)	2,280	2,280	-	100.0%	6,234	6,234
Compensation of employees	2,068	(23)	(64)	1,981	1,981	-	100.0%	2,017	2,017
Goods and services	429	(95)	(35)	299	299	-	100.0%	4,217	4,217
Transfers and subsidies	2,499	(675)	-	1,824	1,824	-	100.0%	1,675	1,000
Departmental agencies and accounts	2,499	(2,499)	-	-	-	-	-	1,675	1,000
Public corporations and private enterprises	-	1,824	-	1,824	1,824	-	100.0%	-	-
Payments for capital assets	-	23	-	23	23	-	100.0%	19	19
Machinery and equipment	-	23	-	23	23	-	100.0%	19	19
Total	4,996	(770)	(99)	4,127	4,127	-	100.0%	7,928	7,253

APPROPRIATION STATEMENT

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3.4 OFFICE OF THE CHIEF DIRECTOR

2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	6,403	(1,038)	-	5,365	5,365	-	100.0%	8,798	8,798
Compensation of employees	1,268	(578)	-	690	690	-	100.0%	1,431	1,431
Goods and services	5,135	(460)	-	4,675	4,675	-	100.0%	7,367	7,367
Transfers and subsidies	1,397	(343)	-	1,054	1,054	-	100.0%	-	-
Households	1,397	(343)	-	1,054	1,054	-	100.0%	-	-
Payments for capital assets	38	39	-	77	51	26	66.2%	60	60
Machinery and equipment	38	39	-	77	51	26	66.2%	60	60
Total	7,838	(1,342)	-	6,496	6,470	26	99.6%	8,858	8,858

Programme 4: BUSINESS REGULATION AND GOVERNANCE

2020/21								2019/20	
	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
Sub programme									
1. Corporate Governance	2,340	29	(54)	2,315	2,315	-	100.0%	2,783	2,783
2. Consumer Protection	11,924	(123)	(422)	11,379	11,143	236	97.9%	11,628	11,628
3. Liquor Regulation	13,624	71	-	13,695	13,695	-	100.0%	13,360	13,360
4. Gambling and Betting	13,155	23	-	13,178	13,178	-	100.0%	15,644	15,644
Total for sub programmes	41,043	-	(476)	40,567	40,331	236	99.4%	43,415	43,415
Economic classification									
Current payments	14,278	(114)	(476)	13,688	13,452	236	98.3%	14,266	14,266
Compensation of employees	10,630	(114)	(406)	10,110	9,874	236	97.7%	10,618	10,618
Salaries and wages	8,971	(117)	(297)	8,557	8,557	-	100.0%	9,263	9,263
Social contributions	1,659	3	(109)	1,553	1,317	236	84.8%	1,355	1,355
Goods and services	3,648	-	(70)	3,578	3,578	-	100.0%	3,648	3,648
Administrative fees	12	10	-	22	22	-	100.0%	32	32
Advertising	74	(10)	-	64	64	-	100.0%	150	150
Minor assets	-	-	-	-	-	-	-	4	4
Bursaries: Employees	30	54	-	84	84	-	100.0%	36	36
Catering: Departmental activities	-	-	-	-	-	-	-	72	72
Communication	212	(4)	(35)	173	173	-	100.0%	327	327
Computer services	-	-	-	-	-	-	-	1	1
Legal services	98	(85)	-	13	13	-	100.0%	3	3
Contractors	-	30	-	30	30	-	100.0%	1	1
Fleet services	221	5	(16)	210	210	-	100.0%	230	230
Consumable supplies	46	-	(19)	27	27	-	100.0%	24	24

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Programme 4: BUSINESS REGULATION AND GOVERNANCE									
2020/21								2019/20	
	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
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	17	17
Operating leases	1,276	1	-	1,277	1,277	-	100.0%	1,298	1,298
Property payments	1,412	5	-	1,417	1,417	-	100.0%	1,011	1,011
Travel and subsistence	257	(9)	-	248	248	-	100.0%	424	424
Operating payments	10	3	-	13	13	-	100.0%	13	13
Venues and facilities	-	-	-	-	-	-	-	5	5
Transfers and subsidies	26,418	-	-	26,418	26,418	-	100.0%	28,927	28,927
Departmental agencies and accounts	26,417	-	-	26,417	26,417	-	100.0%	28,840	28,840
Departmental agencies	26,417	-	-	26,417	26,417	-	100.0%	28,840	28,840
Households	1	-	-	1	1	-	100.0%	87	87
Social benefits	1	-	-	1	1	-	100.0%	87	87
Payments for capital assets	347	114	-	461	461	-	100.0%	222	222
Machinery and equipment	347	114	-	461	461	-	100.0%	222	222
Transport equipment	330	111	-	441	441	-	100.0%	189	189
Other machinery and equipment	17	3	-	20	20	-	100.0%	33	33
Total	41,043	-	(476)	40,567	40,331	236	99.4%	43,415	43,415

4.1 CORPORATE GOVERNANCE									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2,340	29	(54)	2,315	2,315	-	100.0%	2,675	2,675
Compensation of employees	2,202	29	-	2,231	2,231	-	100.0%	2,492	2,492
Goods and services	138	-	(54)	84	84	-	100.0%	183	183
Transfers and subsidies	-	-	-	-	-	-	-	87	87
Households	-	-	-	-	-	-	-	87	87
Payments for capital assets	-	-	-	-	-	-	-	21	21
Machinery and equipment	-	-	-	-	-	-	-	21	21
Total	2,340	29	(54)	2,315	2,315	-	100.0%	2,783	2,783

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4.2 CONSUMER PROTECTION

2020/21								2019/20	
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 payments	11,796	(163)	(422)	11,211	10,975	236	97.9%	11,495	11,495
Compensation of employees	8,428	(143)	(406)	7,879	7,643	236	97.0%	8,126	8,126
Goods and services	3,368	(20)	(16)	3,332	3,332	-	100.0%	3,369	3,369
Transfers and subsidies	1	-	-	1	1	-	100.0%	-	-
Households	1	-	-	1	1	-	100.0%	-	-
Payments for capital assets	127	40	-	167	167	-	100.0%	133	133
Machinery and equipment	127	40	-	167	167	-	100.0%	133	133
Total	11,924	(123)	(422)	11,379	11,143	236	97.9%	11,628	11,628

4.3 LIQUOR REGULATION

2020/21								2019/20	
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 payments	108	13	-	121	121	-	100.0%	32	32
Goods and services	108	13	-	121	121	-	100.0%	32	32
Transfers and subsidies	13,346	-	-	13,346	13,346	-	100.0%	13,309	13,309
Departmental agencies and accounts	13,346	-	-	13,346	13,346	-	100.0%	13,309	13,309
Payments for capital assets	170	58	-	228	228	-	100.0%	19	19
Machinery and equipment	170	58	-	228	228	-	100.0%	19	19
Total	13,624	71	-	13,695	13,695	-	100.0%	13,360	13,360

4.4 GAMBLING AND BETTING

2020/21								2019/20	
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 payments	34	7	-	41	41	-	100.0%	64	64
Goods and services	34	7	-	41	41	-	100.0%	64	64
Transfers and subsidies	13,071	-	-	13,071	13,071	-	100.0%	15,531	15,531
Departmental agencies and accounts	13,071	-	-	13,071	13,071	-	100.0%	15,531	15,531
Payments for capital assets	50	16	-	66	66	-	100.0%	49	49
Machinery and equipment	50	16	-	66	66	-	100.0%	49	49
Total	13,155	23	-	13,178	13,178	-	100.0%	15,644	15,644

APPROPRIATION STATEMENT

For the year ended the 31 March 2021

Programme 5: ECONOMIC PLANNING									
2020/21								2019/20	
	Adjusted Appropriation	Shift-ing 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
Sub programme									
1. Policy and Planning	3,520	7	9	3,536	3,536	-	100.0%	3,953	3,953
2. Research and Development	2,675	(20)	(77)	2,578	2,578	-	100.0%	2,792	2,792
3. Knowledge Management	6,206	(19)	(114)	6,073	6,073	-	100.0%	7,503	5,833
4. Monitoring and Evaluation	2,876	(26)	(56)	2,794	2,794	-	100.0%	3,252	3,252
5. Office of the Chief Director	4,839	58	19	4,916	4,832	84	98.3%	5,054	5,054
Total for sub programmes	20,116	-	(219)	19,897	19,813	84	99.6%	22,554	20,884
Economic classification									
Current payments	18,468	(64)	(219)	18,185	18,185	-	100.0%	20,367	20,367
Compensation of employees	14,342	-	197	14,539	14,539	-	100.0%	14,711	14,711
Salaries and wages	12,696	(8)	185	12,873	12,873	-	100.0%	13,081	13,081
Social contributions	1,646	8	12	1,666	1,666	-	100.0%	1,630	1,630
Goods and services	4,126	(64)	(416)	3,646	3,646	-	100.0%	5,656	5,656
Administrative fees	22	(2)	-	20	20	-	100.0%	213	213
Advertising	-	-	-	-	-	-	-	40	40
Minor assets	-	-	-	-	-	-	-	28	28
Bursaries: Employees	54	29	-	83	83	-	100.0%	206	206
Catering: Departmental activities	68	(10)	(53)	5	5	-	100.0%	390	390
Communication	247	17	(98)	166	166	-	100.0%	258	258
Computer services	110	-	(110)	-	-	-	-	-	-
Consultants: Business and advisory services	469	-	(9)	460	460	-	100.0%	111	111
Contractors	-	-	-	-	-	-	-	1	1
Fleet services	10	(8)	-	2	2	-	100.0%	77	77
Consumable supplies	27	8	-	35	35	-	100.0%	17	17
Consumable: Stationery, printing and office supplies	45	(30)	(10)	5	5	-	100.0%	34	34
Operating leases	1,231	-	-	1,231	1,231	-	100.0%	1,429	1,429
Property payments	1,520	5	-	1,525	1,525	-	100.0%	1,027	1,027
Travel and subsistence	306	(61)	(136)	109	109	-	100.0%	1,344	1,344
Training and development	-	-	-	-	-	-	-	418	418
Operating payments	2	3	-	5	5	-	100.0%	23	23
Venues and facilities	15	(15)	-	-	-	-	-	40	40
Transfers and subsidies	1,540	-	-	1,540	1,540	-	100.0%	1,673	3
Higher education institutions	1,540	(1,040)	-	500	500	-	100.0%	1,670	-
Public corporations and private enterprises	-	1,040	-	1,040	1,040	-	100.0%	-	-
Private enterprises	-	1,040	-	1,040	1,040	-	100.0%	-	-
Other transfers to private enterprises	-	1,040	-	1,040	1,040	-	100.0%	-	-
Households	-	-	-	-	-	-	-	3	3
Social benefits	-	-	-	-	-	-	-	3	3

APPROPRIATION STATEMENT

For the year ended the 31 March 2021

Programme 5: ECONOMIC PLANNING

2020/21								2019/20	
	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
Payments for capital assets	108	64	-	172	88	84	51.2%	514	514
Machinery and equipment	108	64	-	172	88	84	51.2%	514	514
Transport equipment	54	(41)	-	13	13	-	100.0%	66	66
Other machinery and equipment	54	105	-	159	75	84	47.2%	448	448
Total	20,116	-	(219)	19,897	19,813	84	99.6%	22,554	20,884

5.1 POLICY AND PLANNING

2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	3,507	20	9	3,536	3,536	-	100.0%	3,895	3,895
Compensation of employees	3,371	20	69	3,460	3,460	-	100.0%	3,514	3,514
Goods and services	136	-	(60)	76	76	-	100.0%	381	381
Payments for capital assets	13	(13)	-	-	-	-	-	58	58
Machinery and equipment	13	(13)	-	-	-	-	-	58	58
Total	3,520	7	9	3,536	3,536	-	100.0%	3,953	3,953

5.2 RESEARCH AND DEVELOPMENT

2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2,675	(20)	(77)	2,578	2,578	-	100.0%	2,759	2,759
Compensation of employees	2,568	(20)	-	2,548	2,548	-	100.0%	2,421	2,421
Goods and services	107	-	(77)	30	30	-	100.0%	338	338
Payments for capital assets	-	-	-	-	-	-	-	33	33
Machinery and equipment	-	-	-	-	-	-	-	33	33
Total	2,675	(20)	(77)	2,578	2,578	-	100.0%	2,792	2,792

APPROPRIATION STATEMENT

For the year ended the 31 March 2021

5.3 KNOWLEDGE MANAGEMENT									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4,647	-	(114)	4,533	4,533	-	100.0%	5,552	5,552
Compensation of employees	3,947	-	63	4,010	4,010	-	100.0%	4,125	4,125
Goods and services	700	-	(177)	523	523	-	100.0%	1,427	1,427
Transfers and subsidies	1,540	-	-	1,540	1,540	-	100.0%	1,673	3
Higher Education Institutes	1,540	(1,040)	-	500	500	-	100.0%	1,670	-
Public corporations and private enterprises	-	1,040	-	1,040	1,040	-	100.0%	-	-
Households	-	-	-	-	-	-	-	3	3
Payments for capital assets	19	(19)	-	-	-	-	-	278	278
Machinery and equipment	19	(19)	-	-	-	-	-	278	278
Total	6,206	(19)	(114)	6,073	6,073	-	100.0%	7,503	5,833

5.4 MONITORING AND EVALUATION									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2,859	(27)	(56)	2,776	2,776	-	100.0%	3,232	3,232
Compensation of employees	2,592	-	46	2,638	2,638	-	100.0%	2,653	2,653
Goods and services	267	(27)	(102)	138	138	-	100.0%	579	579
Payments for capital assets	17	1	-	18	18	-	100.0%	20	20
Machinery and equipment	17	1	-	18	18	-	100.0%	20	20
Total	2,876	(26)	(56)	2,794	2,794	-	100.0%	3,252	3,252

5.5 OFFICE OF THE CHIEF DIRECTOR									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4,780	(37)	19	4,762	4,762	-	100.0%	4,929	4,929
Compensation of employees	1,864	-	19	1,883	1,883	-	100.0%	1,998	1,998
Goods and services	2,916	(37)	-	2,879	2,879	-	100.0%	2,931	2,931
Payments for capital assets	59	95	-	154	70	84	45.5%	125	125
Machinery and equipment	59	95	-	154	70	84	45.5%	125	125
Total	4,839	58	19	4,916	4,832	84	98.3%	5,054	5,054

APPROPRIATION STATEMENT

For the year ended the 31 March 2021

Programme 6: TOURISM									
2020/21								2019/20	
	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
Sub programme									
1. Tourism Planning	4,763	163	2	4,928	4,928	-	100.0%	6,275	6,275
2. Tourism Growth and Development	39,860	55	3,437	43,352	42,032	1,320	97.0%	74,897	72,560
3. Tourism Sector Transformation	1,051	(32)	-	1,019	1,019	-	100.0%	1,677	1,677
4. Office of the Chief Director	6,585	(186)	361	6,760	6,495	265	96.1%	8,030	8,030
Total for sub programmes	52,259	-	3,800	56,059	54,474	1,585	97.2%	90,879	88,542
Economic classification									
Current payments	20,383	(30)	3,201	23,554	22,434	1,120	95.2%	52,013	51,765
Compensation of employees	12,121	(339)	-	11,782	11,782	-	100.0%	12,012	12,012
Salaries and wages	10,461	(352)	-	10,109	10,109	-	100.0%	10,404	10,404
Social contributions	1,660	13	-	1,673	1,673	-	100.0%	1,608	1,608
Goods and services	8,262	309	3,201	11,772	10,652	1,120	90.5%	40,001	39,753
Administrative fees	10	6	-	16	16	-	100.0%	790	790
Advertising	-	-	-	-	-	-	-	681	681
Bursaries: Employees	1	5	-	6	6	-	100.0%	10	10
Catering: Departmental activities	10	11	-	21	21	-	100.0%	794	794
Communication	127	(36)	-	91	91	-	100.0%	226	226
Computer services	11	7	-	18	18	-	100.0%	23	23
Consultants: Business and advisory services	2,639	(377)	-	2,262	2,262	-	100.0%	2,056	1,808
Legal services	8	-	-	8	8	-	100.0%	86	86
Contractors	305	-	2,942	3,247	2,127	1,120	65.5%	23,917	23,917
Fleet services	95	(19)	-	76	76	-	100.0%	232	232
Consumable supplies	29	(2)	-	27	27	-	100.0%	115	115
Consumable: Stationery, printing and office supplies	37	(10)	-	27	27	-	100.0%	-	-
Operating leases	1,499	67	-	1,566	1,566	-	100.0%	1,887	1,887
Property payments	3,051	717	259	4,027	4,027	-	100.0%	3,592	3,592
Travel and subsistence	393	(75)	-	318	318	-	100.0%	4,592	4,592
Training and development	22	5	-	27	27	-	100.0%	481	481
Operating payments	20	15	-	35	35	-	100.0%	79	79
Venues and facilities	5	(5)	-	-	-	-	-	440	440
Transfers and subsidies	31,712	-	(1,051)	30,661	30,461	200	99.3%	37,166	35,077
Provinces and municipalities	500	-	-	500	500	-	100.0%	2,750	2,750
Municipalities	500	-	-	500	500	-	100.0%	2,750	2,750
Municipal bank accounts	500	-	-	500	500	-	100.0%	2,750	2,750
Departmental agencies and accounts	26,912	-	(778)	26,134	26,134	-	100.0%	27,736	27,736
Departmental agencies	26,912	-	(778)	26,134	26,134	-	100.0%	27,736	27,736

APPROPRIATION STATEMENT

For the year ended the 31 March 2021

Programme 6: TOURISM									
2020/21								2019/20	
	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
Public corporations and private enterprises	4,300	-	(273)	4,027	3,827	200	95.0%	4,680	2,591
Private enterprises	4,300	-	(273)	4,027	3,827	200	95.0%	4,680	2,591
Other transfers to private enterprises	4,300	-	(273)	4,027	3,827	200	95.0%	4,680	2,591
Households	-	-	-	-	-	-	-	2,000	2,000
Other transfers to households	-	-	-	-	-	-	-	2,000	2,000
Payments for capital assets	164	30	1,650	1,844	1,579	265	85.6%	1,700	1,700
Buildings and other fixed structures	-	-	1,282	1,282	1,282	-	100.0%	1,423	1,423
Buildings	-	-	1,282	1,282	1,282	-	100.0%	1,423	1,423
Machinery and equipment	164	30	368	562	297	265	52.8%	277	277
Transport equipment	85	-	94	179	179	-	100.0%	215	215
Other machinery and equipment	79	30	274	383	118	265	30.8%	62	62
Total	52,259	-	3,800	56,059	54,474	1,585	97.2%	90,879	88,542

6.1 TOURISM PLANNING									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4,763	133	-	4,896	4,896	-	100.0%	6,269	6,269
Compensation of employees	4,565	131	-	4,696	4,696	-	100.0%	4,753	4,753
Goods and services	198	2	-	200	200	-	100.0%	1,516	1,516
Payments for capital assets	-	30	2	32	32	-	100.0%	6	6
Machinery and equipment	-	30	2	32	32	-	100.0%	6	6
Total	4,763	163	2	4,928	4,928	-	100.0%	6,275	6,275

APPROPRIATION STATEMENT

For the year ended the 31 March 2021

6.2 TOURISM GROWTH AND DEVELOPMENT

2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	8,118	55	3,201	11,374	10,254	1,120	90.2%	36,241	35,993
Compensation of employees	4,790	(401)	-	4,389	4,389	-	100.0%	4,436	4,436
Goods and services	3,328	456	3,201	6,985	5,865	1,120	84.0%	31,805	31,557
Transfers and subsidies	31,712	-	(1,051)	30,661	30,461	200	99.3%	37,166	35,077
Provinces and municipalities	500	-	-	500	500	-	100.0%	2,750	2,750
Departmental agencies and accounts	26,912	-	(778)	26,134	26,134	-	100.0%	27,736	27,736
Public corporations and private enterprises	4,300	-	(273)	4,027	3,827	200	95.0%	4,680	2,591
Households	-	-	-	-	-	-	-	2,000	2,000
Payments for capital assets	30	-	1,287	1,317	1,317	-	100.0%	1,490	1,490
Buildings and other fixed structures	-	-	1,282	1,282	1,282	-	100.0%	1,423	1,423
Machinery and equipment	30	-	5	35	35	-	100.0%	67	67
Total	39,860	55	3,437	43,352	42,032	1,320	97.0%	74,897	72,560

6.3 TOURISM SECTOR TRANSFORMATION

2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1,051	(32)	-	1,019	1,019	-	100.0%	1,677	1,677
Compensation of employees	1,037	(90)	-	947	947	-	100.0%	954	954
Goods and services	14	58	-	72	72	-	100.0%	723	723
Total	1,051	(32)	-	1,019	1,019	-	100.0%	1,677	1,677

6.4 OFFICE OF THE CHIEF DIRECTOR

2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	6,451	(186)	-	6,265	6,265	-	100.0%	7,826	7,826
Compensation of employees	1,729	21	-	1,750	1,750	-	100.0%	1,869	1,869
Goods and services	4,722	(207)	-	4,515	4,515	-	100.0%	5,957	5,957
Payments for capital assets	134	-	361	495	230	265	46.5%	204	204
Machinery and equipment	134	-	361	495	230	265	46.5%	204	204
Total	6,585	(186)	361	6,760	6,495	265	96.1%	8,030	8,030

NOTES TO THE APPROPRIATION STATEMENT

For the year ended the 31 March 2021

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) 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 payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration				
Transfer and Subsidies	854	275	579	67.8%
Payment for Capital Assets	1,090	642	448	41.2%

An under spending, amounting to R 579 000 was realised on Transfers and Subsidies due to the under spending of payments to Households. DEDaT had an obligation to process the payment to the Government Employees Pension Fund for the early retirement liability of an employee. One of the applicants went on early retirement on 31/12/2020 and received his pension pay out middle of March 2021. The request for payment and the GEPF Additional Financial Obligation Calculation were received on 26 March 2021 which resulted in insufficient time to process the payment in the 2020/21 Financial Year. The last payment run was on 24 March 2021 and therefore the payment could not be released in the 2020/21 Financial Year. The payment was authorised on 13 April 2021 on the BAS system. A roll-over request was registered at Provincial Treasury for the unspent funds so that this commitment can be paid. An under spending, amount to R 448 000 was realised on Payment for capital assets. There are active commitments for computers, but due to no stock on hand the supplier was unable to deliver before 31 March 2021. The DEDaT has an obligation to process the payments as soon as they take delivery from the Service Provider. The computers will be delivered in June/ July 2021. A roll-over request was registered at Provincial Treasury for the unspent so that this commitment can be paid.

Integrated Economic Development Services

Payment for Capital Assets	429	327	102	23.8%
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An under spending, amount to R 102 000 was realised on Payment for capital assets. There are active commitments for computers, but due to no stock on hand the suppliers were unable to deliver before 31 March 2021. The DEDaT has an obligation to process the payments as soon as they take delivery from the Service Providers. The computers will be delivered in June/July 2021. A roll-over request was registered at Provincial Treasury for the unspent so that this commitment can be paid.

NOTES TO THE APPROPRIATION STATEMENT

For the year ended the 31 March 2021

Trade and Sector Development

Payment for Capital Assets	196	170	26	13.3%
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An under spending, amount to R 26 000 was realised on Payment for capital assets. There is an active commitment for a computer, but due to no stock on hand the supplier was unable to deliver before 31 March 2021. The DEDaT has an obligation to process the payments as soon as they take delivery from the Service Provider. The computer will be delivered in June/July 2021. A roll-over request was registered at Provincial Treasury for the unspent so that this commitment can be paid.

Business Regulation and Governance

Compensation of Employees	10,110	9,874	236	2.3%
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An underspending, amounting to R 236 000 was realised on Compensation of Employees due to the fact that employees in Business Regulation and Governance resigned during the financial year. This amount will be surrendered to Provincial Treasury.

Economic Planning

Payment for Capital Assets	172	88	84	48.8%
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An under spending, amount to R 84 000 was realised on Payment for capital assets. There is an active commitment for computers, but due to no stock on hand the supplier was unable to deliver before 31 March 2021. The DEDaT has an obligation to process the payments as soon as they take delivery from the Service Provider. The computers will be delivered in June/July 2021. A roll-over request was registered at Provincial Treasury for the unspent so that this commitment can be paid.

Tourism

Goods and Services	11,772	10,652	1,120	9.5%
Transfers and Subsidies	30,661	30,461	200	0.7%
Payment for Capital Assets	1,844	1,579	265	14.4%

An under spending, amounting to R 1 120 000 was realised on Goods & Services for the KDC Event that was planned for 24-27 March 2021. An order was issued to the service provider and therefore the commitment was active on LOGIS as at 31 March 2021 which obligates the DEDaT to process the payment. The invoices were received from HRA Trading on 29 March 2021 which resulted in insufficient time to process the payment. The last payment run for the 2020/21 financial year was on 24 March 2021. A rollover request was submitted to Provincial Treasury for the unspent funds. An under spending, amounting to R 200 000 was realised on Transfers and Subsidies due to the under spending of payments. The approved transfer agreement with Unboxed Projects obligated the DEDaT to transfer the funds to the clients. A roll-over request was registered at Provincial Treasury for the unspent funds on Transfers and Subsidies for Tourism Grant Events. An under spending, amount to R 265 000 was realised on Payment for capital assets. There are active commitments for computers, but due to no stock on hand the supplier was unable to deliver before 31 March 2021. The DEDaT has an obligation to process the payments as soon as they take delivery from the Service Provider. The computers will be delivered in June/July 2021. A roll-over request was registered at Provincial Treasury for the unspent so that this commitment can be paid.

NOTES TO THE APPROPRIATION STATEMENT

For the year ended the 31 March 2021

4.2	Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
	Current payments				
	Compensation of employees	99,717	99,481	236	0.2%
	Goods and services	44,129	43,009	1,120	2.5%
	Transfers and subsidies				
	Provinces and municipalities	2,525	2,525	-	0.0%
	Departmental agencies and accounts	118,737	118,737	-	0.0%
	Higher education institutions	500	500	-	0.0%
	Public corporations and private enterprises	6,891	6,691	200	2.9%
	Non-profit institutions				
	Households	1,909	1,330	579	30.3%
	Payments for capital assets				
	Buildings and other fixed structures	1,282	1,282	-	0.0%
	Machinery and equipment	2,910	1,984	926	31.8%
4.3	Per conditional grant	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
	EPWP Conditional Grant				
	Expanded Public Works Programme				
	Integrated Grant for Provinces –				
	Economic Development and Tourism	2,025	2,025	-	0.0%

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended the 31 March 2021

	<i>Note</i>	2020/21 R'000	2019/20 R'000
REVENUE			
Annual appropriation	1	278,600	310,969
TOTAL REVENUE		278,600	310,969
EXPENDITURE			
Current expenditure			
Compensation of employees	3	99,481	107,323
Goods and services	4	43,008	94,537
Total current expenditure		142,489	201,860
Transfers and subsidies			
Transfers and subsidies	5	129,783	98,611
Total transfers and subsidies		129,783	98,611
Expenditure for capital assets			
Tangible assets	6	3,267	5,048
Total expenditure for capital assets		3,267	5,048
TOTAL EXPENDITURE		275,539	305,519
SURPLUS/(DEFICIT) FOR THE YEAR		3,061	5,450
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		3,061	5,450
Annual appropriation		3,061	5,450
SURPLUS/(DEFICIT) FOR THE YEAR		3,061	5,450

STATEMENT OF FINANCIAL POSITION

For the year ended the 31 March 2021

	<i>Note</i>	2020/21 R'000	2019/20 R'000
ASSETS			
Current assets		57,340	62,944
Cash and cash equivalents	7	7,695	10,085
Prepayments and advances	8	635	1,918
Receivables	9	49,010	50,941
Non-current assets		6,796	6,796
Receivables	9	6,796	6,796
TOTAL ASSETS		64,136	69,740
LIABILITIES			
Current liabilities		9,359	13,045
Voted funds to be surrendered to the Revenue Fund	10	7,626	10,015
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	11	1,722	3,020
Payables	12	11	10
TOTAL LIABILITIES		9,359	13,045
NET ASSETS		54,777	56,695
Represented by:			
Recoverable revenue		54,777	56,695
TOTAL		54,777	56,695

STATEMENT OF CHANGES IN NET ASSETS

For the year ended the 31 March 2021

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Recoverable revenue			
Opening balance		56,695	41,658
Transfers:		(1,918)	15,037
Debts revised		(1,918)	-
Debts raised		-	15,037
Closing balance		54,777	56,695
TOTAL		54,777	56,695

CASH FLOW STATEMENT
For the year ended the 31 March 2021

	<i>Note</i>	2020/21 R'000	2019/20 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		298,701	341,491
Annual appropriated funds received	<u>1.1</u>	278,600	310,969
Departmental revenue received	2	20,101	30,522
Net (increase)/decrease in working capital		3,215	13,693
Surrendered to Revenue Fund		(26,849)	(41,954)
Current payments		(142,489)	(201,860)
Transfers and subsidies paid		(129,783)	(98,611)
Net cash flow available from operating activities	13	2,795	12,759
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	6	(3,267)	(5,048)
Net cash flows from investing activities		(3,267)	(5,048)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(1,918)	(11,709)
Net cash flows from financing activities		(1,918)	(11,709)
Net increase/(decrease) in cash and cash equivalents		(2,390)	(3,998)
Cash and cash equivalents at beginning of period		10,085	14,083
Cash and cash equivalents at end of period	14	7,695	10,085

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

PART A: ACCOUNTING POLICIES**Summary of significant accounting policies**

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

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 (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	Comparative information
6.1	Prior period comparative information 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.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	Appropriated funds Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy.</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
8.4	Leases
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

8.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	Aid Assistance
9.1	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
9.2	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>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.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>
12	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

14	Financial assets
14.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
14.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16	Capital Assets
16.1	<p>Immovable capital assets</p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
16.2	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value. [Add this sentence on biological assets if the department has elected to revalue its biological assets at reporting date]</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

16.3	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	<p>Project Costs: Work-in-progress</p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
17	Provisions and Contingents
17.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there 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 within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
17.4	<p>Capital commitments</p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
21	<p>Changes in accounting estimates and errors</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23	<p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
24	<p>Departures from the MCS requirements</p> <p>Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

25	<p>Capitalisation reserve</p> <p>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 recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
26	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
27	<p>Related party transactions</p> <p>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p>
28	<p>Inventories</p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
29	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
30	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>
31	<p>Transfers of functions</p> <p>Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.</p> <p>Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.</p>
32	<p>Mergers</p> <p>Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.</p> <p>Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

1. Annual Appropriation**1.1 Annual Appropriation**

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

	2020/21			2019/20		
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received	Funds not requested /not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	55,658	55,658	-	65,586	65,586	-
Integrated Economic Development Services	61,221	61,221	-	38,791	38,791	-
Trade and Sector Development	48,303	48,303	-	51,478	51,478	-
Business Regulation and Governance	41,043	41,043	-	43,050	43,050	-
Economic Planning	20,116	20,116	-	23,580	23,580	-
Tourism	52,259	52,259	-	88,484	88,484	-
Total	278,600	278,600	-	310,969	310,969	-

The department received 100% of the appropriated funds for the 2020/2021 financial year from the NC Provincial Treasury.

1.2 Conditional grants

	Note	2020/21 R'000	2019/20 R'000
Total grants received	47	2,025	2,089
Provincial grants included in Total Grants received		-	-

Conditional grants were used for the intended purpose in EPWP projects. Total grants were received from the Department of Public Works and Infrastructure.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

2. Departmental revenue

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Tax revenue		17,027	29,639
Sales of goods and services other than capital assets	2.1	95	105
Fines, penalties and forfeits	2.2	5	153
Transactions in financial assets and liabilities	2.3	2,974	625
Total revenue collected		20,101	30,522
Less: Own revenue included in appropriation	19	20,101	30,522
Departmental revenue collected		-	-

2.1 Sales of goods and services other than capital assets

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Sales of goods and services produced by the department		95	105
Sales by market establishment		36	42
Administrative fees		-	1
Other sales		59	62
Total		95	105

2.2 Fines, penalties and forfeits

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Fines	2	5	17
Penalties		-	136
Total		5	153

2.3 Transactions in financial assets and liabilities

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Receivables	2	-	-
Other Receipts including Recoverable Revenue		2,974	625
Total		2,974	625

The increase is due to the unspent funds for the financial year of 2019/20 received from the Northern Cape Gambling Board.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

3. Compensation of employees**3.1 Salaries and Wages**

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Basic salary		69,233	75,460
Performance award		242	267
Service Based		5,290	159
Compensative/circumstantial		1,067	745
Periodic payments		211	311
Other non-pensionable allowances		10,305	16,871
Total		86,348	93,813

3.2 Social contributions

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Employer contributions			
Pension		8,681	9,224
Medical		4,435	4,269
Bargaining council		17	17
Total		13,133	13,510

Total compensation of employees

99,481	107,323
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Average number of employees

158	192
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The decrease in the number of employees is due to the officials who went on early retirement and there was no intake of learners and interns.

4. Goods and services

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Administrative fees		220	2,771
Advertising		1,217	3,769
Minor assets	4.1	100	96
Bursaries (employees)		559	941
Catering		244	2,402
Communication		1,925	2,155
Computer services	4.2	1,731	1,398

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Consultants: Business and advisory services		3,469	1,970
Legal services		21	834
Contractors		2,277	24,370
Agency and support / outsourced services		23	24
Audit cost – external	4.3	2,611	3,407
Fleet services		447	843
Consumables	4.4	1,378	2,872
Operating leases		10,276	10,003
Property payments	4.5	14,745	14,929
Travel and subsistence	4.6	1,340	17,686
Venues and facilities		111	2,475
Training and development		49	1,081
Other operating expenditure	4.7	265	511
Total		43,008	94,537

The decrease in the expenditure for Goods and Services was due to the reduction of the budget due to the COVID 19 pandemic. Furthermore included in the total amount of goods and services is the amount on COVID-19 expenditure of R1,066 million.

4.1 Minor assets

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Tangible assets	4	83	96
Machinery and equipment		83	96
Intangible assets		17	-
Software		17	-
Total		100	96

4.2 Computer services

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
SITA computer services	4	1,252	1,371
External computer service providers		479	27
Total		1,731	1,398

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

4.1 Audit cost – External

	<i>Note</i>	2020/21	2019/20
	4	R'000	R'000
Regularity audits		2,611	3,407
Total		2,611	3,407

4.2 Consumables

	<i>Note</i>	2020/21	2019/20
	4	R'000	R'000
Consumable supplies		1,202	2,259
Uniform and clothing		357	66
IT consumables		8	17
Other consumables		837	2,176
Stationery, printing and office supplies		176	613
Total		1,378	2,872

4.3 Property payments

	<i>Note</i>	2020/21	2019/20
	4	R'000	R'000
Municipal services		3,560	4,890
Property maintenance and repairs		1,788	305
Other		9,397	9,734
Total		14,745	14,929

4.4 Travel and subsistence

	<i>Note</i>	2020/21	2019/20
	4	R'000	R'000
Local		1,340	12,402
Foreign		-	5,284
Total		1,340	17,686

4.5 Other operating expenditure

	<i>Note</i>	2020/21	2019/20
	4	R'000	R'000
Resettlement costs		26	61
Other		239	450
Total		265	511

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

5. Transfers and subsidies

		2020/21	2019/20
	Note	R'000	R'000
Provinces and municipalities	48, 49	2,525	4,859
Departmental agencies and accounts	Annexure 1B	118,737	84,386
Higher education institutions	Annexure 1C	500	89
Public corporations and private enterprises	Annexure 1D	6,691	6,493
Households	Annexure 1G	1,330	2,784
Total		129,783	98,611

The increase in the expenditure for Transfers and Subsidies is due to the partnership the Department entered with National Empowerment Fund (NEF)

6. Expenditure for capital assets

	Note	2020/21	2019/20
		R'000	R'000
Tangible assets		3,267	5,048
Buildings and other fixed structures	40	1,282	2,799
Machinery and equipment	39	1,985	2,249
Total		3,267	5,048

6.1 Analysis of funds utilised to acquire capital assets – 2020/21

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	3,267	-	3,267
Buildings and other fixed structures	1,282	-	1,282
Machinery and equipment	1,985	-	1,985
Total	3,267	-	3,267

6.2 Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	5,048	-	5,048
Buildings and other fixed structures	2,799	-	2,799
Machinery and equipment	2,249	-	2,249
Total	5,048	-	5,048

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

6.3 Finance lease expenditure included in Expenditure for capital assets

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Tangible assets			
Machinery and equipment		1,228	1,412
Total		1,228	1,412

7. Cash and cash equivalents

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Consolidated Paymaster General Account		7,693	10,083
Cash on hand		2	2
Total		7,695	10,085

8. Prepayments and advances

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Travel and subsistence		1	1
Prepayments (Not expensed)	8.2	483	1,766
Advances paid (Not expensed)	8.1	151	151
Total		635	1,918

The amount of R151 000 under the item of advances paid is the refundable deposits relating to the lease agreements and municipal services (see Annexure 8A).

8.1 Advances paid (Not expensed)

	<i>Note</i>	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2021
		R'000	R'000	R'000	R'000	R'000
Other entities	8	151	-	-	-	151
Total		151	-	-	-	151

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

	<i>Note</i>	Balance as at 1 April 2019	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2020
	8	R'000	R'000	R'000	R'000	R'000
Other entities		151	-	-	-	151
Total		151	-	-	-	151

8.2 Prepayments (Not expensed)

	<i>Note</i>	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2021
	8	R'000	R'000	R'000	R'000	R'000
Capital assets		1,766	(1,283)	-	-	483
Total		1,766	(1,283)	-	-	483

	<i>Note</i>	Balance as at 1 April 2019	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2020
	8	R'000	R'000	R'000	R'000	R'000
Capital assets		4,565	(2,799)	-	-	1,766
Total		4,565	(2,799)	-	-	1,766

9. Receivables

		2020/21			2019/20		
	<i>Note</i>	Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	9.1	-	6,796	6,796	-	6,796	6,796
Other receivables	9.2	49,010	-	49,010	50,941	-	50,941
Total		49,010	6,796	55,806	50,941	6,796	57,737

The restatement on receivables is due to the recalculation on transfers made to SMME's (EGDF and TGDF) for determining whether the funds were used for its intended purpose.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

9.1 Claims recoverable

	<i>Note</i>	2020/21	2019/20
	9	R'000	R'000
Private enterprises		6,796	6,796
Total		6,796	6,796

9.2 Other receivables

	<i>Note</i>	2020/21	2019/20
	9	R'000	R'000
(Group major categories, but list material items)			
SAL: Reversal Control		181	189
SAL: Tax Debt		4	11
SAL: Deduction Disall Acc		-	6
SAL: Income Tax		11	5
SAL: Insurance Deductions		2	-
Disallowance with a debit balance		831	831
DEBTS – Transfer Payments to SMMEs		47,981	49,899
Total		49,010	50,941

9.3 Impairment of receivables

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Estimate of impairment of receivables		18,110	18,441
Total		18,110	18,441

The impairment of R18, 110 million is due to the irrecoverable amount from SMME's.
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

10. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Opening balance		10,015	17,134
As restated		10,015	17,134
Transfer from statement of financial performance (as restated)		3,061	5,450
Paid during the year		(5,450)	(12,569)
Closing balance		7,626	10,015

The closing balance of voted funds to be surrendered to the Revenue Fund for 2020/2021 financial year amounts to R7,625 million and will be surrendered after the final audit of the financial statements is completed.

11. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Opening balance		3,020	1,883
As restated		3,020	1,883
Own revenue included in appropriation		20,101	30,522
Paid during the year		(21,399)	(29,385)
Closing balance		1,722	3,020

The closing balance of departmental revenue and NRF receipts to be surrendered to the Revenue Fund amounting R1, 722 million will be paid over to Provincial Treasury after year end book closure.

12. Payables – current

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Other payables	12.1	11	10
Total		11	10

12.1 Other payables

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Description			
SAL: Gehs Refund Control Acc		-	10
Disallowance Miscellaneous – Liquor License Penalty Fees		11	-
Total		11	10

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

13. Net cash flow available from operating activities

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		3,061	5,450
Add back non cash/cash movements not deemed operating activities		(266)	7,309
(Increase)/decrease in receivables		1,931	10,880
(Increase)/decrease in prepayments and advances		1,283	2,862
Increase/(decrease) in payables – current		1	(49)
Expenditure on capital assets		3,267	5,048
Surrenders to Revenue Fund		(26,849)	(41,954)
Other non-cash items		20,101	30,522
Net cash flow generated by operating activities		2,795	12,759

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

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Consolidated Paymaster General account		7,693	10,083
Cash with commercial banks (Local)		2	2
Total		7,695	10,085

15. Contingent liabilities and contingent assets**15.1 Contingent liabilities**

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Liable to			
Nature			
Claims against the department	<i>Annex 3B</i>	568	178
Total		568	178

The Labour Appeal Court (LAC) declared the salary increases for the 2020/2021 financial year unlawful and invalid. The LAC ruling has been appealed and referred to the Constitutional Court. The ruling by the Constitutional Court will confirm if the department will be obligated to pay the salary increases in dispute.

The decrease is due to an amount of R109 223 that will be settled by the party after investigations were performed by Fleet Management. Included in the R68 000 is the R53 000 for Fleet Damages and R15 000 for Pemberley Investment. Furthermore the R500 000 disclosed relate to the litigation by employees who took the department to the Labour Court.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

16. Capital commitments

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Machinery and Equipment: Computer Equipment		768	-
Total		768	-

There are active commitments for computers, but due to no stock on hand the suppliers were unable to deliver before 31 March 2021. The DEDaT has an obligation to process the payments as soon as they take delivery from the Service Providers. The computers will be delivered in June/July 2021.

17. Accruals and payables not recognised**17.1 Accruals**

			2020/21	2019/20
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	1,867	-	1,867	2,132
Capital assets	126	-	126	-
Total	1,993	-	1,993	2,132

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Listed by programme level			
Administration		178	1,183
Integrated Economic Development Services		62	173
Trade and Sector Development		305	285
Business Regulation and Governance		88	140
Economic Planning		36	48
Tourism		1,324	303
Total		1,993	2,132

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

17.2 Payables not recognised

			2020/21	2019/20
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	207	-	207	-
Total	207	-	207	-

	Note	2020/21	2019/20
		R'000	R'000
Listed by programme level			
Trade and Sector Development		148	-
Economic Planning		16	-
Tourism		43	-
Total		207	-

	Note	2020/21	2019/20
		R'000	R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 5	805	171
Total		805	171

18. Employee benefits

	Note	2020/21	2019/20
		R'000	R'000
Leave entitlement		5,762	4,134
Service bonus		2,710	2,713
Performance awards		51	1,710
Capped leave		1,361	1,849
Other		22	22
Total		9,906	10,428

Included in the 2020/2021 disclosure for leave entitlement is the amount of R243 179 for leave owed to the department. Other refers to the 30 years' service award of R22 000 to an official calculated at a rate approved in April 2020. Furthermore the amount of performance award of R50, 697 is calculated at 0.5% of the total compensation of employees' amounting to R101, 394 million as per adjusted estimates of Provincial Revenue and expenditure for 2020/2021 financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

19. Lease commitments**19.1 Operating leases**

2020/21	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	10,244	-	10,244
Later than 1 year and not later than 5 years	-	-	48,084	-	48,084
Later than five years	-	-	59,862	-	59,862
Total lease commitments	-	-	118,190	-	118,190

2019/20	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	11,221	-	11,221
Later than 1 year and not later than 5 years	-	-	45,750	-	45,750
Later than five years	-	-	73,041	-	73,041
Total lease commitments	-	-	130,012	-	130,012

The department has leased the following buildings as per the table below:

Company	Location	End date of contract
Ocean Echo Properties	Khaya La Bantu	31 August 2030
Ocean Echo Properties	Umzi Mkhulu	Expired
Columbia Falls Properties	Metlife Towers	30 November 2029

19.2 Finance leases **

2020/21	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	907	907
Later than 1 year and not later than 5 years	-	-	-	809	809
Total lease commitments	-	-	-	1,716	1,716

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

2019/20	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	1,012	1,012
Later than 1 year and not later than 5 years	-	-	-	1,036	1,036
Total lease commitments	-	-	-	2,048	2,048

The contract for the expired lease will not be renewed as the staff members will move to Metlife towers when the renovations are completed.

Company	Location	End date of contract
Konica Minolta- copy machine	Metlife Towers	31 October 2022
Konica Minolta- copy machine	Mzimkhulu	31 July 2021
Konica Minolta- copy machine	Khaya La Bantu	31 October 2022
Konica Minolta- copy machine	Metlife Towers (Consumer)	28 February 2023
Konica Minolta- copy machine	Upington Office	30 September 2021
Konica Minolta- copy machine	Kim Diamond	30 September 2021
Fleet Services	Khaya La Bantu	

Fleet services is an entity under the department of Roads and Public Works.

20. Irregular expenditure**20.1 Reconciliation of irregular expenditure**

	Note	2020/21 R'000	2019/20 R'000
Opening balance		11,683	7,473
As restated		11,683	7,473
Add: Irregular expenditure – relating to current year		4,413	6,843
Less: Prior year amounts condoned		-	(276)
Less: Current year amounts condoned		-	(2,357)
Closing balance		16,096	11,683

Analysis of closing balance

Current year	4,413	4,486
Prior years	11,683	7,197
Total	16,096	11,683

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

Irregular expenditure relating to the current year is due to non-compliance with Supply Chain Management Prescripts (Security services and Car rental).

20.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2020/21 R'000
Security Services – Bafazi security Services	Under Investigation	4,133
Car rental – Barlow World	Under Investigation	280
Total		4,413

21. Related party transactions

Payments made	<i>Note</i>	2020/21 R'000	2019/20 R'000
Goods and services		123	63
Expenditure for capital assets		295	68
Total		418	131

The following related party relationships have been identified by the Department:

1) The Department has an administrative oversight role over the following public entities of the Department, to whom funds are transferred to via transfer payments, as disclosed in Note 11 and Annexure 1C:

- a) Northern Cape Tourism Agency (NCTA);
- b) NCEDA;
- c) Northern Cape Gambling Board (NCGB); and
- d) Northern Cape Liquor Board (NCLB).

The Department pays the contract of car rental of NCLB and NCGB on their behalf for the period under review.

The Department paid the legal fees to the Department of Justice and Constitution on behalf of NCEDA for the period under review. The Department paid for sanitizer and paper towels with stand for NCEDA, NCTA, KIDJI and KIDJA.

2) The Department serves as a Trustee on the Board of Trustees of Frances Baard SMME Trust, to whom funds are transferred via transfer payments, as disclosed in Note 7 and Annexure 1L.

3) The Department serves as a Trustee on the Board of Trustees of Kimberley International Diamond and Jewellery Academy (KIDJA) and during the financial year under review the Department has assisted them administratively to procure goods and services from the donor funding received from the European Union, since their system of financial- and internal controls were not established during the year to enable the Department to transfer the funds to KIDJA. All these transactions are captured under the Employment Creation Fund. Please refer to Note 6 for additional details on these transactions.

4) The Department serves as a Trustee on the Board of Trustees of Kimberley International Diamond and Jewellery Academy (KIDJA) and during the previous financial year under review the Department has assisted them with payment of accommodation and meals for KIDJA students on their behalf.

5) Northern Cape Provincial Treasury – Executive authority provides political and strategic direction to the Northern Cape Provincial Treasury; thus, the Provincial Treasury and Economic Development are regarded as related parties.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

22. Key management personnel

	No. of Individuals	2020/21 R'000	2019/20 R'000
Political office bearers (provide detail below)			
Officials:			
Level 15	3	3,364	5,993
Level 14 (incl CFO if at lower level)	6	8,263	6,340
Total		11,627	12,333

Mr T Mabija was seconded to the department as head of department (level 15) from 01 July 2020 to 31 March 2021. The department paid R120 952 for acting allowance for the year under review. Furthermore Ms L Wyngaard acted for 3 months (April - June 2020). The Chief Financial Officer of the department is on level 15

23. Provisions

	Note	2020/21 R'000	2019/20 R'000
Urban Econ Development Economists		309	309
Total		309	309

Provision of R309 000 is an estimated legal cost in the case between the Department and Urban Econ Development Economists as well as the litigation by the departmental officials to the amount of R500 000.

23.1 Reconciliation of movement in provisions – 2020/21

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	309	-	-	309
Closing balance	309	-	-	309

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For the year ended the 31 March 2021

Reconciliation of movement in provisions – 2019/20

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	500	-	-	500
Increase in provision	1,500	309	-	1,809
Settlement of provision	(2,000)	-	-	(2,000)
Closing balance	-	309	-	309

24. Movable Tangible Capital Assets**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	16,804	-	848	1,391	16,261
Computer equipment	7,409	-	137	1,044	6,502
Furniture and office equipment	5,652	-	121	305	5,468
Other machinery and equipment	3,743	-	590	42	4,291
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	16,804	-	848	1,391	16,261

24.1 Additions**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Cash	Non-cash	(Capital work-in-progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	1,985	91	(1,228)	-	848
Transport assets	961	-	(961)	-	-
Computer equipment	71	66	-	-	137
Furniture and office equipment	103	18	-	-	121
Other machinery and equipment	850	7	(267)	-	590
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	1,985	91	(1,228)	-	848

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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24.2 Disposals**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Sold for cash	Non-cash disposal	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	1,391	1,391	-
Computer equipment	-	1,044	1,044	-
Furniture and office equipment	-	305	305	-
Other machinery and equipment	-	42	42	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	-	1,391	1,391	-

24.3 Movement for 2019/20**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	15,968	-	836	-	16,804
Computer equipment	6,903	-	506	-	7,409
Furniture and office equipment	5,526	-	126	-	5,652
Other machinery and equipment	3,539	-	204	-	3,743
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	15,968	-	836	-	16,804

24.4 Minor assets**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2021**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	1,976	-	4,382	-	6,358
Additions	-	17	-	363	-	380
Disposals	-	-	-	737	-	737
TOTAL MINOR ASSETS	-	1,993	-	4,008	-	6,001

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	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	411	-	3,019	-	3,430
TOTAL NUMBER OF MINOR ASSETS	-	411	-	3,019	-	3,430

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2020

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	1,921	-	4,341	-	6,262
Additions	-	55	-	41	-	96
TOTAL MINOR ASSETS	-	1,976	-	4,382	-	6,358

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	227	-	227
Number of minor assets at cost	-	407	-	3,306	-	3,713
TOTAL NUMBER OF MINOR ASSETS	-	407	-	3,533	-	3,940

24.5 Movable assets written off**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2021**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	1,391	-	1,391
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	1,391	-	1,391

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

25. Intangible Capital Assets**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Software	504	-	-	504
Services and operating rights	51	-	-	51
TOTAL INTANGIBLE CAPITAL ASSETS	555	-	-	555

25.1 Movement for 2019/20**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 20YY**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Software	504	-	-	504
Services and operating rights	51	-	-	51
TOTAL INTANGIBLE CAPITAL ASSETS	555	-	-	555

26. Immovable Tangible Capital Assets**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Opening balance R'000	Value Adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	8,312	-	1,282	-	9,594
Other fixed structures	8,312	-	1,282	-	9,594
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	8,312	-	1,282	-	9,594

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

26.1 Additions**ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Cash	Non-cash	(Capital work-in-progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	1,282	-	-	1,282
Other fixed structures	-	1,282	-	-	1,282
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	1,282	-	-	1,282

26.2 Movement for 2019/20**IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2020**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	5,513	-	2,799	-	8,312
Other fixed structures	5,513	-	2,799	-	8,312
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	5,513	-	2,799	-	8,312

26.3 S42 Immovable Assets**Assets to be transferred in terms of S42 of the PFMA – 2020/21**

	No of Assets	Value of Assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	4	9,594
Other fixed structure	4	9,594
Total	4	9,594

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For the year ended the 31 March 2021

Assets to be transferred in terms of S42 of the PFMA – 2019/20

	No of Assets	Value of Assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	3	8,312
Other fixed structure	3	8,312
Total	3	8,312

27. Prior period errors**27.1 Correction of prior period errors**

	Note	Amount bef error correction 2019/20 R'000	Prior period error 2019/20 R'000	Restated Amount 2019/20 R'000
Assets: (E.g. Receivables, Investment, Accrued departmental revenue, Movable tangible capital assets)				
Receivables		36,526	13,373	49,899
Impairment		-	18,441	18,441
Net effect		36,526	31,814	68,340
Other: (E.g. Irregular Expenditure, Fruitless expenditure, etc)				
Recoverable Revenue		43,322	13,373	56,695
Net effect		43,322	13,373	56,695

The restatement on receivables is due to the recalculation on transfers made to SMME's (EGDF and TGDF) for determining whether the business plan was used for its intended purpose. Furthermore; the department is also restating the amount for the impairment on receivables

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

28. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2019/20	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjust-ments	Other Adjust-ments	Total Availa-ble	Amount received by depart-ment	Amount spent by depart-ment	Under / (Over-spend-ing)	% of available funds spent by depart-ment	Division of Revenue Act	Amount spent by depart-ment
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Expanded Public Works Program	2,025	-	-	-	2,025	2,025	2,025	-	100.0%	2,089	2,089
TOTAL	2,025	-	-	-	2,025	2,025	2,025	-	100.0%	2,089	2,089

Conditional grants were used for EPWP Projects and tourism projects as disclosed in Note 5 and Annexure 1A

29. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual trans-fer
	DoRA and other trans-fers	Roll Overs	Adjust-ments	Total Availa-ble	Actual Trans-fer	Funds With-held	Re-allo-cations by Na-tional Treasury or Na-tional Depart-ment		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Rates & Taxes (Columbia Falls)									
Metlife Towers	215	-	(215)	-	-	-	-	109	109
Richtersveld Municipality	500	-	-	500	500	-	-	850	850
Sol Plaatje Municipality – EPWP	625	-	-	625	625	-	-	-	-
Namakwa District Municipality	430	-	-	430	430	-	-	1,200	1,200
Namakwa District Pella Incubator	-	-	-	-	-	-	-	150	-
Pixley Ka Seme District Municipality	970	-	-	970	970	-	-	800	800
Dawid Kruiper Municipality	-	-	-	-	-	-	-	1,700	1,700
Karoo Hoogland Local Municipality	-	-	-	-	-	-	-	200	200
TOTAL	2,740	-	(215)	2,525	2,525	-	-	5,009	4,859

Conditional grants received were used for EPWP projects and other transfers to municipalities were mainly for Tourism.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

30. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

31. COVID 19 Response Expenditure

	<i>Note</i>	2020/21	2019/20
	<i>Annexure 11</i>	R'000	R'000
Goods and services		1,066	68
Total		1,066	68

The expenditure incurred was for PPE relating to the Covid-19 pandemic.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

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ANNEXURE 1A**STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Un-spent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Rates & Taxes (Columbia Falls)													
Metlife Towers	215	-	(215)	-	-	-	-	-	-	-	-	109	109
Richtersveld Municipality	500	-	-	500	500	-	-	500	-	-	-	850	850
Sol Plaatje Municipality – EPWP	625	-	-	625	625	-	-	625	-	-	-	-	-
Namakwa District Municipality	430	-	-	430	430	-	-	430	-	-	-	1,200	1,200
Namakwa District Pella	-	-	-	-	-	-	-	-	-	-	-	150	-
Pixley Ka Seme District Municipality	970	-	-	970	970	-	-	970	-	-	-	800	800
Dawid Kruiper Municipality	-	-	-	-	-	-	-	-	-	-	-	1,700	1,700
Karoo Hoogland Local Municipality	-	-	-	-	-	-	-	-	-	-	-	200	300
TOTAL	2,740	-	(215)	2,525	2,525	-	-	2,525	-	-	-	5,009	4,859

Conditional grants received were used for EPWP projects and other transfers to municipalities were mainly for Tourism.

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended the 31 March 2021

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2019/20
	Adjusted Appropriation	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Trans- ferred	Final Ap- propriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Northern Cape Gambling Board	13,071	-	-	13,071	13,071	100%	15,531
NCEDA	22,473	-	8,228	30,701	30,701	100%	18,304
Northern Cape Liquor Board	13,346	-	-	13,346	13,346	100%	13,309
NCTA tourism Promotion Dev	23,242	-	(300)	22,942	22,942	100%	25,636
SEDA Northern Cape Diamond	-	-	-	-	-	-	1,000
NCMIC NPC	2,819	-	-	2,819	2,819	100%	2,500
Northern Cape SMME Trust	5,166	-	-	5,166	5,166	100%	5,006
Northern Cape Clothing Cluster	250	-	(250)	-	-	-	1,000
South African National Parks	-	-	-	-	-	-	1,000
South African Tourism	-	-	-	-	-	-	200
Mc Gregor Museum	650	-	(487)	163	163	100%	700
SAAO Sutherland	-	-	-	-	-	-	200
Tourism Grading Council SA	400	-	-	400	400	100%	-
Department of Roads and Public Works	500	-	(371)	129	129	100%	-
National Empowerment Fund Trust	30,000	-	-	30,000	30,000	100%	-
TOTAL	111,917	-	6,820	118,737	118,737	-	84,386

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For the year ended the 31 March 2021

ANNEXURE 1C**STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS**

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2019/20
	Adjusted Appropriation	Roll Overs	Adjust- ments	Total Availa- ble	Actual Trans- fer	Amount not trans- ferred	% of Available funds Trans- ferred	Final Appro- priation
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Northern Cape Urban TVET College	-	-	-	-	-	-	-	22
Northern Cape Rural FET College	-	-	-	-	-	-	-	67
Sol Plaatje University	500	-	-	500	500	-	100.0%	-
TOTAL	500	-	-	500	500	-	-	89

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1D
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2019/20
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000

Private Enterprises

Transfers	5,839	1,799	(747)	6,891	6,691	97.1%	-	-	6,493
Global Travel and Tourism Partner	-	-	-	-	-	-	-	-	300
Kwa-Jambase Guesthouse	-	-	-	-	-	-	-	-	200
Northern Cape Cricket NPC	1,000	-	-	1,000	1,000	100.0%	-	-	500
Riemvasmaak Gemeenskap	-	-	-	-	-	-	-	-	650
Anton Logistics	-	-	-	-	-	-	-	-	80
Fancy Face Building	-	-	-	-	-	-	-	-	187
Namaqua Coastal Expeditions	-	-	-	-	-	-	-	-	71
PEC Trading CC	-	-	-	-	-	-	-	-	300
Sharp Move Trading 305 Pty	-	-	-	-	-	-	-	-	80
Small World Steelwork CC	-	-	-	-	-	-	-	-	335
Bosco Sport Event Management	-	-	-	-	-	-	-	-	3,000
Aukwatowa Tours	-	-	-	-	-	-	-	-	200
Namakwa 4X4 Exploration	1,000	-	(150)	850	850	100.0%	-	-	190
The Workshop Ko Kasi	-	-	-	-	-	-	-	-	200

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2021

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2019/20
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Ubuntu Guest House	-	-	-	-	-	-	-	-	200
Ivan Trading and Enterprise	-	176	-	176	176	100.0%	-	-	-
Karoo Travel Dimensions	-	200	-	200	200	100.0%	-	-	-
Karoo Tuis Catering	-	146	-	146	146	100.0%	-	-	-
Kimberley Diamond and Jewellery Academy (KIDJA)	999	-	(675)	324	324	100.0%	-	-	-
MLAB Southern Africa	1,040	-	-	1,040	1,040	100.0%	-	-	-
NC Marketing Agency Ltd	-	200	-	200	200	100.0%	-	-	-
Pino Tau Outdoor Media (Pty) Ltd	-	277	-	277	277	100.0%	-	-	-
Sigma International	300	-	-	300	300	100.0%	-	-	-
Ukuvuka Padstal en Vetplant Kwe	-	200	-	200	200	100.0%	-	-	-
Wydex Events Promotions	-	200	-	200	200	100.0%	-	-	-
Kimberley Diamond and Jewellery Incubator (KDJI)	1,500	-	-	1,500	1,500	100.0%	-	-	-
Leruo's Guest House	-	100	-	100	100	100.0%	-	-	-
Teemaneng Running Club	-	-	78	78	78	100.0%	-	-	-
Undulata Country Lodge	-	100	-	100	100	100.0%	-	-	-
Unboxed Projects	-	200	-	200	-	-	-	-	-
TOTAL	5,839	1,799	(747)	6,891	6,691	97.1%	-	-	6,493

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Transfers							
KS Ndhlovu	-	-	-	-	-	-	2
PT Madonsela	-	-	-	-	-	-	3
EA Kolama	-	-	-	-	-	-	230
HD Dipico	-	-	-	-	-	-	100
SM Boloko	-	-	-	-	-	-	16
MS Visser	-	-	-	-	-	-	125
NL Gaosekwe	-	-	-	-	-	-	87
Bowman Cilfillan	-	-	-	-	-	-	2,000
B Jantjies	-	-	-	-	-	-	221
DA Martin	569	-	-	569	569	100%	-
GEPF	1,637	-	(573)	1,064	485	46%	-
H Williams	192	-	-	192	192	100%	-
KR Koopman	-	-	23	23	23	100%	-
SE Bethanie	-	-	1	1	1	100%	-
Koda	-	-	60	60	60	-	-
	2,398	-	(498)	1,909	1,330	-	2,784
TOTAL	2,398	-	(489)	1,909	1,330	-	2,784

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
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ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2021

	Opening Balance 1 April 2020	Liabilities incurred during the year	Liabilities paid/cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2021
Nature of Liability	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Northern Cape Fleet Management	162	-	109	-	53
Pemberley Investment Limited	15	-	-	-	15
GXOTHA SN & Others (Departmental Officials)	-	500	-	-	500
Subtotal	177	500	109	-	568
TOTAL	177	500	109	-	568

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2020/21	
							Payment date up to six (6) working days before year end	Amount
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020		
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Northern Cape Provincial Treasury	73	-	-	-	73	-	-	-
Northern Cape Fleet Management Trading Entity	134	-	303	-	437	-	-	-
Government Employees Pension Fund (GEPF)	579	-	-	-	579	-	-	-
Department of Justice	19	-	-	-	19	-	-	-
Subtotal	805	-	303	-	1,108	-	-	-
TOTAL	805	-	303	-	1,108	-	-	-
TOTAL INTERGOVERNMENT PAYABLES	805	-	303	-	1,108	-	-	-

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ANNEXURE 8A**INTER-ENTITY ADVANCES PAID (note 14)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER ENTITIES						
Anlar Belleging (refundable rental deposit)	75	-	-	-	75	-
Sol Plaatje (refundable deposit electricity)	56	-	-	-	56	-
Uppington Building (refundable rental deposit)	20	-	-	-	20	-
Subtotal	151	-	-	-	151	-
TOTAL	151	-	-	-	151	-

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
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ANNEXURE 11
COVID 19 RESPONSE EXPENDITURE
Per quarter and in total

Expenditure per economic classification	2020/21					2019/20
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services	120	659	238	49	1,066	168
<i>List all applicable SCOA level 4 items</i>						
Cons Hous Sup: Wash/Clean	120	302	185	49	656	168
Cons Supp. Medical Supplies	-	357	53	-	410	-
TOTAL COVID 19 RESPONSE EXPENDITURE	120	659	238	49	1,066	168

The expenditure incurred was for PPE relating to COVID 19 pandemic.





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Metlife Towers, Corner of Stead and Knight Street
Private Bag X6108, KIMBERLEY 8300
Tel: 053 839 4000 Fax: 053 831 3668
E-mail: tpalm@ncpg.co.za
Website: <http://www.northern-cape.gov.za/dedat>