

# ANNUAL REPORT

for the year ended  
31 March 2019



## Economic Development & Tourism

Department:  
Economic Development & Tourism  
NORTHERN CAPE PROVINCE

# ANNUAL REPORT

## For the year ended the 31 March 2019



**Mr. Maruping Lekwene**  
MEC for Finance, Economic  
Development and Tourism



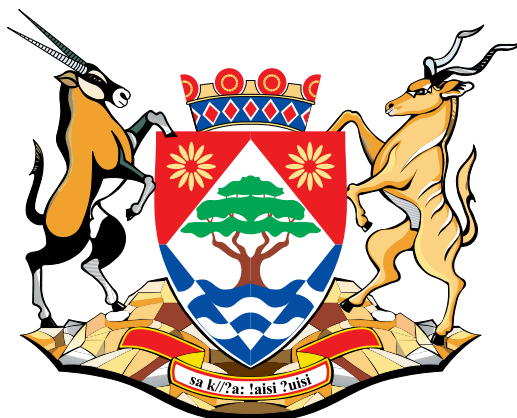
**Mr. GS Mabilo**  
Acting Head of Department  
Economic Development and  
Tourism



**Adv. M. Phera**  
Chief Operations Officer



**Mr. K Packirisamy**  
Chief Financial Officer



**Ms L Wyngaard**  
Executive Manager  
Economic Technical Cluster  
Secretariat



**Adv. Olivier**  
Executive Manager  
Business Regulation and  
Governance



**Mr D Martin**  
Executive Manager  
Trade and Sector Development



**Ms K Nkosi**  
Acting Executive Manager  
Policy, Research and  
Innovation



**Mr D Christians**  
Executive Manager  
Integrated Economic  
Development Services



**Ms J Wilson**  
Acting Executive Manager  
Tourism

# ANNUAL REPORT

## For the year ended the 31 March 2019

### Table of Contents

<b>PART A: GENERAL INFORMATION</b>	<b>3</b>
1.1 DEPARTMENT GENERAL INFORMATION	4
1.2 LIST OF ABBREVIATIONS/ ACRONYMS	5
1.3 FOREWORD BY THE MEC	7
1.4. REPORT OF THE ACCOUNTING OFFICER	9
1.5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT	18
1.6. STRATEGIC OVERVIEW	19
1.7 LEGISLATIVE MANDATE	20
1.8. ORGANISATIONAL STRUCTURE	25
1.9 ENTITIES REPORTING TO THE MEC	26
<b>PART B: PERFORMANCE INFORMATION</b>	<b>28</b>
2.1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES	29
2.2. OVERVIEW OF DEPARTMENTAL PERFORMANCE	29
2.3. STRATEGIC OUTCOME ORIENTED GOALS	57
<b>2.4 PERFORMANCE INFORMATION BY PROGRAMME</b>	<b>69</b>
2.5. TRANSFER PAYMENTS	102
2.6. CONDITIONAL GRANTS	110
2.7. DONOR FUNDS	112
2.8. CAPITAL INVESTMENTS	112
<b>PART C: GOVERNANCE</b>	<b>113</b>
3.1 INTRODUCTION	114
3.2. RISK MANAGEMENT	114
3.3. FRAUD AND CORRUPTION	114
3.4. MINIMISING CONFLICT OF INTEREST	114
3.5. CODE OF CONDUCT	115
3.6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES	115
3.7. PORTFOLIO COMMITTEES	115
3.8. SCOPA RESOLUTIONS	116
3.9. PRIOR MODIFICATIONS TO AUDIT REPORTS	116
3.10. INTERNAL CONTROL UNIT	117
3.11. INTERNAL AUDIT AND AUDIT COMMITTEES	117
3.12. AUDIT COMMITTEE REPORT	119
<b>PART D: HUMAN RESOURCE MANAGEMENT</b>	<b>121</b>
4.1. INTRODUCTION	122
4.2. HUMAN RESOURCE OVERSIGHT STATISTICS	123
<b>PART E: FINANCIAL INFORMATION</b>	<b>146</b>
5.1 REPORT OF THE AUDITOR GENERAL	147
5.2. ANNUAL FINANCIAL STATEMENTS	154



# PART A:

## GENERAL INFORMATION



## ANNUAL REPORT For the year ended the 31 March 2019



### 1.1 Department General Information

<b>PHYSICAL ADDRESS:</b>	MetLife Towers Corner of Stead and Knight Street
<b>POSTAL ADDRESS:</b>	Private Bag X6108 KIMBERLEY 8300
<b>TELEPHONE NUMBER/S:</b>	053 839 4000
<b>FAX NUMBER:</b>	053 831 3668
<b>EMAIL ADDRESS:</b>	<a href="mailto:tpalm@ncpg.gov.za">tpalm@ncpg.gov.za</a>
<b>WEBSITE ADDRESS:</b>	<a href="http://economic.ncape.gov.za">http://economic.ncape.gov.za</a>

## 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
CSIR	Council for Scientific and Industrial Research
DEDaT	Department of Economic Development and Tourism
DGDS	District Growth and Development Strategy
DIRCO	The Department of International Relations and Cooperation
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
GDP-R	Gross Domestic Product per Region
HIPCC	High Impact Project Coordinating Committee
HOD	Head of Department
ICT	Information and Communication Technology
IDC	Industrial Development Corporation
IDP	Integrated Development Plan
IDT	Independent Development Trust
IEDS	Integrated Economic Development Services
IYM	In-Year Monitoring
JTG	John Taolo Gaetsewe
KIDJA	Kimberley International Diamond and Jewellery Academy
KM	Knowledge Management
KD & JC	Kimberley Diamond & Jewellery Centre
LED	Local Economic Development
LFPR	Labour Force Participation Rate
MEC	Member of Executive Committee
MTEF	Medium Term Expenditure Framework

## ANNUAL REPORT

### For the year ended the 31 March 2019

ABBREVIATION	MEANING
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
NDP	National Development Plan
NEF	National Empowerment Fund
PGDS	Provincial Growth and Development Strategy
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administrative Justice Act
PFMA	Public Finance Management Act
RALED	Regional and Local Economic Development
REDS	Regional Economic Development Services
R&D	Research & Development
SCM	Supply Chain Management
RWOPS	Remuneration for Work Outside the Public Service
SABIC	South African Business Incubation Conference
SADPMR	South African Diamond and Precious Metals Regulator
SAT	South African Tourism
SDIP	Service Delivery Improvement Plan
SEDA	Small Enterprise Development Agency
SHERQ	Safety, Health, Environment, Risk and Quality
SIPP	Swiss Import Promotion Programme
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
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
WiLAT	Women in Logistics and Transport



## 1.3. Foreword by the MEC



A NEW dawn has finally come and South Africans, especially the people of the Northern Cape have welcomed it with renewed hope.

The 2018/19 financial year has been a year of reflection for the ANC-led Government, as we celebrate twenty-five years since the beginning of our new dispensation.

The year 2018 had its own challenges such as technical recession and high inflation rates.

Our Province was not spared; economic challenges facing the Province still remain the high **unemployment, poverty and inequality**.

Even though the ANC-led government has managed to triple the size of the economy since 1994 and creating employment for over 7 million more South Africans, many of our people are still trapped in abject poverty, without appropriate skills, work or opportunities to improve their lives.

However, the Cyril Ramaphosa's presidential victory signalled a momentous change in South Africa. We have already seen some progress in key areas

under this new leadership; namely; the Commission of Inquiry into State Capture, PIC and SARS; appointment of new boards at Eskom, Transnet and Denel, the Mining Charter has been finalised, a transparent process was employed to appoint a new NPA head and Tito Mboweni was appointed as new Finance Minister.

Even though we celebrate the great benefits of democracy, we know that the promise of economic freedom is yet to be realised by so many of our people.

This year, our budget will address service delivery issues- Our people's well-beings are going to take a centre-stage when we align our budgets to various programs. Our programs should be people orientated and service delivery should take a centre stage.

As the departments and entities, we will be improving on joint planning for our programmes and follow the SCM processes on time.

In concluding, I would like to congratulate the Department for their attainment of a clean audit in the last financial year.

Our entities; Northern Cape Liquor Board and Tourism Authority, have done well. I challenged the Gambling Board and NCEDA to improve on their audit outcome.

I hereby table the annual report for the year ended 31 March 2019.

**Mr. Maruping Lekwene**

**MEC for Finance, Economic Development and Tourism**

**31 May 2019**





## 1.4. Report of the Accounting Officer



### 1.4.1. Overview of the operations of the department

On the 16th February 2018, in his State of the Nation Address, our honourable president, Cyril Ramaphosa, announced that the world would “unite in celebrating the 100th anniversary of the birth of Nelson Rolihlahla Mandela” and that the nation too would have the opportunity to “recount Madiba’s long walk to freedom, his wisdom, his unfailing humility, his abiding compassion and his essential integrity”.

In the year under review, the Department of Economic Development and Tourism sought to serve the citizens of the Northern Cape Province with the same ethos as espoused by Madiba i.e. “humility, compassion and integrity”. The Department endeavoured to create an environment that stimulated economic growth and encouraged investment, both foreign and domestic, to radically transform the economy where “a person’s prospects are determined by their own initiative and hard work, and not by the colour of their skin, place of birth, gender, language or income of their parents”.

The New Growth Path (NGP), is still government’s strategy to build an inclusive economy; and, thus, create decent employment, sustainable livelihoods and eradicate poverty and income inequality. The NGP remains government’s key programme to take the country onto a higher growth trajectory (National Development Plan, p.117). In the year under review, DEDAT continued to implement the strategies and interventions consistent with these policies. The strategic interventions within the province’s developmental corridors, for 2018/2019, included mining, manufacturing, tourism, the green economy and the knowledge economy.

The Department achieved 69 of the 77 targets that it set for 2018/2019. This implies that the Department was able to meet 89.6% of the targets as set out in the Annual Performance Plan 2018/2019. The improvement in performance over the last four years (76% in 2015/2016) is indicative of the Department’s commitment to improving service delivery.

The Economic Growth and Development Fund was used as a catalyst to accelerate growth and transform the economy. A total of R 30 845 000.00 (97,5% of the fund) was disbursed and included a roll-over amount of R1 823 000.00. Through this intervention, one hundred and seven (107) enterprises across the province were supported (PKS – 17; ZFM 18; JTG – 25; Namakwa – 20 and FB – 27).

The Department is actively pursuing the Black Industrialist agenda. An SME in De Aar has been assisted with an application for funding. It has successfully been through the evaluation process of all the sub-committees and is awaiting approval subsequent to the decision of the Black Industrialists Board.

During 2018/2019, one hundred and twenty-five (125) entrepreneurs were assisted both financially and non-financially. The assistance included business plan development, development of marketing materials, branding and signage, quality management, business mentorship, product certification, business registration, Co-operative Incentive Scheme applications, registrations, business advice and training.

In order to address the uncoordinated and fragmented startup challenge that results in so many failed attempts at setting up SMEs, the Department also developed two incubator business plans for mining and renewable energy. These incubators demonstrate the potential for job creation, growth in revenue, investor funding and improved access to markets (as they mature and migrate to enter the mainstream economy). A concerted effort will now be made to get these incubators to be of relevance and value to small entrepreneurs.

In collaboration with the Department of Sport Arts and Culture and SEDA, a trial site has been established in the Ritchie library to provide enterprise support to clients in the area. The trial site serves as a precursor to the establishment of the community enterprise content service point co- location within libraries in the province. This grants entrepreneurs the opportunity make use of the free internet services at community libraries.

The Department was able to assist nine (9) economic development projects aligned to the Presidential Investment Drive and the outcomes of the South Africa Investment Conference 2018. The projects supported include the Batswana Cultural Village Proposal, Sol Plaatje Technology Station proposal, Transnet One Stop shop proposal, Vedanta SEZ proposal, “Die Eiland” PPP, Douglas Resort PPP, the KIP project, the Veer Steel project.



## ANNUAL REPORT

### For the year ended the 31 March 2019

After assessing all 31 municipalities, six were identified for support. They were the Pixley Ka Seme District Municipality, Kgatelopele Local Municipality, David Kruiper Local Municipality, Siyathemba Local Municipality, the Joe Morolong Local Municipality and Khai -Ma Local Municipality. The support included collection of data, research, stakeholder facilitation, consultations, drafting of documents and presentations to municipal management and council members.

The EPWP programme led to the creation of **381** work opportunities and exceeded the target with **81** work opportunities as reported by the Department of Public Works.

Local B-BBEE Stakeholder Engagement Workshops were conducted in the districts of Frances Baard (Kimberley), John Taolo Gaetsewe (Kathu) and ZF Mgcawu (Upington).

The Department also spearheaded industry development and trade investment promotion interventions aimed at stimulating economic growth in the province. The Province exposed twenty-three (23) Northern Cape companies to export markets through participation at local and international exhibitions. In collaboration with the Department of Trade and Industry (dti) and SEDA, the Department rolled out Export Awareness Seminars in Upington, Kimberley, De Aar, Kuruman and Springbok. Ninety-two (92) companies participated in these seminars.

The Department also hosted the Global Exporter Passport Programme (GEPP) Phase 1 and Phase 2 training workshops in conjunction with the dti in Upington and Kimberley where forty-eight (48) companies participated.

The Upington Special Economic Zone, "Boegoebaai" Deep Port Harbour and the De Aar Logistics Hub were marketed during outward visits to the United Arab Emirates and the Peoples' Republic of China. Provincial Investment opportunities were promoted with the aid of marketing publications such as the Northern Cape Business Publication and the Frontier Invest e-marketing platform.

The Department remains committed to South Africa's "drive towards a low carbon and Green Economy trajectory, especially in ensuring that the proposed energy mix is at the forefront of energy security". Therefore, the Renewable Energy Conference was held in De Aar from 23-24 August 2018. A total of 695 people attended the conference of which 174 were industry people, 286 were SMMEs and businesses in the renewable energy sector, 21 were exhibitors and 47 were special guests. The resolutions taken at the conference have been adopted by the Executive Council.

The Department facilitated the signing of a Memorandum of Understanding (MoU) between the Pixley Ka Seme District Municipality (PKSDM), a local emerging renewable energy company and a strategic partner in relation to the supply and installation of rooftop solar systems and the supply of electricity using photovoltaic technology in PKSDM. The underlying objective of the programme is to address electricity challenges and implement mechanisms aimed at reducing electricity consumption. The socio-economic benefits will include the creation of sustainable jobs through the establishment of self-sufficient Renewable Energy businesses and improved access to dependable and inexpensive energy.

Industrialisation is important to facilitate diversification beyond the Northern Cape's historical reliance on mining to underpin economic growth. This is why the Department continues to proactively add value to the mineral wealth mined in the province through the upskilling of its citizens that proactively allows them to position themselves to exploit the value chain of its mineral wealth in the province. This is why Fifty-one (51) learners were trained at the Kimberley International Diamond and Jewellery Academy (KIDJA) and twenty-one (21) SMMEs were incubated at the Kimberley Diamond and Jewellery Incubator (KDJI). Support was rendered to KDJI and its clients by assisting entrepreneurs to attend the South African Business Incubation Conference (SABIC) which was held in November 2018. One of the Incubator SMMEs, Lute Diamonds, won an award of 2nd runner up for best incubatee of the year. The Department also assisted two SMMEs to participate at the Hong Kong International Jewellery and Gem Fair in September 2018. Support was also granted for KDJI and KIDJA to participate at Jewellux Africa in October 2018.

The following agreements were also signed as part of international collaboration between South Africa and The People's Republic of China: the MoU between JC Group and KDJI for future collaboration on SMME development, specifically addressing access to funding for future diamond prospecting possibilities and market access in China and the MoU between JC Group and Blue Noze Resource for close collaboration on prospecting the primary mining potential of the identified alluvial diamond sites awarded and registered under Blue Noze Resources by the Department of Mineral Resources. Blue Noze is an emerging SMME incubated at KDJI.

Tourism awareness campaigns were conducted in partnership with communities in an effort to encourage participation and involvement of previously disadvantaged people in the tourism sector. A stakeholder consultation session was convened to forty (40) tourism public and private collaboration efforts and create synergies for tourism development and promotion.

## ANNUAL REPORT For the year ended the 31 March 2019

Consumer Awareness Campaigns were held in all five districts thus enabling Consumer Protection to reach 8721 people. The savings passed onto the consumer through the interventions of the Consumer Protector total an estimated R 1 958 933.55.

A tourist guiding workshop was conducted to upskill the local tourist guides in business and enterprise planning and tourist market access. A campaign to combat illegal tourist guiding practices was conducted in order to combat illicit practices. In order to improve the service standards in the tourist guiding sector, the Department has developed an Information Management System Framework to align and streamline the tourist guide registration process and database management. Phase 1 and Phase 2 of the tourist guide information management system is complete and the framework will lay the basis for fully functional information management system during 2019/2020 financial year.

As per the Operation Phakisa imperatives a report on the progress in the implementation of the provincial Marine and Coastal Tourism has been produced. A tourism product audit was conducted to measure the performance of the provincial tourism sector, so as to track performance and inform intervention strategies. A report on tourism business registration was compiled as a framework to assist towards compliance and creation of tourism business registry. A coastal aviation feasibility study was also conducted to assess the potential to develop tourism coastal products and infrastructure development.

Skills development plays a vital role in promoting economic growth and poverty reduction through supporting the provincial tourism industry. Eighty-seven (87) tourism and respective tourism entrepreneurs were trained in quality assurance in the hospitality industry which benefitted forty-four (44) youth.

Eleven (11) black-owned tourism enterprises were supported financially, including three youth-owned tourism enterprises. Very long lead-in times to procure a service provider in order to train tourist guides impeded efforts to extend financial support to all envisaged tourism enterprises.

Fifteen (15) tourism experiences were supported across the province. Such support plays a significant part in growing tourism arrivals, extend duration of stay and increase income derived from tourism activities. The Department also played a role in improving the attractiveness of the Galeshewe Activity Route thus contributing to growing the township economy. Eleven (11) youth were employed in an effort to improve the Mayibuye precinct as a tourist destination.

Fourteen (14) tourism infrastructure projects were supported. Such infrastructure supports growing economic activity and employment creation through tourism.

Partnerships are vital for the successful development of destinations that attract tourists to the province. In this regard the Department, in partnership with the Dawid Kruiper Municipality, is developing Hakskeenpan in Mier as an open-air mega event venue. This initiative was funded by the Department to the tune of R1.7 million fund assistance to the Dawid Kruiper LM.

The Department also partnered with the Riemvasmaak Trust to perform comprehensive maintenance of their tourism assets with funding assistance of R640 000. This project created twenty-eight (28) jobs for the local people of which twelve (12) were youth.

The Department also entered into a partnership with the national departments of Tourism and Science and Technology to develop the Square Kilometre Array Carnarvon Exploratorium. The conceptualisation of the project has been completed and will now enter the design and construction phase.





## ANNUAL REPORT

### For the year ended the 31 March 2019

#### 1.4.2. Overview of the financial results of the Department

##### 1.4.2.1. Departmental receipts

Departmental receipts	2018/2019			2017/2018		
	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	32 743	27 930	4 813	31 000	29 294	1 706
Casino taxes	26 180	21 402	4 778	25 036	22 672	2 363
Horse racing taxes	1 924	2 621	(697)	1 637	2 753	(1 116)
Liquor licences	4 639	3 907	732	4 327	3 869	458
Motor vehicle licences	-	-	-	-	-	-
Sale of goods and services other than capital assets	87	240	(153)	81	89	(8)
Transfers received	-	-	-	-	250	(250)
Fines, penalties and forfeits	144	161	(16)	136	131	5
Interest, dividends and rent on land	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Financial transactions in assets and liabilities	32	2 072	(2 040)	37	1 303	(1 266)
<b>Total</b>	<b>33 006</b>	<b>30 402</b>	<b>2 604</b>	<b>31 254</b>	<b>31 069</b>	<b>187</b>

##### 1.4.2.2 Programme Expenditure

Programme Name	2018/2019			2017/2018		
	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	63 331	63 331	-	60 103	58 190	1 913
Integrated Economic Development Services	65 645	65 042	603	85 658	74 953	10 705
Trade and Sector Development	69 275	64 275	5 000	44 999	43 104	1 895
Business Regulation and Governance	40 633	40 633	-	38 586	38 177	409
Economic Planning	21 471	21 162	309	20 392	20 174	218
Tourism	70 722	59 500	11 222	53 353	50 340	3 013
<b>Total</b>	<b>331 077</b>	<b>313 943</b>	<b>17 134</b>	<b>303 091</b>	<b>284 938</b>	<b>18 153</b>

The Department's expenditure for the year under review amounted to R313 943 000 (R284 938 000 in 2017/18) which is 94.82% (94.0% in 2017/18) of the allocated budget of R331 077 000 (R303 091 000 in 2017/18). In the 2018/19 financial year the department underspent by R17 134 000 (R18 153 000 in 2017/18).

However the Department did request a roll-over of R8 982 000 and if the roll-over is deducted from the underspending the real underspending of the Department amounts to R8 152 000 or 2.46% of the allocated budget. The underspending on Goods and Services was realised due to the main event of Kimberley Diamond Cup which did not take place in the 2018/19 financial year. The other events, Skateboard for Hope and mini grand slams did transpire.

## ANNUAL REPORT

### For the year ended the 31 March 2019

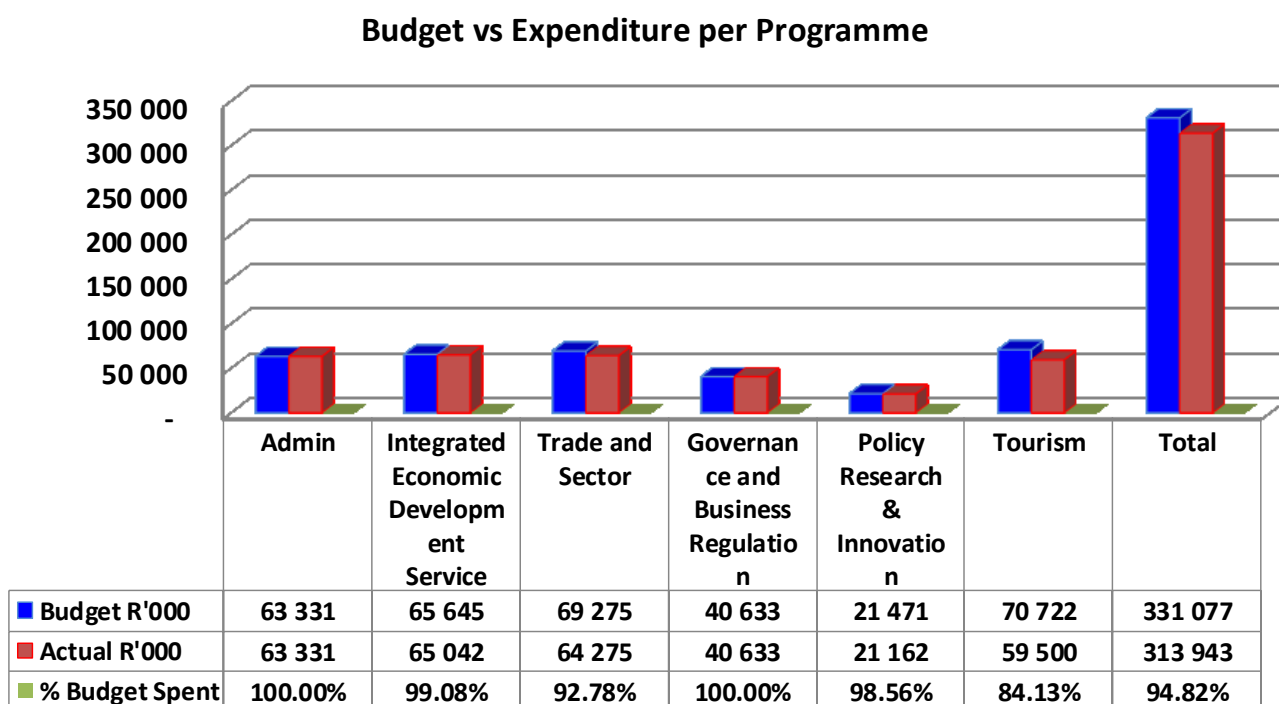
The underspending on Transfers and Subsidies was realised due to administrative delays on the Economic Growth and Development Fund and Tourism SMME Grant. In addition, the underspending on was realised due to the BOSCO Sports event which did not take place due to unforeseen circumstances and the Youth Conference which did not take place.

The financial year 2018/19 under spending as per economic classification are:

- Compensation of employees was R nil (R5 132 000 in 2017/18);
- Goods and Services was R8 460 000 (R6 670 000 in 2017/18). A roll-over request was registered amounting to R309 000 for Goods and Services for the 2018/19 financial year. No roll-over request was registered in the 2017/18 financial year.
- Transfers and Subsidies was R8 674 000 (R6 351 000 in 2017/18). A roll-over request was registered amounting to R8 673 000 for Transfers and Subsidies for the 2018/19 financial year. A roll-over request was registered amounting to R5 073 000 for Transfers and Subsidies in the 2017/18 financial year.
- No underspending was realized for the 2018/19 financial year on Payments for Capital Assets.

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.

**GRAPH 1: Budget versus Expenditure per Programme for 2018/2019**

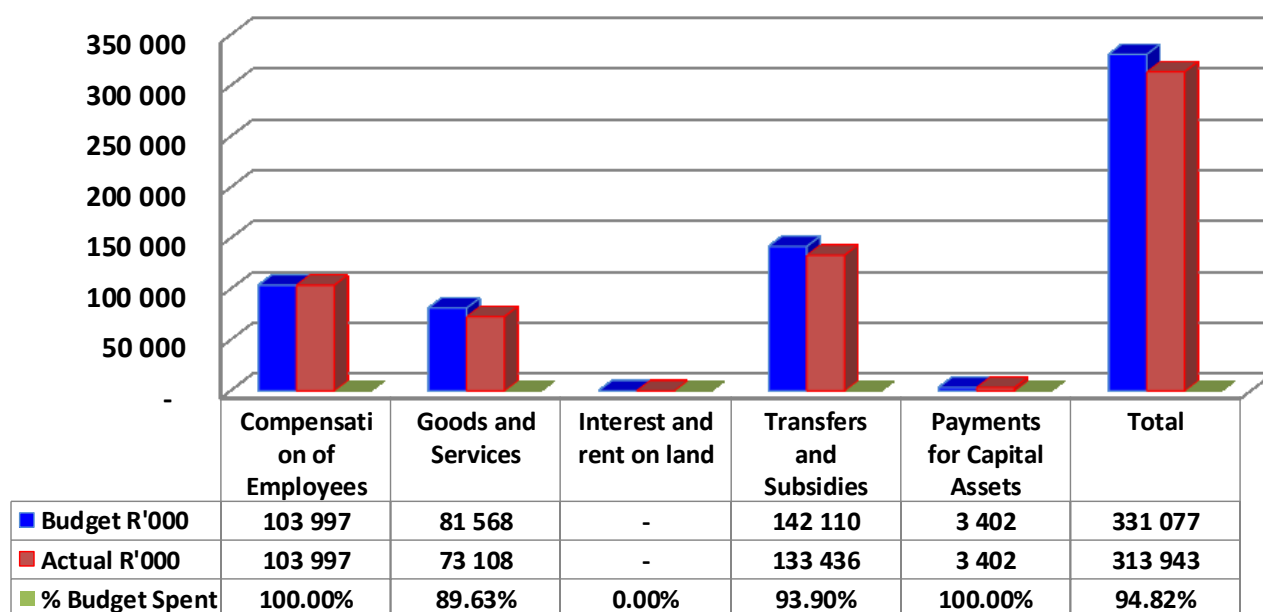


## ANNUAL REPORT

### For the year ended the 31 March 2019

**GRAPH 2: Budget versus Expenditure per Economic Classification for 2018/2019**

**Budget vs Expenditure per Economic Classification**



#### 1.4.2.3. Virements/roll overs

##### Virements

After the Adjusted Appropriation Act of the 2018/19 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	Tourism	16
Integrated Economic Development Services	Administration	283
Integrated Economic Development Services	Trade and Sector Development	258
Integrated Economic Development Services	Business Regulation and Governance	89
Integrated Economic Development Services	Tourism	145
Trade and Sector Development	Tourism	1 605
Economic Planning	Administration	560
Economic Planning	Tourism	60
Tourism	Administration	1 267

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

## ANNUAL REPORT

### For the year ended the 31 March 2019

#### Per Economic Classification:

FROM	TO	Amount R'000
Compensation of Employees	Compensation of Employees	84
Compensation of Employees	Goods and Services	666
Compensation of Employees	Payments for Capital Assets	78
Goods and Services	Goods and Services	813
Goods and Services	Payments for Capital Assets	816
Payments for Capital Assets	Payments for Capital Assets	60
Departmental agencies and Accounts	Private Enterprises	1 605
Private Enterprises	Private Enterprises	145
Provinces and Municipalities	Private Enterprises	16

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 2018/19 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 2019.

The submission for roll-over submitted to Provincial Treasury for the Department of Economic Development and Tourism was R8 982 000 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	-	-	-
Integrated Economic Development Services	603	602	1
Trade and Sector Development	5 000	5 000	-
Business Regulation and Governance	-	-	-
Economic Planning	309	309	-
Tourism	11 222	3 071	8 151
<b>Total</b>	<b>17 134</b>	<b>8 982</b>	<b>8152</b>

#### 1.4.3. Future plans of the Department

##### FUTURE PLANS OF THE DEPARTMENT 2019/2020

The Department will continue to develop economic strategies and pursue economic development initiatives that will transform the economic landscape in order to eradicate poverty, inequality and unemployment in the Province.

The APP 2019/2020 seeks to unlock and take advantage of economic opportunities that result in sustainable and decent job creation, the expansion of manufacturing, and the uptake of localisation and increased rural economic development. Specific areas of focus include exploiting the value chain in Renewable Energy, crowding in domestic and foreign investment, expanding opportunities for investment, developing SMMEs and Co-operatives, mineral beneficiation and the expansion, as well of the transformation, of tourism in the province.

The rationalization of the Liquor Board and the Gambling Board into a single entity will still be pursued.

The development of Black Industrialists in the Province will also be continued within the framework criteria as defined by the IDC and dti.



## ANNUAL REPORT

### For the year ended the 31 March 2019

Interventions in term of developing Township and Rural Economies will be intensified and as a province we will partner with other tiers of government, and other stakeholders to form partnerships to this effect.

The EPWP programme will be continued as per funding initiatives and the creation of work opportunities accelerated.

The development of secondary towns and cities will be continued within the Integrated Urban Development Framework (IUDF).

Initiatives to attract Foreign-Direct Investment (FDI), with a strategic focus on those initiatives that impact economic growth and job creation, will be pursued. The Department will continue to implement the mutually beneficial international investment agreements through improving the capacities of the Northern Cape Economic Development Trade and Investment Agency (NCEDA).

The Metals Industrial Cluster, Clothing Manufacturing Cluster and the Agro-processing potential will continue to be exploited as part of the 2015 -2020 strategic drive. The value-chain on precious and semi-precious minerals will be exploited to benefit the citizen of the Province. This includes skills development through the Kimberley International Diamond and Jewellery Academy (KIDJA). The Kimberley Diamond and Jewellery Incubation Centre (KIDJI) will continue to provide support services to established and emerging SMMEs in diamond cutting and jewellery manufacturing.

The Department will continue to expand the Information Society interventions to assist the shift towards enabling SMMEs and Co-operatives to develop their capabilities and benefit from opportunities that the 4<sup>th</sup> Industrial Revolution is bringing about. This will include the expansion of the applications development laboratory (m-Lab).

In an effort to revitalise municipal resorts in partnership with municipalities, the Department will continue to foster public-private-partnerships (PPP).

In order to diversify the economy on the West Coast, interventions identified in the Coastal and Marine Tourism Strategy will be prioritised and funded to augment policy interventions in terms of Operation Phakisa and the Ocean's Economy. The impetus is to migrate the economy on the West Coast from mining to tourism. To this end the Department will continue its support of the Small Harbours and State-Owned Coastal Property Development initiatives in the Namakwa District. In addition to this, the cross-border tourism initiatives with Namibia and Botswana will also be exploited to benefit the province.

The Province will implement the Northern Cape Climate Change Adaptation Response Strategy to ensure that the path towards economic, social, and environmental development is responsible and sustainable.

In summary, the department will continue to accelerate radical socio-economic transformation, with the prioritisation of youth empowerment initiatives, focussing specifically on Youth Entrepreneurship and a Skills Revolution, to produce black industrialists and a skilled and well equipped workforce that will be able to take advantage of the Fourth Industrial Revolution and finally eradicate the threat of poverty, inequality and unemployment.

#### **1.4.4. Public Private Partnerships**

The Department did not have any public-private partnerships 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. Supply chain management**

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

**1.4.7. 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.

**1.4.8. Exemptions and deviations received from the National Treasury**

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

**1.4.9. Events after the reporting date**

At the close of the financial year, 31 March 2019, the Department had a contract with a service provider to the value of R15 614 829.36 in relation to a security services contract. The company filed for voluntary liquidation and failed to disclose this to the Department thus rendering the appointment invalid. The contract was therefore terminated with immediate effect on 15 April 2019.

**1.4.10. 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 Mr. G. S. Mabilo as the Acting Head of the Department of Economic Development and Tourism was reconfirmed, effective from 01 October 2018 for a period of twelve months or until the post is permanently filled.

**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.



**G. S. Mabilo**

**Acting Accounting Officer**

**Department of Economic Development and Tourism**

**Date: 31 May 2019**

**ANNUAL REPORT**  
**For the year ended the 31 March 2019**

## **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 2019.

Yours faithfully



---

**Mr G. S. Mabilo**  
**Acting Accounting Officer**  
**Department of Economic Development and Tourism**

**Date: 31 May 2019**

## 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**

**Profession-  
alism**

**Integrity**

**Efficiency**

**Economy**

**4 E's**

**Effectiveness**

**Excellence**



## ANNUAL REPORT

### For the year ended the 31 March 2019

## 1.7 Legislative Mandate

### Direct Mandates

#### 3.1.1 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.

#### 3.1.2 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 were no changes to the Legislative Mandates that govern the functions of the department.

### Indirect Mandates

#### 3.2.1 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.

#### 3.2.2 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.

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.

#### **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 percent. 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**

<b>Job driver</b>	<b>Sectors</b>	<b>Employment target (2020)</b>
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
<b>TOTAL DIRECT JOBS</b>		<b>2,770,000</b>







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).

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, and
- 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.

### 3.2.3 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.

### 3.3 Medium Term Strategic Framework

Medium Term Strategic Framework (MTSF) sets out government priority focus areas for 5 years. The country adopted the National Development Plan (NDP) which is a 20 year development plan, the NGP, IPAP and National Infrastructure Plan (NIP) which are short to medium term plans that are aimed at implementing the NDP.

From these plans Government identified key priority areas to be focused on for a period of 5 years. These priority areas form the MTSF. The MTSF has 14 outcomes of which the Department of Economic Development and Tourism is responsible for *Outcome 4 "Decent Employment through inclusive economic growth"*.

The draft 2014-19 MTSF Outcome 4 Chapter identifies the following 8 Sub-Outcomes and each has its specific actions, indicators and targets:



## ANNUAL REPORT

### For the year ended the 31 March 2019

1. Productive investment is effectively crowded in through the infrastructure build programme.
2. The productive sectors account for a growing share of production, employment and exports are diversified, African regional development is accelerated, carbon intensity is reduced and the organs of the state improve their alignment in support of employment-creating growth.
3. The elimination of unnecessary regulatory burdens and lower price increases for key inputs and wage goods fosters investment and economic growth.
4. Workers education and skills increasingly meet economic needs.
5. Expanded employment in agriculture.
6. Macroeconomic conditions support employment – creating growth.
7. Reduced workplace conflict and improved collaboration between government, organised business and organised labour.
8. Public employment schemes provide short term relief for the unemployed and build community solidarity and agency.

#### CHANGES IN THE POLICY ENVIRONMENT

Operation Phakisa (Hurry Up) was launched by the honourable President Jacob Zuma in his State of the Nation Address on 19 July 2014. The Mining leg of Operation Phakisa (a sector-focused initiative to accelerate implementation of the National Development Plan) will identify key constraints to investment and growth of the industry as well as develop a shared vision and growth strategy for the long term development and transformation of the sector. The strategic intent of Operation Phakisa (mining) is to fast-track the contribution made by the mining industry to beneficiation of industrialisation.

In addition, the Ocean's Economy has the 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 the Marine Protection Services.

The introduction of the 9-Point Plan:

1. Revitalising the agriculture and agro-processing value-chain.
2. Advancing beneficiation (adding value to our mineral wealth).
3. More effective implementation of a higher impact IPAP.
4. Unlocking SMME, co-operatives, township and rural enterprises' potential.
5. Growing the ocean economy (including tourism).
6. Resolving the energy challenge.
7. Stabilising the labour market.
8. Crowding in private-sector investment.
9. Cross-cutting Areas to Reform, Boost and Diversify the Economy:
  - Science and Technology
  - Water and sanitation infrastructure
  - Transport infrastructure
  - Broadband rollout
  - State Owned Entity reforms



## ANNUAL REPORT

### For the year ended the 31 March 2019

## 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





## 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

South Africa is a small open economy that is impacted by events in the global economy. World growth is expected to slow, constraining South Africa's export growth forecast. These macroeconomic conditions have led to a weaker economic outlook. It is expected that real GDP growth in 2019 will rise to 1.5 percent, and then strengthen moderately to 2.1 percent in 2021.

The 2019 National Budget projected economic growth of 0.7 percent in 2018. These are still estimates but many of the risks that were identified materialised. What is expected is a slower but steady recovery after the technical recession in 2018.

Moody's International credit rating for South Africa is a Baa3 rating. This means South Africa stays at Baa3, which is one notch above sub-investment grade, with a stable outlook until the next review takes place on November 1, 2019. Ratings' agencies S&P and Fitch downgraded South Africa to non-investment grade to junk status in 2017. A similar rating by Moody's would have hit South Africa's embattled economy. This decision by Moody's bodes well for President Cyril Ramaphosa's drive to attract \$100 billion (i.e. R 1.2 trillion) in investment over the next five years.

##### Northern Cape Population Dynamics

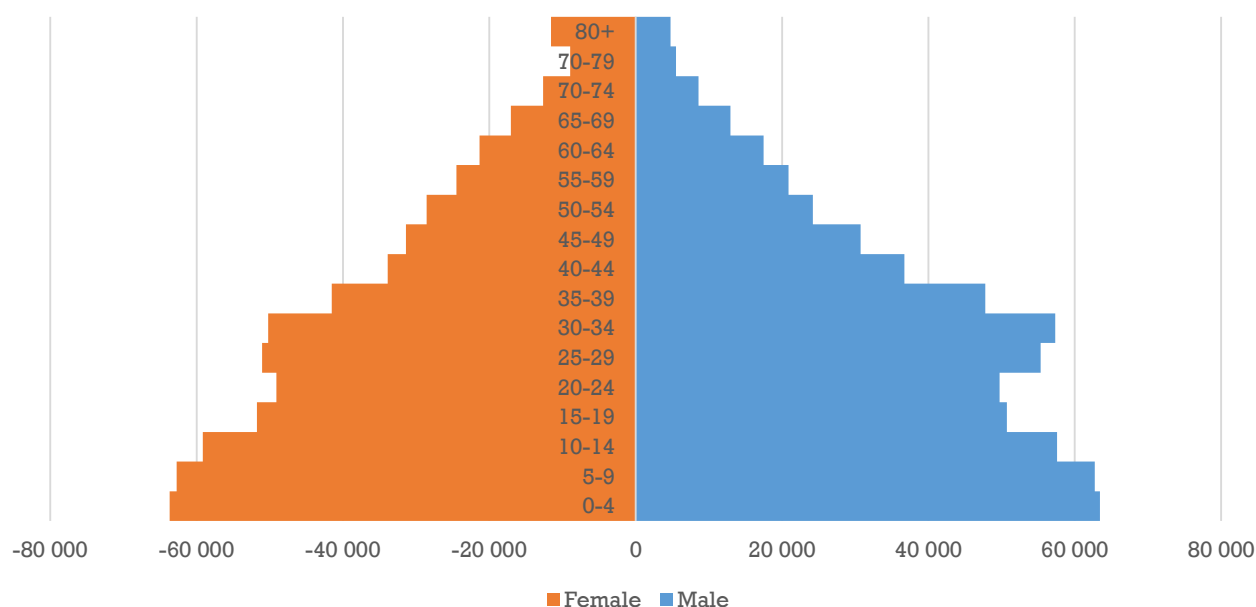
Poverty and economic inequality manifest in patterns that severely prejudice vulnerable individuals and groups based on their race, geographic location, gender and disability status. It is accordingly found that government's programme of radical socio-economic transformation is necessary, and should 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).



## ANNUAL REPORT

### For the year ended the 31 March 2019

**Figure 1: Northern Cape Provincial Population Pyramid**

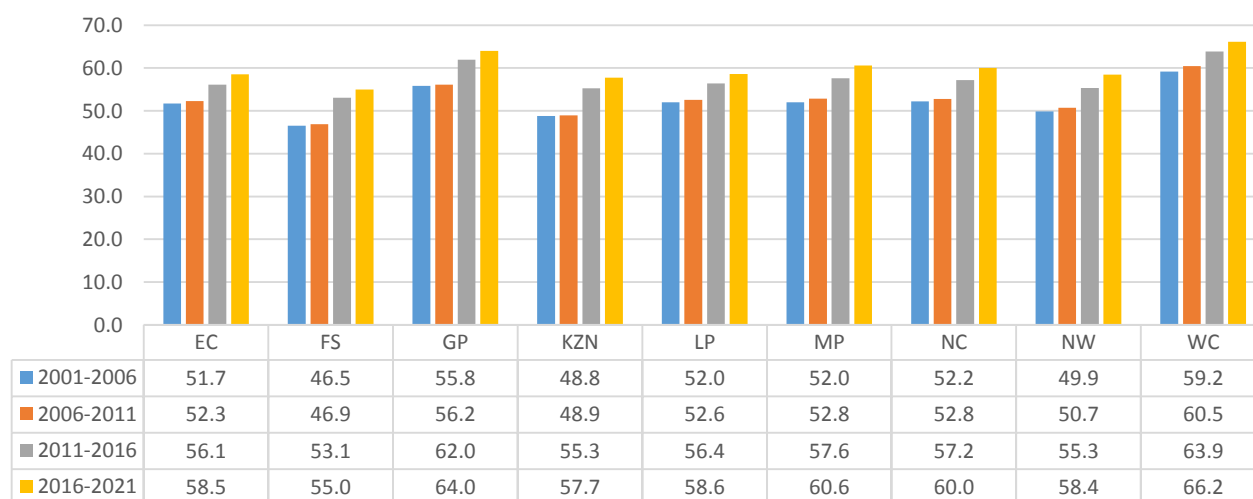


Source: (Statistics South Africa (StatsSA), 2018)

Figure 1 above depicts the provincial population pyramid. The Northern Cape Province has a population of over 1.2 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, 30.1% or about 369 279.

The Northern Cape has fewer males (i.e. 183 000) in the Ages 0-14, when compared to the females (i.e. 185 000). An asymptotic pattern is notable in the 25 – 29-year cohort, wherein males surpass their female counterparts. 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 64.0% (or about 784 495) of the population below the age of 35. It is therefore important that youth employment and employability be prioritized as a matter of extreme urgency by all.

**Figure 2: Life expectancy - Male**



Source: (Statistics South Africa(StatsSA), 2018)

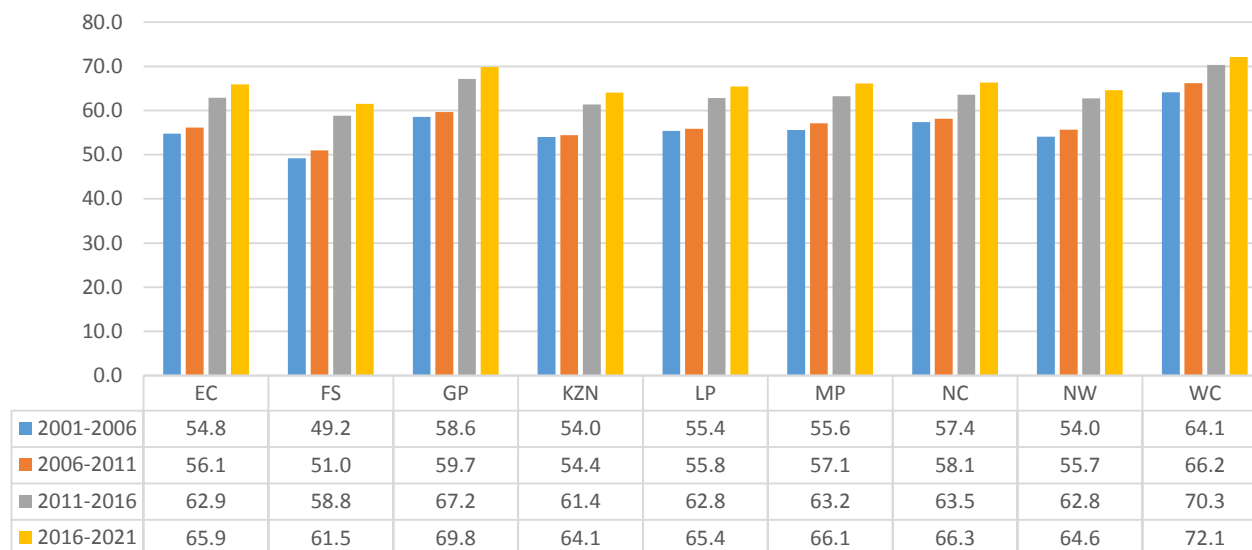
## ANNUAL REPORT

### For the year ended the 31 March 2019

Figure 2: Life Expectancy (previous page) demonstrates that there is general improvement in the life expectancy at birth for both the female and the male cohort. Notably, (Statistics South Africa(StatsSA), 2018) estimates the male life expectancy to be at 62 years, while that of a female at 67 years. There is an average 6-year gap in life expectancy between males and females in South Africa.

The Northern Cape's male's life expectancy is said to be at 60 years, two years below the national average of 62 years. Noteworthy, there is improvements in the life expectancy at birth for males in the province.

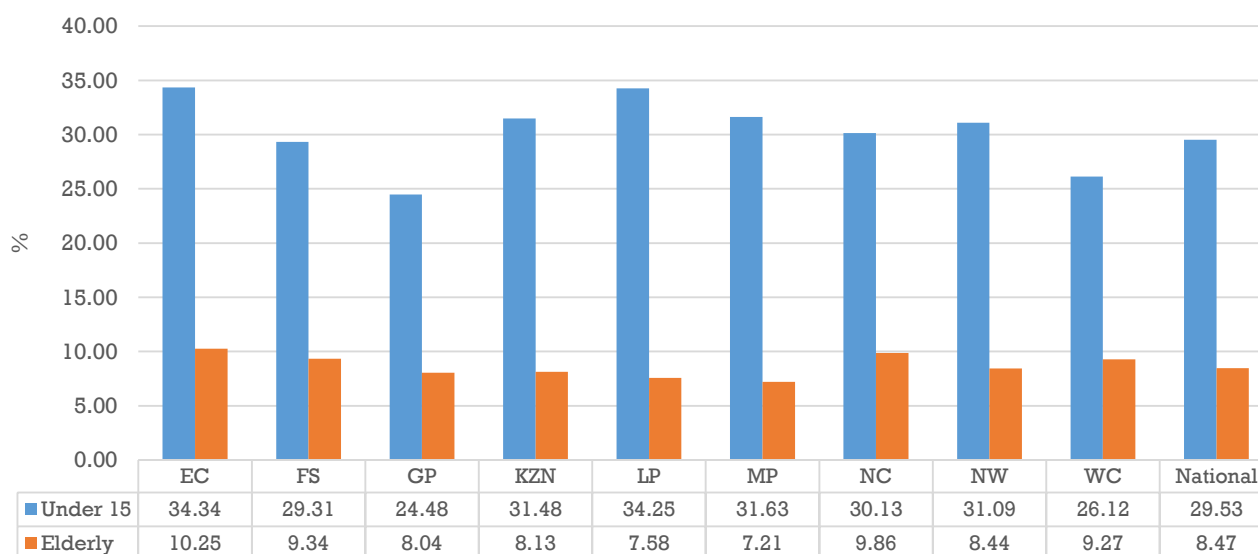
**Figure 3: Life Expectancy - Female**



Source: (Statistics South Africa (StatsSA), 2018)

As previously noted, there is a six-year gap in the life expectancy, with the female cohort advantaged. Females in the Northern Cape are expected to outlive their male counterparts by approximately six-years.

**Figure 4: Percentage of Dependant groups - i.e. Under 15 and Elderly**



Source: (Statistics South Africa (StatsSA), 2018)

## ANNUAL REPORT

### For the year ended the 31 March 2019

Furthermore, StatsSA estimates that about 29.3% of the South African population is aged younger than 15 years and approximately 8.5% (over 4.60 million) is 60 years or older. Similar proportions of those younger than 15 years live in Limpopo at 34.3% and the Eastern Cape (34.3%). Whilst for the Northern Cape the percentage of children under the age of 15, is estimated to be about 30.1%. Of the elderly aged 60 years and older, the highest percentage 24.0% (1.10 million) resides in Gauteng. The Eastern Cape and the Northern Cape have the highest percentage of elderly persons, at 10.3% and 9.9% respectively. The proportion of elderly persons aged 60 and older is increasing over time (Statistics South Africa(StatsSA), 2018).

**Table 1: South African Migration Flows as calibrated by StatsSA**

Province in 2016	Province in 2021											
	EC	FS	GP	KZN	LIM	MP	NC	NW	WC	Out-migrants	In-migrants	Net migration
EC	0	18 261	149 867	100 226	13 840	16 522	7 930	37 014	172 603	516 264	192 412	-323 851
FS	8 108	0	84 158	8 177	6 817	10 565	9 217	23 676	12 690	163 408	147 666	-15 742
GP	50 121	43 685	0	75 771	85 884	82 704	12 638	99 311	98 341	548 456	1 596 896	1 048 440
KZN	23 396	12 185	239 905	0	8 346	33 228	2 825	11 159	35 105	366 150	307 547	-58 602
LIM	4 589	5 950	304 317	7 650	0	45 628	2 387	30 197	11 550	412 269	279 755	-132 513
MP	4 889	5 549	133 937	13 434	24 949	0	2 469	16 472	10 417	212 116	286 154	74 038
NC	4 487	9 061	18 432	5 814	2 709	4 444	0	13 031	18 533	76 512	83 000	6 489
NW	5 448	12 373	118 045	6 421	20 945	12 507	24 786	0	9 572	210 096	317 830	107 733
WC	53 052	8 338	64 675	14 168	5 826	7 566	13 286	8 703	0	175 613	486 617	311 004
Outside RSA	38 322	32 263	483 561	75 886	110 440	72 988	7 461	78 267	117 805			

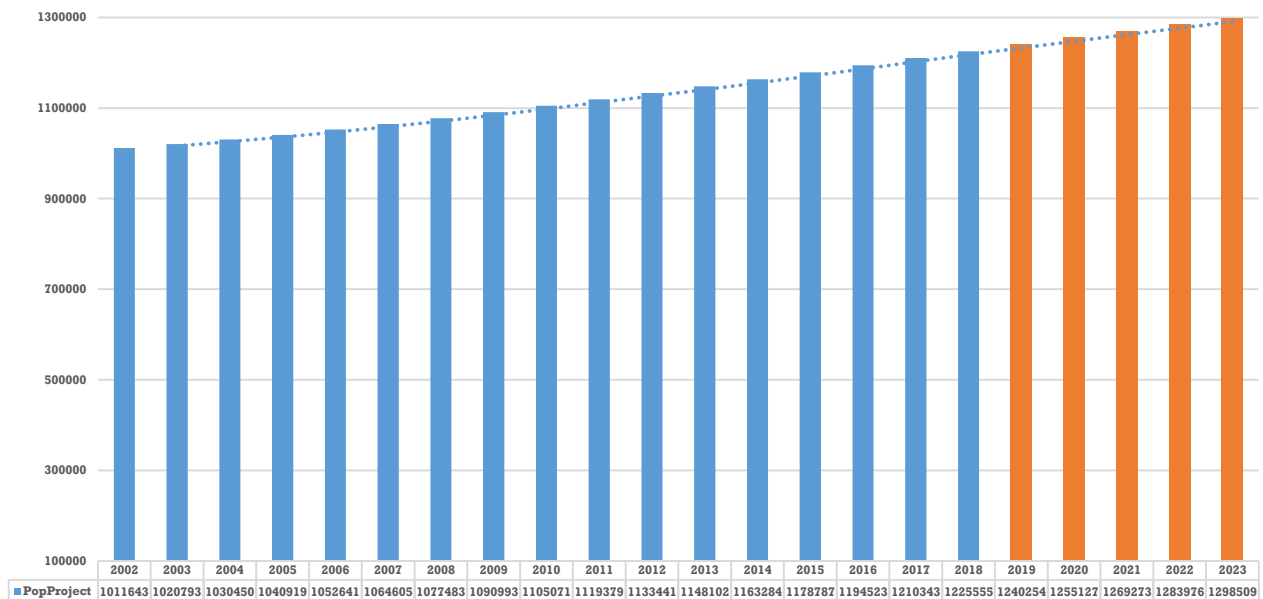
Source: (Statistics South Africa (StatsSA), 2018)

Table 1 above provides a glimpse of the South African migration streams as estimated by StatsSA. What is noteworthy is the fact that 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.

In the Northern Cape, there is also an increase in the province’s net migration. This implies that there were more persons migrating to the Northern Cape (i.e. 83 000), than those leaving the province (i.e. 76 512), resulting in a net-migration of 6 489. Persons leaving the province, tend to migrate to the provinces of the Western Cape, Gauteng and the North-West. The in-migrants tend to be from the North-West (i.e. 24 786) and the Western Cape with over 13 000 migrants to the province.



**Figure 5: Northern Cape Provincial Population Projection – StatsSA**



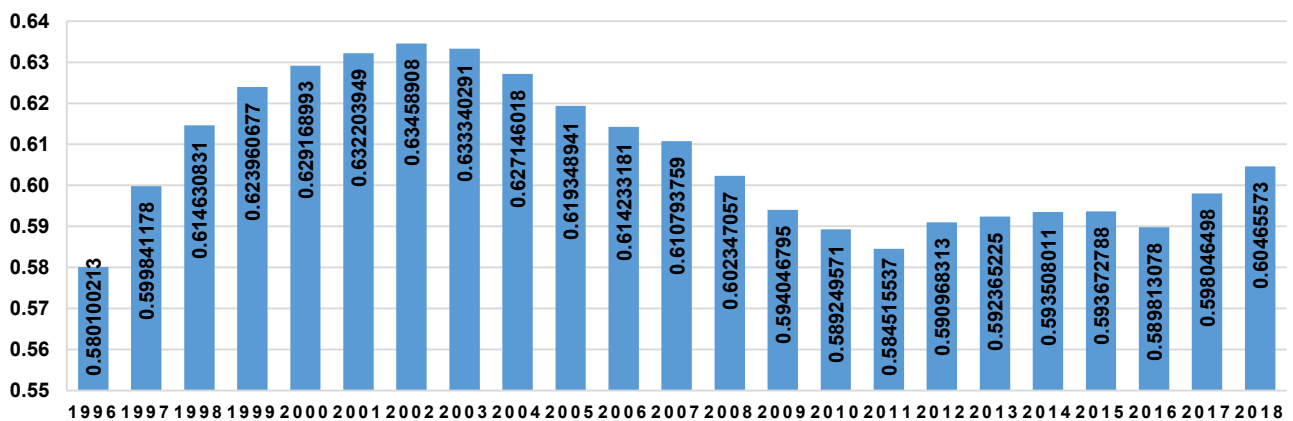
Source: (Statistics South Africa (StatsSA), 2018)

According to StatsSA the provincial population bridged the 1.2 million mark, recording 1 225 555, at mid-point of 2018 calendar year. The statistical body anticipates a healthy population growth provincially, estimated at 1.5% for the period 2018 until 2023.

The positive population growth could be the in-ward migration leading to a positive net-migration to the province, as StatsSA estimates the net-migration to be a 6000, for the period 2016-2021. These possible factors are the assumptions demographers at StatsSA considered, will total 1 298 508, at the end of the forecast period.

### Provincial Development Trajectory

**Figure 6: Provincial Income Inequality - Gini-Coefficient/Index**



Source: (IHS MarkIT, 2019)

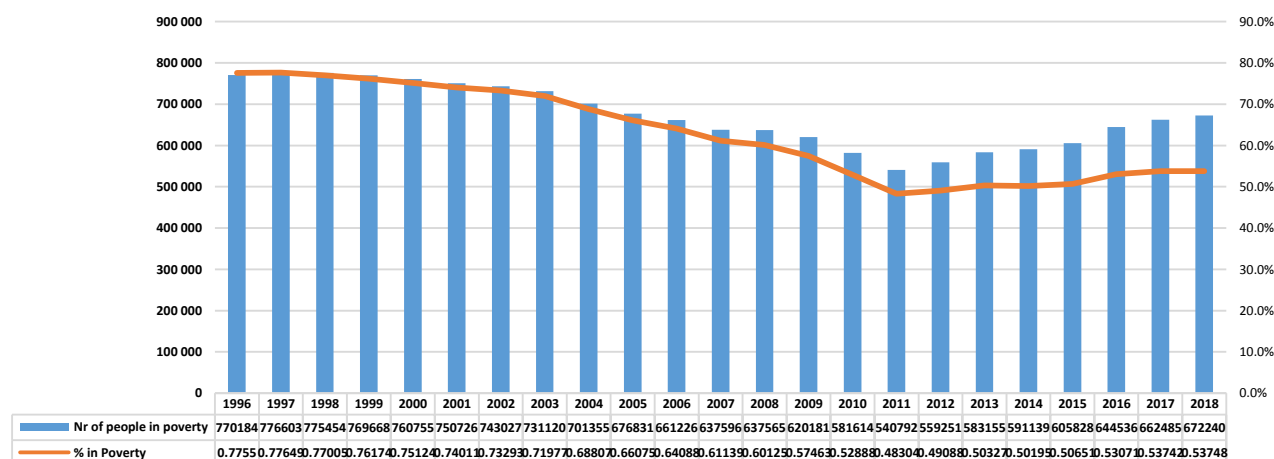


## ANNUAL REPORT

### For the year ended the 31 March 2019

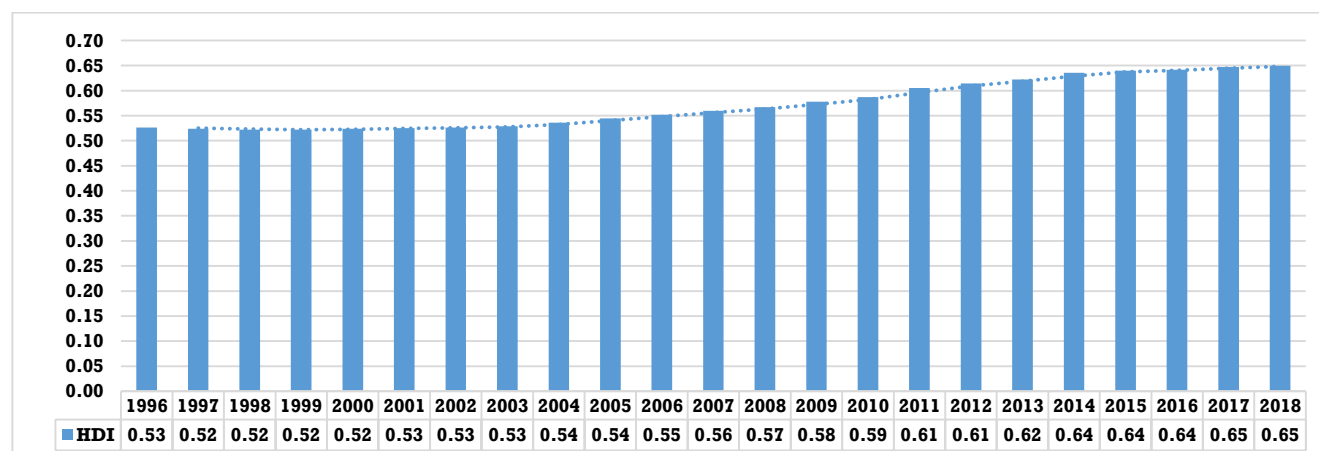
The Northern Cape had a Gini-coefficient/index of 0.59 during 2017 according to (IHS MarkIT, 2019) and grew further in 2018 to record 0.604. Disappointingly, the income inequality has seemingly stagnated at a relatively high Gini-index of 0.60, when compared to 1996, when it was at 0.58. Admittedly, there has been a noted decline as the provincial Gini-index which peaked at 0.634, between 2002 and 2003.

**Figure 7: Northern Cape Poverty Overview**



Source: (IHS MarkIT, 2019)

**Figure 8: Human Development Index (HDI) - Northern Cape**



Source: (IHS MarkIT, 2019)

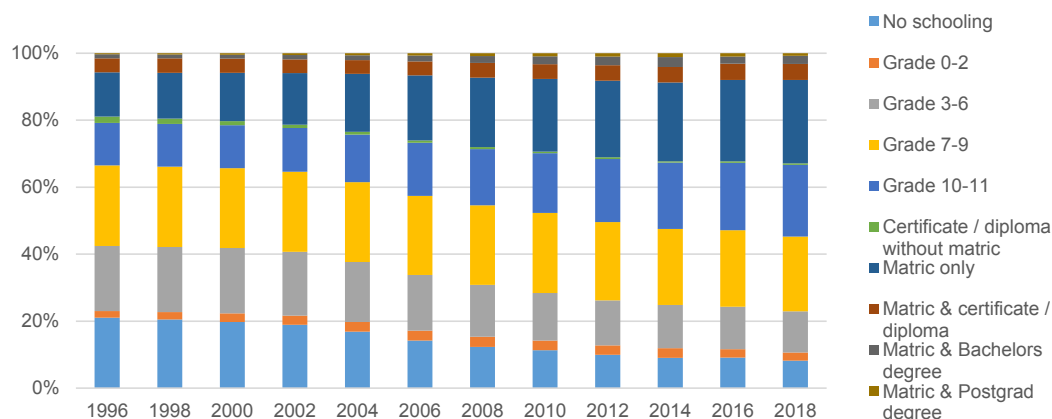
As per definition of the Human Development Index (HDI)<sup>1</sup>, the Northern Cape Province is considered to be a medium-level developed region. According to the IHS Markit data, the province has as an HDI of 0.65, and has been on a slow yet upward trajectory and thus considered to be medium developed, as per the United Nations (UN) definition.

<sup>1</sup> 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.

## ANNUAL REPORT

### For the year ended the 31 March 2019

**Figure 9: Progress in Education - Northern Cape**



Source: (IHS MarkIT, 2019)

There is a significant improvement in the educational levels around the province. This is notable on the advancing decline of the share of the population without any schooling.

In 1996, there were over 112 000 adults over the age of 20 without formal schooling, compared to the current figure of 65 000. This is indicative of the strides made by the democratic government to harness and improve the provision of basic education, more so to the previously excluded communities. However, despite the progress in a no-formal schooling cohort, there is a need to improve those with a matric only qualification, and those with a post-matric qualification.

### World Economic Outlook – In perspective

The global economy continues to expand, but third-quarter growth has disappointed in some economies.

Individual factors such as the new fuel emission standards in Germany, natural disasters in Japan weighed on activity in large economies. But these developments occurred against a backdrop of weakening financial market sentiment, trade policy uncertainty, and concerns about China's outlook (International Monetary Fund (IMF), January 2019).

**Table 2: Economic growth rate in selected countries**

Region/country	2010-2017	2018	2019	2020	2021-2023
Percentage	Post-crisis	Average GDP forecast			
World	3,8	3,7	3,5	3,6	3,6
Advanced economies	2,0	2,3	2,0	1,7	1,6
United States	2,2	2,9	2,5	1,8	1,5
Euro area	1,3	1,8	1,6	1,7	1,5
United Kingdom	2,0	1,4	1,5	1,6	1,6
Japan	1,5	0,9	1,1	0,5	0,5
Developing countries	5,3	4,6	4,5	4,9	4,9
China	8,0	6,6	6,2	6,2	5,8
India	7,3	7,3	7,5	7,7	7,7
Brazil	1,4	1,3	2,5	2,2	2,2
Russia	1,8	1,7	1,6	1,7	1,4
Mexico	3,1	2,1	2,1	2,2	2,9
Sub-Saharan Africa	4,3	2,9	3,5	3,6	4,0
South Africa	2,0	0,8	1,5	1,7	2,4

Source: (International Monetary Fund (IMF), January 2019)

## ANNUAL REPORT

### For the year ended the 31 March 2019

According to the IMF's January update, the global growth in 2018 was estimated to be 3.7 percent, but signs of a slowdown in the second half of 2018 have led to downward revisions for several economies.

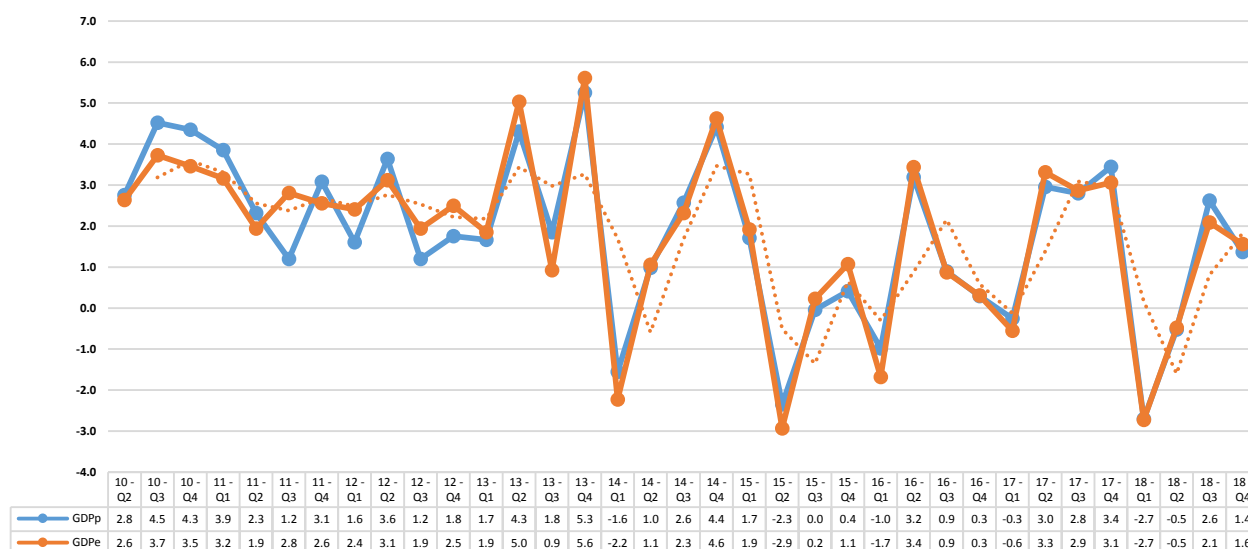
Furthermore, according to the IMF (January 2019), the weaknesses noted in the second half of 2018, will carry over to the coming quarters, with global growth projected to decline to 3.5 percent in 2019 before picking up slightly to 3.6 percent in 2020 which is 0.2 percentage point and 0.1 percentage point lower, respectively.

### The South African Positive Growth Outcome

Reflecting slow progress on reforms, weakened governance, and elevated policy uncertainty, growth remains subdued. Growing government spending has led to a doubling of public debt in the last decade. Credible monetary policy has kept inflation expectations anchored though, albeit at near the top of the target band. The current account deficit remains financed by potentially volatile portfolio inflows.

Real GDP growth is projected to remain slightly below 2 percent in the medium term—a level insufficient to raise per-capita income significantly and make a meaningful dent in unemployment.

**Figure 10: South Africa's growth performance - 2018Q4**



Source: (Statistics South Africa (StatsSA), March 2019)

In its latest Gross Domestic Product (GDP) report, StatsSA noted that the South Africa's gross domestic product (GDP) growth rate increased by 1,4% in the fourth quarter of 2018. This was on the back of growth in the manufacturing sector, as the industry expanded by 4,5% in the fourth quarter.

Furthermore, the statistical body notes that the divisions that made the largest contributions to the increase were petroleum, chemical products, rubber and plastic products; motor vehicles, parts and accessories and other transport equipment; and food and beverages.

The Financial services sector also increased by 2,7% in the fourth quarter of 2018. In addition to this, increased economic activity was reported for financial intermediation, insurance, auxiliary activities and real estate. The transport, storage and communication industry increased by 7,7%, as a result of increases in land transport and transport support services.

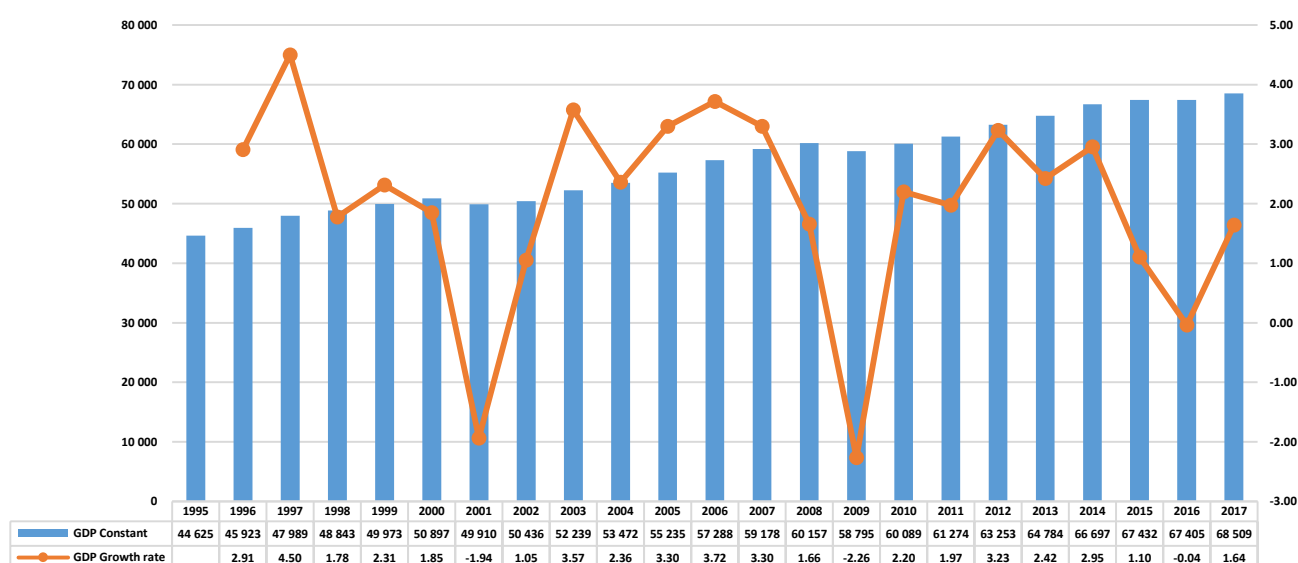
### Northern Cape Provincial Economic Performance – Positive Outcome

The Northern Cape Province has made significant progress, in order to create a more liveable, equitable and sustainable living environment for its residents. Yet, it is still plagued by challenges of poverty, unemployment, inadequate infrastructure and socio-economic issues.

Figure 11 on the next page furnishes the latest GDP figures and growth rates. StatsSA estimates that the provincial economy grew at 1.64%, an improvement from the below par growth of -0.04% experienced in 2016.

Noteworthy, is that the provincial growth of 1.6% in 2017, was greater than the Country's average growth average of 1.4% for the same period. Only Limpopo (2.2%), North West (2.1%) and Mpumalanga (2.0%), as well as the Kwazulu-Natal province (1.8%), recorded higher growth rates, in comparison to the 1.64% growth recorded by the Northern Cape, for the 2017 calendar year.

**Figure 11: Northern Cape Provincial Economy and Growth rate**



Source: (Statistics South Africa (StatsSA), March 2019)

Studying Table 3 and Figures 11 and 12, in tandem provides a timeline of the performance of the provincial economy, and thus a glimpse at the sectors that spurred on the 1.64% growth recorded in 2017. According to StatsSA, the provincial economy stands a little below the R 70 billion mark, recorded at R 68.5 billion for the 2017 year, using the constant or real measure. Whilst utilising the current or nominal measure, the provincial economy was at R 96.5 billion in 2017, which indicates an increase of R 4.7 billion in the provincial GDP, when compared to the preceding year.

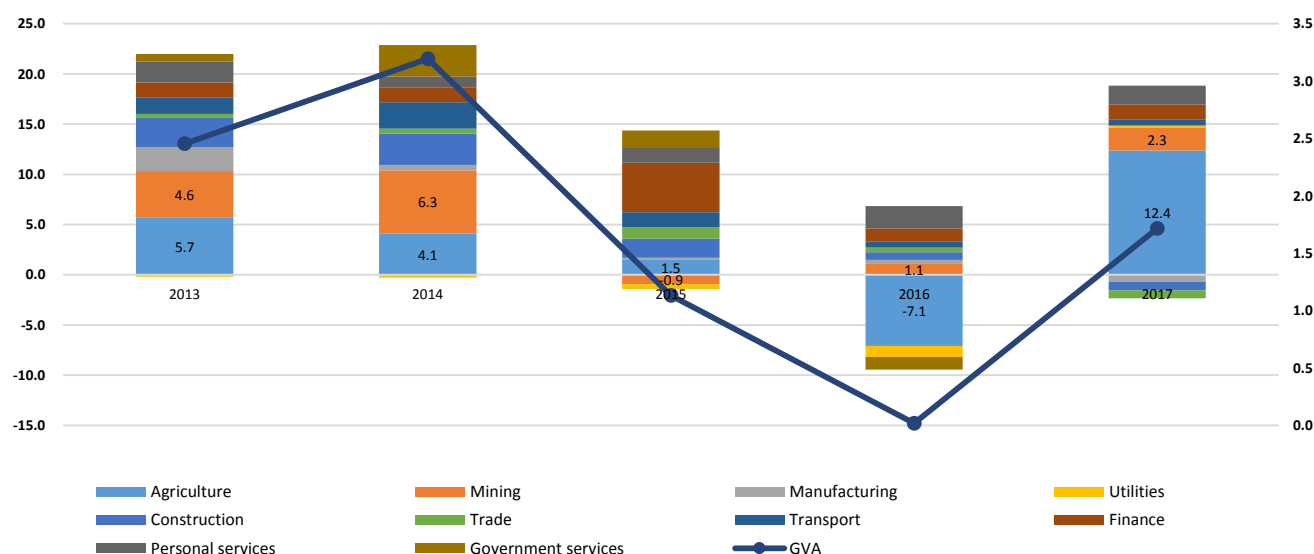
The primary sector led the growth, with both agriculture and mining recording positive growth during 2017. The primary industries account for over a quarter of the provincial economy (i.e. 26.9%), and grew at 4.2% for the year analysed. The agricultural sector led the positive developments with growth of 12.4%, during 2017, and mining tailed with growth of 2.3%.



## ANNUAL REPORT

### For the year ended the 31 March 2019

**Figure 12: Northern Cape Provincial Economic Growth Rate (GVA) by Sectoral Contribution**



Source: (Statistics South Africa (StatsSA), March 2019)

Figure 12 provides a quinquennial depiction of the provincial growth rate over the past five years, and notably the key sectoral growth leaders. In this analysis, the primary industries are considered a pivotal sector of the provincial economy. During 2013 and 2014, when the provincial economy grew by 2.7%, the mining and agricultural sector contributed an averaged 4.9% and 5.9%, respectively.

**Table 3: Northern Cape Economic Structure and Performance**

Industry	Current Prices			Contribution			Constant			Growth Rates		
	2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017
<b>Primary Industries</b>	<b>21 573</b>	<b>23 993</b>	<b>25 878</b>	<b>25,0</b>	<b>26,3</b>	<b>26,9</b>	<b>21 843</b>	<b>21 731</b>	<b>22 641</b>	<b>-0,5</b>	<b>-0,5</b>	<b>4,2</b>
Agriculture	5 921	5 989	6 840	6,9	6,6	7,1	4 403	4 091	4 597	1,5	-7,1	12,4
Mining	15 651	18 003	19 038	18,2	19,7	19,8	17 440	17 640	18 044	-0,9	1,1	2,3
<b>Secondary Industries</b>	<b>8 020</b>	<b>8 959</b>	<b>8 896</b>	<b>9,3</b>	<b>9,8</b>	<b>9,3</b>	<b>5 387</b>	<b>5 385</b>	<b>5 361</b>	<b>0,5</b>	<b>0,0</b>	<b>-0,4</b>
Manufacturing	2 618	2 933	2 977	3,0	3,2	3,1	2 004	2 010	1 996	0,2	0,3	-0,7
Utilities	3 221	3 297	3 351	3,7	3,6	3,5	1 808	1 788	1 791	-0,5	-1,1	0,2
Construction	2 181	2 729	2 567	2,5	3,0	2,7	1 575	1 587	1 574	1,9	0,8	-0,9
<b>Tertiary industries</b>	<b>47 746</b>	<b>48 809</b>	<b>51 795</b>	<b>55,4</b>	<b>53,4</b>	<b>53,9</b>	<b>33 960</b>	<b>34 085</b>	<b>34 248</b>	<b>2,3</b>	<b>0,4</b>	<b>0,5</b>
Trade	9 599	9 792	10 287	11,1	10,7	10,7	7 290	7 323	7 263	1,1	0,4	-0,8
Transport	9 956	9 974	10 411	11,6	10,9	10,8	5 979	6 014	6 049	1,5	0,6	0,6
Finance	10 901	10 965	11 471	12,6	12,0	11,9	8 338	8 450	8 581	4,9	1,3	1,5
Personal services	4 158	4 264	4 652	4,8	4,7	4,8	2 887	2 951	3 005	1,6	2,2	1,8
Government services	13 132	13 813	14 974	15,2	15,1	15,6	9 465	9 347	9 350	1,7	-1,2	0,0
<b>All industries at basic prices</b>	<b>77 338</b>	<b>81 760</b>	<b>86 568</b>	<b>89,7</b>	<b>89,5</b>	<b>90,1</b>	<b>61 190</b>	<b>61 201</b>	<b>62 250</b>	<b>1,1</b>	<b>0,0</b>	<b>1,7</b>
Taxes less subsidies on products	8 833	9 597	9 474	10,3	10,5	9,9	6 242	6 204	6 259	0,8	-0,6	0,9
<b>GDPR at market prices</b>	<b>86 171</b>	<b>91 358</b>	<b>96 042</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>67 432</b>	<b>67 405</b>	<b>68 509</b>	<b>1,1</b>	<b>0,0</b>	<b>1,6</b>

Source: (Statistics South Africa (StatsSA), March 2019)

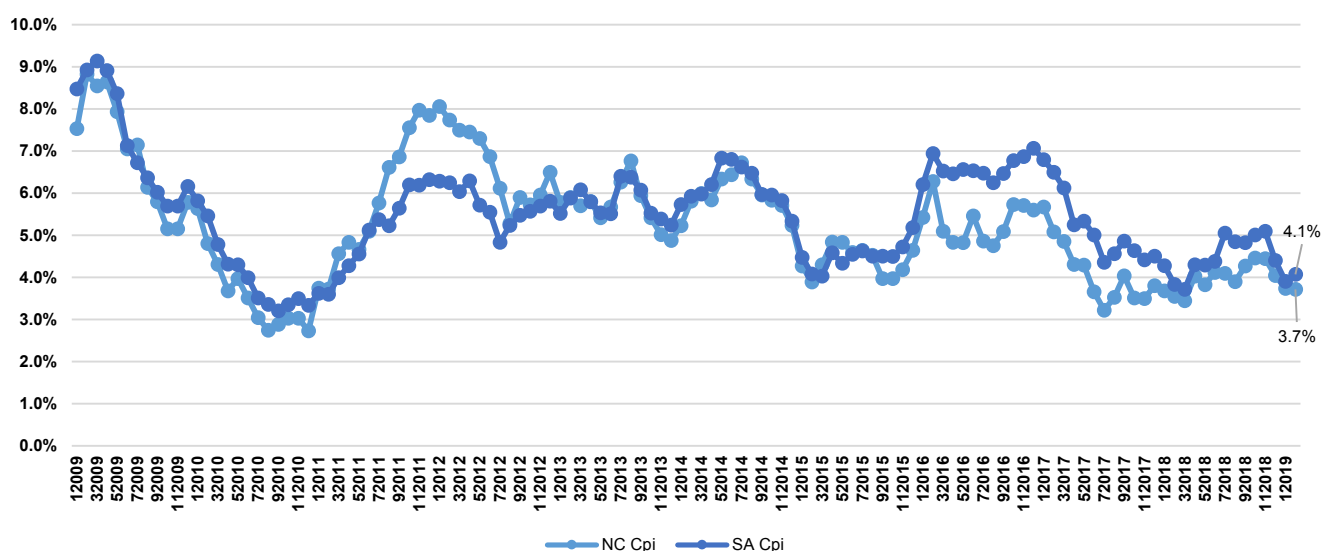
## ANNUAL REPORT

### For the year ended the 31 March 2019

The mining sector continues to be the biggest sector provincial, with a contribution of 19.8% towards the provincial economy. Thus, in perspective, the 2.3% growth recorded by the mining sector has far-reaching positive impact.

According to StatsSA's latest Consumer Price Index (CPI), the South African annual consumer price inflation was recorded at 4,1% in February 2019, spelling a marginal increase, up from 4,0% in January 2019. The Consumer Price Index increased by 0,8% month-on-month in February 2019.

**Figure 13: South African and Northern Cape Provincial CPI Inflation: Jan 2009 - Feb 2019**



Source: (Statistics South Africa (StatsSA), March 2019a)

In February 2019 the CPI for goods increased by 3,0% year-on-year (up from 2,8% in January). The CPI for services increased by 5,2% (unchanged from January).

Provincial annual inflation rates ranged from 3,3% in North West to 4,7% in Western Cape. The Northern Cape inflation rate for the month of February stood right in middle, recording an inflation rate of 3,7%, for the second month.

**Table 4: Northern Cape Provincial Inflation Rate - 2014 - 2015**

NC CPI	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Ave
2014	5,2%	5,8%	6,0%	5,8%	6,3%	6,4%	6,7%	6,3%	6,0%	5,8%	5,7%	5,2%	6,0%
2015	4,3%	3,9%	4,3%	4,8%	4,8%	4,6%	4,6%	4,5%	4,0%	4,0%	4,2%	4,6%	4,4%
2016	5,4%	6,3%	5,1%	4,8%	4,8%	5,5%	4,9%	4,8%	5,1%	5,7%	5,7%	5,6%	5,3%
2017	5,7%	5,1%	4,9%	4,3%	4,3%	3,7%	3,2%	3,5%	4,0%	3,5%	3,5%	3,8%	4,1%
2018	3,7%	3,6%	3,4%	4,0%	3,8%	4,1%	4,1%	3,9%	4,3%	4,5%	4,4%	4,0%	4,0%
2019	3,7%	3,7%	-	-	-	-	-	-	-	-	-	-	3,7%

Source: (Statistics South Africa (StatsSA), March 2019a)

## ANNUAL REPORT

### For the year ended the 31 March 2019

Petrol inflation continues to be highly volatile, and could also lead to a slowdown in the production sectors that requires conspicuous amounts of the black gold to affect their production target.

According to StatsSA, the petrol inflation in the Northern Cape stood at 1.0% in February 2019, from a deflation or negative inflation rate of 0.9% during January 2019. Fuel price increased in March 2019 with R 0.73c this was due to the increase in the fuel levy and associated taxes, as well as an increase due to the depreciation in the currency during the period.

#### The Provincial Labour Market Analysis – A strong seasonal showing

In the fourth quarter of 2018, the Quarterly Labour Force Survey (QLFS), StatsSA noted that working-age population in South Africa, increased by 149 000 or 0,4% in the quarter compared to the third quarter of the same year. Moreover, in comparison to the 2017 fourth quarter, the working age population increased by 608 000 or 1,6% (Statistics South Africa(StatsSA), February 2019).

The number of employed persons increased by 149 000 to 16,5 million in the fourth quarter, while the number of unemployed persons declined by 70 000 to 6,1 million compared to in the third, leading to an increase of 79 000 (up by 0,3%) in the number of people in the labour force. The absorption rate improved to 43,3% and the unemployment rate declined by 0,4 of a percentage point to 27,1% compared to the third quarter of 2018.

**Table 5: Northern Cape Labour Market in Perspective**

Northern Cape						Percentage Growth			Nominal	
	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	Y-on-Y	Q-on-Q	Y-on-Y	Q-on-Q
Population 15-64 yrs.	787	790	792	794	796	798	1,1%	0,3%	8 667	2032
Labour Force	438	441	455	446	442	429	-2,7%	-3,0%	-11 937	-13226
Employed	307	321	321	317	323	322	0,1%	-0,3%	375	-1051
Unemployed	131	120	134	129	120	107	-10,3%	-10,2%	-12 313	-12175
Not economically active	350	349	337	348	354	369	5,9%	4,3%	20 605	15258
Discouraged work-seekers	72	65	55	66	63	63	-4,3%	0,0%	-2 843	6
Other	278	283	281	282	291	306	8,3%	5,2%	23 448	15252
<b>Rates (%)</b>										
Unemployment rate	29,9	27,1	29,5	28,9	27,0	25,0	-7,7%	-7,4%		
Absorption rate	39,0	40,7	40,5	40,0	40,5	40,3	-1,0%	-0,5%		
LFPR	55,6	55,9	57,5	56,2	55,6	53,8	-3,8%	-3,2%		

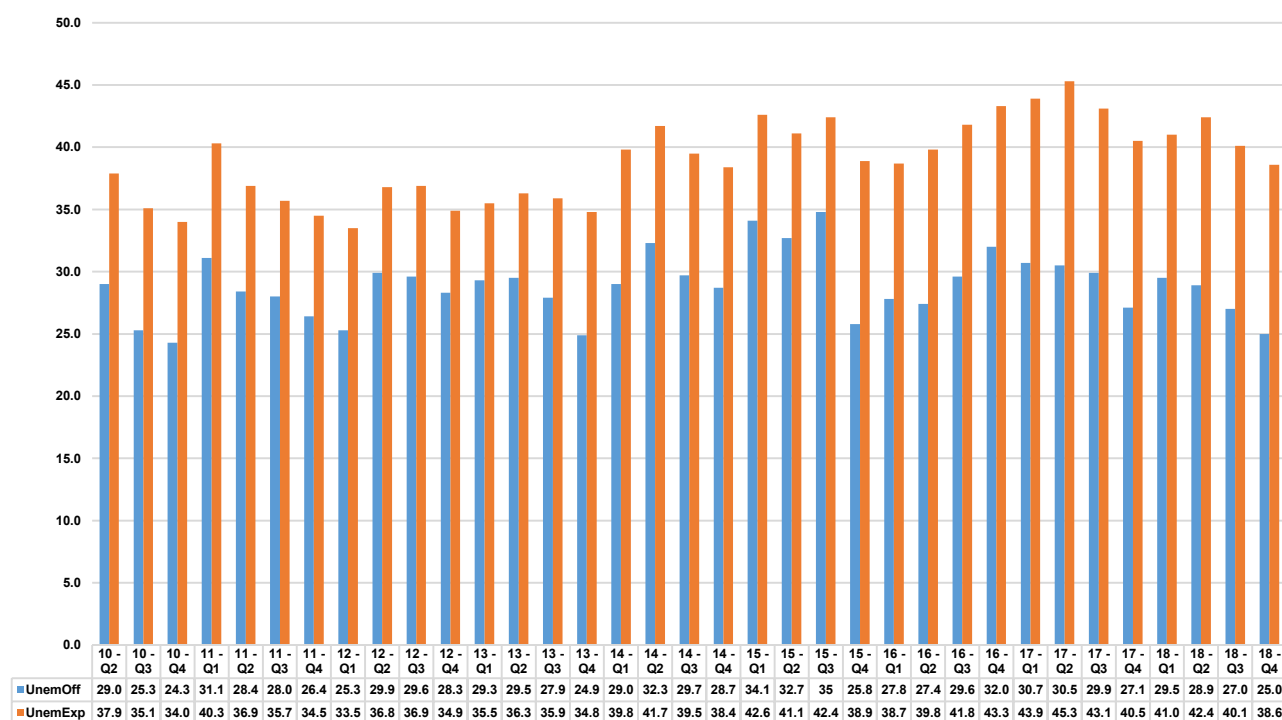
Source: (Statistics South Africa (StatsSA), February 2019)

In tandem with the national trend, the Northern Cape labour market continued to perform better than anticipated. The working-age population in the province increased both on a quarterly and yearly basis. The working-age population increased by around 2 032 or 0.3% on a quarter-on-quarter, and by 8 667 or 1.1% on a year-on-year basis.

The labour force figures indicate a decline in the yearly figures as well as the quarterly. In the third quarter, the provincial labour force stood at over 442 000 and subsequently declined by 13 226 (3.0%) to a record 429 000.

This decline can also be tracked through the labour force participation rate (LFPR), which declined in both periods of analysis (i.e. on year-on-year as well as quarter-on-quarter). In percentage terms, the steepest decline can be recorded in the year-on-year basis, as the decline was more pronounced at 3.8%.

The provincial unemployment rate stood at 25.0% at the end of the fourth quarter 2018. This is a noteworthy decline from the 27.2% recorded in the preceding quarter. In context, the provincial unemployment number declined to 107 000, from a year high of 134 000, which simply means 27 000 people were no longer considered unemployed.


**Figure 14: Northern Cape Provincial Unemployment Rates - Expanded and Official**


Source: (Statistics South Africa (StatsSA), February 2019)

Conceding to the caution proffered by Mohr (Mohr, Philip. 2005. Economic Indicators), the provincial unemployment rate is noted in two definitions, that is the official and expanded. Thus, in the case of the official, which is the often cited, the provincial unemployment rate stood at 25.0% in the fourth quarter of 2018, spelling a marginal decline of two percentage point from 27.0% in the third quarter.

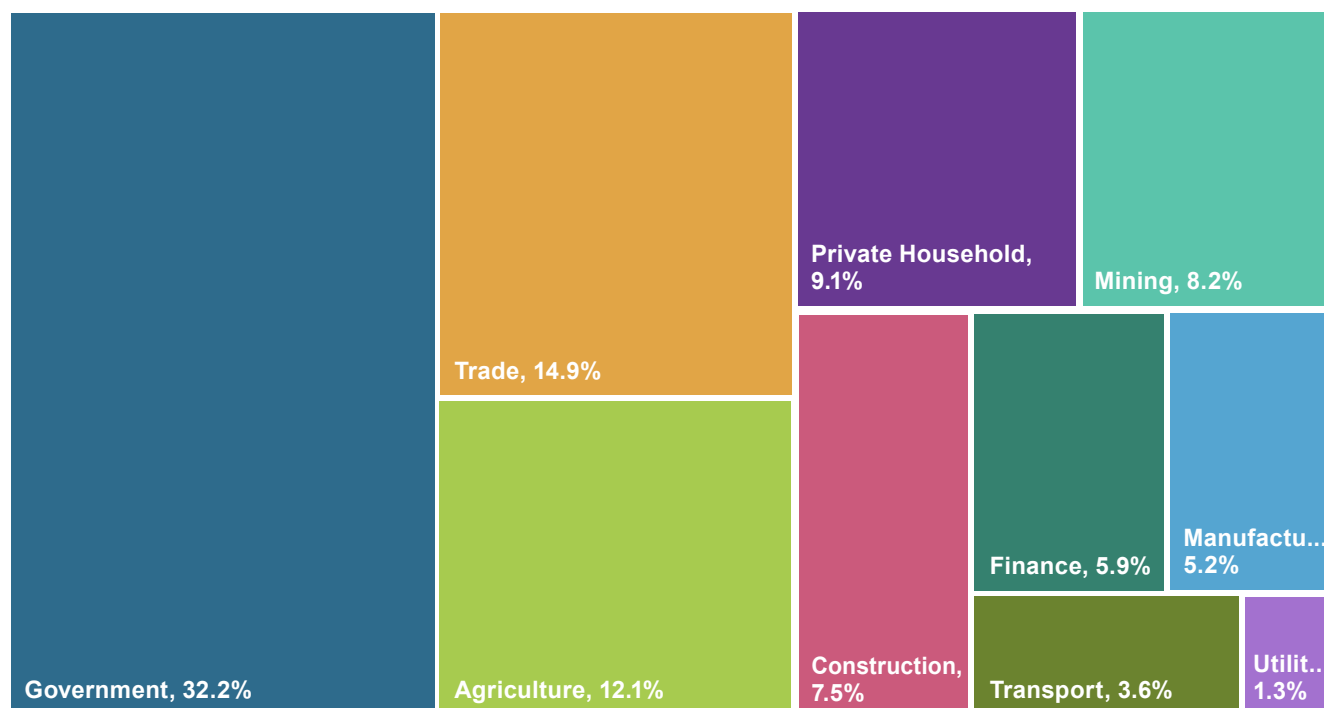
Whereas, in the year-on-year basis, the decline is similar, with the official unemployment rate declined from 27.1% in the fourth quarter of 2017 to 25.0% in the fourth quarter of 2018. Improvement are noted as well in the expanded definition, as on a quarter-on-quarter basis the unemployment rate declined from 40.1% to 38.6%. Notably, a high rate of decline would be significant, as it would imply that the number of discouraged work-seekers is nullified or is in decline.



## ANNUAL REPORT

### For the year ended the 31 March 2019

**Figure 15: Sectoral Contribution to employment in the Province - 2018Q4**



Source: (Statistics South Africa (StatsSA), February 2019)

The leading employer in the province is Government services with over 32% of the total employed in the province. In real terms, the government services sector employs over 103 537 employees, that is 3 212 more employees than in the previous quarter.

On a year-on-year basis the government services employment figures grew by 3.4%, that translated to 3 393 new jobs. The government services sector is closely followed by the trade with an employment contribution of almost fifteen percent, which is 14.9%. Recent literature suggests that the services sector employment multiplier could be closer to that of the manufacturing sector, and thus imply a higher impact on the provincial labour market.

Agriculture continues to also play a pivotal role in the employment front, employing over 12% of those employed in the province. The biggest economic sector in the province, only manages to contribute about 8.2% to the total employment levels. In context, the mining sector contributed 26 514 in the fourth quarter of 2018, up by 3 793 from the third quarter level of 22 721. Inference can therefore be made that the mining sector in the province is rather capital intensive than labour focused.

#### 2.2.1.2. Integrated Economic Development Services

The strategic intent of the departmental programme Integrated Economic Development Services (IEDS) is to address and alleviate the challenges experienced by SMMEs and Cooperatives. In working with the dti (Department of Trade and Industry) and EDD (Department of Economic Development), the Department of Economic Development seeks to leverage support for the establishment and growth of enterprises (SMMEs and Cooperatives) in the province. The support includes the creation of an environment which enables them to flourish through the provision of financial and non-financial support.

In the year under review, the name of the Programme was changed from “Small Business Development” to “Integrated Economic Development Services”. The name of the sub-programme “SMME Development” was changed to “Enterprise Development”.

The programme, IEDS, set itself a total of 15 targets. Notwithstanding the challenges in the terms of resources, both human and capital, IEDS succeeded in achieving 14 of its targets. The target not fully achieved is the intent to distribute 100% of the Economic Growth and Development Fund.

## ANNUAL REPORT

### For the year ended the 31 March 2019

The target for the 100% disbursement of the funds in the Economic Growth and Development Fund (EGDF) was set for Q3. The limited number of applications received from the Namakwa, Z F Mgcawu and Pixley Ka Seme Districts necessitated a second round of advertisements for enterprises from these districts. This prolonged the process and resulted in longer than anticipated timeframes. Although this could not be achieved, the target was moved to Q4. At the end of the financial year, a total of R 30 845 000.00 (97,5%) was disbursed and included a roll-over amount of R1 823 000.00. Through this intervention, one hundred and seven (107) enterprises across the province were supported.

A total of twenty-two (22) enterprises; (20 SMMEs and 2 Co-operatives) were referred to stakeholders for assistance. This included SEDA and the Department of Agriculture, Land Reform and Rural Development who provided non-financial support. The services provided included business plan development, marketing materials, branding and signage, quality management, business mentorship, product certification and the training of emerging farmers.

The Companies and Intellectual Property Commission (CIPC) self-service terminal was offline between February 2018 and January 2019. Assistance with regards to the CIPC services was done manually via the e-services. This enabled the department to assist one hundred and twenty-five (125) enterprises.

Two incubator business plans were developed for mining and renewable energy. These were submitted to the John Taolo Gaetsewe District Municipality for support at the mining incubator and the second to the Technology Station for co-location for the Renewable Energy business plan.

In an attempt to broaden its footprint in province the Department collaborated with the Department of Sport Arts and Culture and SEDA, to establish a trial site has at the Ritchie library to provide enterprise support to clients in the area. The trial site serves as a precursor to the establishment of the community enterprise content service point co- location within libraries in the province so that enterprises can make use of the free internet services at community libraries.

A key initiative is the preferential procurement initiative where the emphasis is to profile the key public and private procurement in the province and to localise the maximum of that expenditure in the Northern Cape. The Department embarked on initiatives to enable enterprises to access procurement opportunities. To this end the relationship with Transnet Freight Rail, to assist enterprises with access to information and capacity building pertaining to procurement opportunities, was utilised.

The following initiatives operationalised include tender training for enterprises, support to enterprises in the school uniform project and a workshop to train service providers on the tender process of Orion Mine.

The annual target for number of economic development projects assisted within the NDP was four was exceeded. To this end nine (9) projects were assisted. The projects supported include the Batswana Cultural Village Proposal, Sol Plaatje Technology Station proposal, Transnet One Stop shop proposal, Vedanta SEZ proposal, Die Eiland PPP, Douglas Resort PPP, the KIP project, the Veersteel project and the Bosai project. Projects such as the proposed Vendata SEZ are national priorities which are aligned to the Presidential investment drive and the implementation of the South Africa Investment Conference 2018 outcomes.

IEDS rendered support to Pixley Ka Seme District Municipality (LED strategy), Kgatelopele Local Municipality (LED strategy), David Kruiper Local Municipality (LED strategy), Siyathemba Local Municipality (LED component), Joe Morolong Local Municipality (LED component) and Khai -Ma Local Municipality (LED component). The support included collection of data, research, stakeholder facilitation, consultations, drafting of documents and presentations to municipal management and council.

The EPWP projects were located in the Sol Plaatje Tourism Precinct: Kimberley (Sol Plaatje and Frances Baard District Municipality), Ganspan Phase 2 (Phokwane Local) and a total of 381 work opportunities were created,

The purpose of the Northern Cape Provincial Economic Development Forum is to create a shared platform where Public and Private stakeholders can meet to plan, communicate, enable and promote economic growth in the Northern Cape province that create subsequent employment and empowerment. It was convened on 28th June 2018, 19th September 2018, 28th November 2018 and 13th March 2019.

Opportunities were identified in the Mining, Services, Construction, Agro-processing, Manufacturing and Renewable Energy sectors to assist HDI groups to enable them to participate more effectively in the mainstream economy. Through engagement with De Beers' procurement section and Anglo Zimele (which is the enterprise development section of De Beers) the non-core opportunities identified were cleaning service contracts. In the services sector the opportunities identified were cleaning, refuse removal, security service and suppliers (e.g.

## ANNUAL REPORT

### For the year ended the 31 March 2019

stationery). A construction opportunity was identified at CoGHSTA, where construction companies were invited to register on the CoGHSTA database.

Opportunities identified in the agricultural sector include goat farming and in agro-processing. An opportunity of producing canned fruit was identified as well. In manufacturing sector, the Department collaborated with Mme Reka Thusa in training women in sewing. The renewable energy opportunity identified was that of training the youth in Solar Energy.

Additional interventions include the South African Women in Dialogue (SAWID) event that was held in Kimberley, the Youth intervention in Warrenton, Delpoortshoop, Schmidtsdrift, Upington and Kimberley; the Women Empowerment International (WEMI) Event in Kimberley and the Economic Empowerment session for women in Carnarvon. Skills development interventions included Project Management, Energy and Water, New Venture creation, Youth empowerment, Tender training, Drivers licence training.

The Youth from all target groups in Frances Baard were trained in project management, Energy and water sector, new venture creation, youth empowerment and Entrepreneurship. Women from different districts were trained in soft skills (how to use the internet and how to write a CV) and technical skills (such as agro-processing, canning of food, Diamond Cutting and Polishing, Sewing, and applying make-up).

IEDS also partnered with provincial treasury to facilitate tender training for SMMEs, to give them the skill to be able to complete tender documents to the required standard. In addition a driver's licence training workshop for youth in Victoria West was conducted by NCEDA.

In an effort to develop the provincial skill base of the economically marginalised, B-BBEE Local Stakeholder Engagement Workshops were conducted in three districts namely Frances Baard (Kimberley), John Taolo Gaetsewe (Kathu) and ZF Mgcawu (Upington). Training Workshops were conducted in two districts to capacitate small businesses with relevant knowledge and skills necessary to access procurement opportunities. A Local Content and Production Workshop and an Enterprise and Supplier Development Workshop was conducted in Frances Baard, Kimberley. A Mining Qualification Authority (MQA) Accreditation workshop was conducted in John Taolo Gaetsewe, Kuruman. The aim of the workshop was to give training service providers information on how to become accredited with the MQA.

#### 2.2.1.3. Trade and Sector Development

The Trade and Sector Development Programme is aimed towards stimulating economic growth in the Province through the development of key sectors as well as the facilitation of trade and crowding in of investment.

The sub-programme Trade and Investment Promotion is mandated to market and promote the Province as a competitive trade and investment location. The focus is on proactively seeking to attract, facilitate and retain foreign investment as well as the promotion of exports and market access. The sub-programme Sector Development pursues a strategy of identifying catalytic interventions for unlocking development initiatives on related industries in the key economic sectors. The third sub-programme is Strategic Initiatives. The sub-programme's focus is on mineral beneficiation projects and skills development with a specific emphasis on diamond beneficiation and the manufacturing of jewelry.

The programme, Trade and Sector Development, set itself a total of 5 targets and succeeded in achieving all of them.

The Province exposed twenty-three (23) Northern Cape companies to export markets through participation in local and international exhibitions. These include AIM exhibition in Dubai, United Arab Emirates, Chenzhou Mineral and Gem Exhibition in Chenzhou, Hunan Province in The People's Republic of China, Broad-Based Black Economic Empowerment (BBBEE) Rural and Township Economy Summit in East London, NOCCI Business Expo in Kimberley, China International Fair for Trade & Investment (CIFIT) in Xiamen (The People's Republic of China), SIAL show in Paris and the Global Expo in Botswana.

The Department in collaboration with the Department of Trade and Industry (dti) and SEDA rolled out Export Awareness Seminars in Upington, Kimberley, De Aar, Kuruman and Springbok. Ninety-two (92) companies participated in these seminars. The Department also hosted the Global Exporter Passport Programme (GEPP) Phase 1 and Phase 2 training workshops in conjunction with the dti in Upington and Kimberley where forty-eight (48) companies participated.

The Upington SEZ, Boegoebaai Deep Port Harbour and the De Aar Logistics hub were supported through marketing of these projects during outward visits to UAE and The People's Republic of China. Investment







## ANNUAL REPORT

### For the year ended the 31 March 2019

opportunities in the Province were marketed via publications such as the Northern Cape Business Publication and the Frontier Invest e-marketing platform.

Agro-processing was assisted with a research report on the Northern Cape Dried Grape Processing Industry. The statistical information presented in the report provides the appropriate data to assist the exploration of growth opportunities for the Northern Cape dried grapes industry. Site visits to grape processing factories and interviews were conducted to clarify some of the challenges and issues specific to the dried grape processing industry with regards to market access.

The Renewable Energy was supported with the signing of a Memorandum of Understanding (MoU) between the Pixley Ka Seme District Municipality (PKSDM), a local SMME (renewable energy company) and a strategic partner in relation to the supply and installation of rooftop solar systems and the supply of electricity using photovoltaic technology in PKSDM. The underlying objective of the programme is to address electricity challenges and implement saving mechanisms on electricity consumption.

In addition, the Renewable Energy Conference was held in De Aar from 23-24 August 2018. A total of 695 people attended the conference of which 167 attendees were Government officials, 174 industry people, 286 were SMMEs and businesses in the renewable energy sector, 21 were exhibitors and 47 were special guests. The resolutions of the conference have been packaged and adopted by the Executive Council. These resolutions will form part of the Department's Operational Plan for the 2019/2020 financial year. A report on the Socio-Economic Impact of IPPs was also developed in the year under review.

The diamond beneficiation and jewellery projects were supported through KIDJA and KDJI. Fifty-one (51) learners were trained at the Kimberley International Diamond and Jewellery Academy (KIDJA) and twenty-one (21) SMMEs were incubated at the Kimberley Diamond and Jewellery Incubator (KDJI). Support was rendered to KDJI and its clients by assisting in the exposure of exhibiting and attending the South African Business Incubation Conference (SABIC) which was held in November 2018. Lute Diamonds, one of the Incubator SMMEs, won an award of 2nd runner up for the best incubate of the year.

Additional support was also granted for KDJI and KIDJA to participate at Jewellex Africa in October 2018. The Department purchased four stalls at the event, one for the Incubator and one for KIDJA to exhibit their services and the other two stalls for the Incubator SMMEs to market their products. Two SMMEs were assisted to participate at the Hong Kong International Jewellery and Gem Fair in September 2018. A Memorandum of Understanding (MoU) between JC Group and KDJI for future collaboration on SMME development, specifically addressing access to funding for future diamond prospecting possibilities and market access in The People's Republic of China. A second MoU was signed between JC Group and Blue Noze Resource (SMME incubated by KDJI) for close collaboration on prospecting the primary mining potential of the identified alluvial diamond sites awarded and registered under Blue Noze Resources by the Department of Mineral Resources.

Although the reviewed Mining Charter has not yet been promulgated, the Department is still consistent in pursuing the maximization of local mining procurement. To this end Six (6) preferential mining procurement opportunities were identified for local suppliers.

#### 2.2.1.4. Business Regulation and Governance

This Programme consist of two sub-programmes namely Consumer Protection Authority and Governance. The Northern Cape Consumer Protection Authority is primarily responsible in terms of the Act to investigate, mediate and adjudicate over consumer related matters in the Province of the Northern Cape and refer unresolved matters to the Consumer Court for adjudication. 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 programme, Business Regulation and Governance, set itself a total of 9 targets. In spite of the challenges in the terms of resources, both human and capital, Business Regulation and Governance succeeded in achieving all 9 targets.

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.

In addition to the Gambling Board and the Liquor Board, the oversight function included the Northern Cape Tourism Authority (NCTA) and Northern Cape Economic Developmental Agency (NCEDA). The Governance Unit is comprised of three staff members, a Manager, Assistant Manager and Governance Analyst. With the additional two public entities it is imperative to appoint at least one more analyst. The strategic plans of all four public entities, reporting to the MEC for Finance, Economic Development and Tourism (NCEDA, NCAT, Gambling Board and Liquor Board), were received and analysed. All quarterly reports, sixteen (16) in total were analysed as well. All public entity compliance checklists were checked and all public entity revenue-and-expenditure reports were analysed.

The Northern Cape Consumer Protection Authority held education and awareness outreach programmes throughout the Province in all five (5) districts and had a week of awareness campaigning in the ZF Mgcawu District leading up to World Consumer Rights Day. We celebrated World Consumer Rights in Kakamas on 15 March 2019 in the Kakamas Primary School Hall, with the guest speaker Mr. A Vosloo, who delivered the key note address. In total, 8721 consumers were reached.

The event hosted 500 consumers and 10 presenters, with the theme “Reliable Products” and various stakeholders addressed the consumer with regards to their rights and responsibilities from NPA, Human Rights Commission, Equality Court, NCR, Home Affairs, FSCA, SEDA, Public Protector, and the Council for Medical schemes and SASSA.

All cases that were received (318) were investigated. Eighty-eight percent (88%) of the cases were resolved (280/318). The increase in cases resolved can be ascribed to the fact that the Consumer Protection Authority complied with the national directive to establish a mediation unit. Matters were resolved sooner. The savings to consumers in the Province totaled R 1 958 933.55.

#### **2.2.1.5. Policy, Research and Innovation**

This Programme places emphasis on the alignment of provincial strategies to the National Development Plan (NDP) and the National Infrastructure Plan (NIP). The departmental research agenda outlines the departmental research priorities over the medium term expenditure framework (MTEF) and consolidates all priorities into an annual research agenda.

In terms of the promotion of the knowledge economy and information society, Knowledge Economy and Innovation sub-programme focuses on the Management information Systems (MIS) and Enterprise Information Architecture (EIA), as key tools in the promotion of a knowledge society and economy. The Knowledge Economy and Innovation (KE&I) sub-programme is increasingly looking at ways to motivate for digitalization as a driver and enabler of innovation, towards the promotion of the knowledge economy and society.

The sub-programme Monitoring and Evaluation (M&E) 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 evaluates outcomes and the impact of directly funded projects of the Department to measure value for money and the meeting of government objectives.

Policy, Research and Innovation, set a total of 15 targets. Notwithstanding the challenges in the terms of resources, both human and capital, Trade and Sector Development succeeded in achieving 14 of its targets.

In monitoring the implementation of the MTSF, the Department developed and verified the Programme of Action (POA) for both Outcome 4 and 6. The implementation forums for both Outcome 4 and 6 were held in each quarter with delivery partners present. Quarterly reports were compiled and tabled at both Technical and Economic clusters. In response to the request by the Department of Policy, Monitoring and Evaluation, inputs were provided on the 25 year review for both Outcome 4 and 6 to the Office of the Premier.

In reporting on the implementation of the Provincial Nine Point Plan, the Outcome 4 and 6 implementation forums as well as District Economic Symposiums served as platforms where information was gathered and verified. As a mechanism on consulting municipalities, communities and stakeholders, District Economic Symposiums were convened in John Taolo Gaetsewe, Namakwa, ZF Mgcawu and Pixley Ka Seme.

In Frances Baard an Economic Colloquium was held in July 2018 where valuable data was accumulated. This information helped to inform the development of the Provincial Economic Blue Print.

## ANNUAL REPORT

### For the year ended the 31 March 2019

Economic intelligence reports focused on Renewable Energy industry in the Northern Cape Province. The major thrust of the report was on the Solar energy projects that were rolled-out across the province.

A study on the production trends in the field crops, livestock and horticulture, as well as the potential opportunities and existing challenge to the sector was produced. The sub-programme also completed both an Economic Intelligence Report and a Departmental Initiative. It was therefore expedient to critically understand the provincial Agri-tourism sector potential, both for development and employment creation. The initiative sought to outline (through a survey methodological approach) the benefits of the Agri-tourism, as well as the challenges of venturing into the sector.

Furthermore, an Economic Intelligence Report was concluded on the strategic significance and/or impact of three industrial minerals found in the province. The Department finalised a research report focusing on the youth in entrepreneurship. In addition an Economic Intelligence Report on Clothing and Textile Manufacturing in the province was completed.

Two Knowledge Management Systems were developed which include the Provincial Government Events Management System and a Tourism Information Management System.

It is imperative that all efforts (by internal and external stakeholders) aimed at digitally transforming the province are coordinated. Through collaborative efforts with Geekulcha and Sol Plaatje University, twelve (12) e-skills initiatives were implemented. These e-Skills initiatives included Hackathons that were rolled out. The mLab initiative was implemented in partnership with the community college, Sol Plaatje Municipality and Department of Science and Technology. The project manager has been appointed by mLab SA.

As a means on extending access to rollout of broadband connectivity, seven (7) sites were activated by BBI and SITA under the National Broadband rollout. The implementation of the Northern Cape and Information Society Strategy was monitored quarterly.

Through the multi-faceted collaborative approach, SMMEs were linked to access opportunities arising from the deployment of SKA.

Five (5) monitoring reports of Outcome 4 and 2 evaluation reports were produced. A verification report (Evidence-based/site visits) for Outcome 4 Report was produced. The Department also produced, the MPAT Evaluation report and desktop evaluation report on Economic Growth and Development Fund (EGDF). The MPAT report demonstrated improvements by the department in the key performance areas (KPAs). The EGDF report seeks to evaluate outcomes and impact of directly funded projects of the Department. This will enable the department to measure the impact of its interventions and achieving the objectives of Outcome 4.

#### 2.2.1.6. Tourism

Tourism is indeed an important economic sector in the Northern Cape and has tremendous prospects to generate social-economic benefits.

The Tourism Programme is strategically designed to seek to proactively implement interventions aimed at the transformation and sustainability of the tourism sector so that it serves as a catalyst for economic growth in the Province. Consequently the two sub-programmes, Tourism Growth and Tourism Development, seek to manage the development and promotion of the Northern Cape as a competitive tourist destination to support economic growth in the Province.

Tourism set a total of 16 target and succeeded in achieving 12 of its targets. Several factors outside the control of the programme hamstrung efforts at achieving all its targets. To offset the human resource challenge two vacancies were filled (1 level 7 and 1 level 5).

Tourism awareness campaigns were conducted in partnership with communities in an effort to encourage participation and involvement of previously disadvantaged people in the tourism sector. A stakeholder consultation session was convened.

All the Service Excellence and Welcome Campaign initiatives were actioned. However, the World Federation of Tourist Guides convention could not transpire as envisioned.

A tourist guiding workshop was conducted to upskill the local tourist guides in business and enterprise planning and tourist market access. A campaign to combat illegal tourist guiding practices was conducted in order to combat illicit practices.







## ANNUAL REPORT

### For the year ended the 31 March 2019

In order to improve the service standards in the tourist guiding sector, the Department has developed an Information Management System Framework to align and streamline the tourist guide registration process and database management. Phase 1 and Phase 2 of the Tourist Guide Information Management System are complete.

In an effort to evaluate the domestic and international tourism industry performance, a report has been produced to track the performance of tourism in the province since the baseline year 2009.

As per the Operation Phakisa imperatives a report on the progress in the implementation of the provincial Marine and Coastal Tourism has been produced. A tourism product audit was conducted to measure the performance of the provincial tourism sector, so as to track performance and inform intervention strategies. A report on tourism business registration was compiled as a framework to assist towards compliance and creation of tourism business registry. A coastal aviation feasibility study was also conducted to assess the potential to develop tourism coastal products and infrastructure development.

Skills development plays a vital role in promoting economic growth and poverty reduction through supporting the provincial tourism industry. Eighty-seven (87) tourism and respective tourism entrepreneurs were trained in quality assurance in the hospitality industry. This benefitted forty-four (44) youth.

Eleven (11) black-owned tourism enterprises were supported financially, including three youth-owned tourism enterprises. Very long lead-in times to procure a service provider in order to train tourist guides impeded efforts to extend financial support to all envisaged tourism enterprises. Targets related to providing financial support to tourism enterprises were also adversely affected by long lead-in times to complete the legal processes and final approvals of grants.

Fifteen (15) tourism experiences were supported across the province. Such support plays a significant part in growing tourism arrivals, extend duration of stay and increase income derived from tourism activities. The Department also played a role in improving the Galeshewe Activity Route. Eleven (11) youth were employed in an effort to improve the Mayibuye precinct as tourist destination.

Infrastructure supports growing economic activity and employment creation through tourism. Consequently, fourteen (14) tourism infrastructure projects were supported.

The Tourism Programme, in partnership with the Dawid Kruiper Municipality, is developing Hakskeenpan in Mier as an open-air mega event venue. It is envisioned that the water supply to the pan will be completed by end of 2019.

The Department partnered with the Riemvasmaak Trust to implement measures to maintain tourism assets. This project created twenty-eight (28) jobs for the local people of which twelve (12) were youth.

The partnership with the McGregor Museum improved the tourism experience offered at the Wildebeestkuil Rock Art Centre. This included extending the display area and doing maintenance of infrastructure and the mountain bike trail. Furthermore the departmental financial support assisted with infrastructure maintenance at the provincial flagship museum, the McGregor Museum, as well as improving the audio-visual experience and monument protection at the Magersfontein Anglo-Boer War battlefield.

The Department also entered into a partnership with the national departments of Tourism and Science and Technology to develop the Square Kilometre Array Carnarvon Exploratorium. The project will primarily be funded by the two national departments (Department of Tourism and the Department of Science and Technology).

A joint venture has been initiated with the national Department of Tourism to develop the Big Hole Precinct. This project is nearing the finalisation of the conceptual phase.

## ANNUAL REPORT

### For the year ended the 31 March 2019

#### 2.2.2. Service Delivery Improvement Plan

##### Annual Progress Report: 2018/2019

The Department reviewed its Service Delivery Improvement Plan (SDIP) for the 2015-2018 period and developed the reviewed SDIP 2018 – 2021. The primary objective of the SDIP is to develop and implement service improvement standards for the key service which focuses on aspects that hinder effective service delivery to beneficiaries in order to ensure value and impact. The secondary objectives of the SDIP are to:

- Outline the services provided by the department
- Identify a key service that the department will 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

##### The Key Service

The SDIP 2018- 2021 focuses on one key service namely:

- The **Support and Development of enterprises (SMMEs & Co- operatives) across all sectors identified in the PGDP (PDP)** which involves three (3) Programmes within the Department namely: Programme 2: Integrated Economic Development Services (IEDS), Programme 3: Trade and Sector Development, and Programme 6: Tourism.
- The choice of key service was based on the fact that it is core to the department's mandate of economic development.

Main services	Beneficiaries	Current / Actual Standard of Service	Desired Standard of Service	Actual Achievement
Provision of support and development services to enterprises to ensure sustainable business and/ or for them to create permanent employment opportunities.	SMME's & Co- operatives across all sectors identified in the PGDP (PDP).	3 tourism industry interventions	7 tourism industry interventions	7 Tourism industry interventions held
		4 investment initiatives supported.	4 investment initiatives supported.	4 Investment initiatives supported
		17 companies exposed to export market.	19 companies exposed to export market.	25 Companies exposed to export market.
		80 enterprises supported by 31 March 2018 through: <ul style="list-style-type: none"> <li>- business plans appraisals and</li> <li>- Facilitation of access to finance from various sources, as well as</li> <li>- facilitation of access to markets.</li> </ul>	80 enterprises supported by 31 March 2019 through: <ul style="list-style-type: none"> <li>- business plans appraisals and</li> <li>- facilitation of access to finance from various sources, as well as</li> <li>- facilitation of access to markets.</li> </ul>	125 Enterprises supported through: <ul style="list-style-type: none"> <li>- business plans appraisals and</li> <li>- Facilitation of access to finance from various sources, as well as</li> <li>- facilitation of access to markets.</li> </ul>

## ANNUAL REPORT

### For the year ended the 31 March 2019

#### Consultation arrangements with customers

Type of arrangement	Current Arrangement	Desired Arrangement	Actual Achievement
Improving consultation with customers, stakeholders and service delivery partners.	Dedicated tourism officer available for tourism SMMEs at workshops presented in four districts.	Visitor Satisfaction Survey Questionnaire will be utilised to collate and analyse client satisfaction feedback.	Customer satisfaction questionnaires used to analyse client satisfaction.
	Follow- ups done telephonically due to stakeholder confidentiality policies & practices. Stakeholders communicate directly with clients. Officials obtain updates from clients.	Follow-up on funding applications to be done in writing within 30 days of submission to funding stakeholders.	Follow- ups done within the allocated time frame.
	Workshops, Business Seminars, Individual visits, Trade Expos, trade fact sheets, Investment promotion missions, Investment conferences and exhibitions. Completed projects profiles/ fact sheets by business sector stakeholders.	Workshops, Business Seminars, Individual visits, Trade Expos, trade fact sheets, Investment promotion missions, Investment conferences and exhibitions. Completed projects profiles/ fact sheets by business sector stakeholders.	<p>Export awareness seminars held in Upington, Kimberley, De Aar and Kuruman and Springbok.</p> <p>25 Northern Cape companies exposed to export markets through participation at the following local and international exhibitions:</p> <ul style="list-style-type: none"> <li>- AIM exhibition in Dubai, United Arab Emirates</li> <li>- Chenzhou Mineral and Gem Exhibition in Chenzhou, Hunan Province, China</li> <li>- Broad-Based Black Economic Empowerment (BBBEE) Rural and Township Economy Summit in East London</li> <li>- NOCCI Business Expo in Kimberley</li> <li>- China International Fair for Trade &amp; Investment (CIFIT) in Xiamen (China)</li> <li>- SIAL show in Paris</li> <li>- Global Expo Botswana.</li> </ul> <p>The Department in collaboration with the Department of Trade and Industry (dti) and SEDA rolled out Export Awareness Seminars in Upington, Kimberley, De Aar, Kuruman and Springbok. Ninety two (92) companies participated. The department also hosted Global Passport Exporter Programme (GEPP) phase 1 and phase 2 training workshops in conjunction with the dti in Upington and Kimberley. Forty eight (48) companies participated.</p>

## ANNUAL REPORT

### For the year ended the 31 March 2019

#### Service Delivery Access

Access Strategy	Current Arrangement	Desired Arrangement	Current Achievement
Improving access to services for enterprises in all regions	Promote access to services for tourism enterprises by presenting workshops in four districts.	Promote access to services for tourism enterprises by presenting a workshop in each district.	Quality Assurance Workshops held for the hospitality Industry focusing on business skills and service excellence in the industry.
	Collaborate with relevant role-players including, SEDA & the Knowledge Management Unit (ICT within the department to roll out relevant business development training.	Collaborate with relevant role-players including, SEDA & the Knowledge Management Unit (ICT within the department to roll out relevant business development training.	27 Enterprises were referred to SEDA for assistance with business plan development and business skill development.
	On- site Business Registrations on CIPC System	On- site Business Registrations on CIPC System.	Despite the fact that the CIPC system was offline for the most part of the year, 100 clients were assisted.
		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.	All offices are fully accessible.

#### Service Information Tool

Service Information Strategy	Current Arrangement	Desired Arrangement	Current Achievement
Improving on the availability and access to information	Dedicated officials to respond to client enquiries	Information on departmental service made available and updated on departmental website for easy access.	Embarked on a media campaign to raise awareness on Tourist Guiding and related legislation.
	Information is provided to enterprises: • During visits to departmental offices • During telephonic consultations and at public events/ Imbizos	Scheduled interviews/jingles on services provided on quarterly basis with local Radio-Stations. Interviews with trade and investment magazines and trade publication.	
	Information on departmental services as well as opportunities that are available for businesses available on departmental website.	Advertise in both targeted trade promotion magazines, journals, local newspapers and radio station	
		An available Booklet containing Stakeholder information (services and products) to be reviewed.	Market trade & Investment opportunities in Northern Cape Business Publication and frontier Invest e- platform.
		Updated departmental website.	Website updated regularly.
		Quarterly LED newsletter.	Quarterly LED newsletter produced and disseminated.
Marketing of departmental services for enterprises in all regions	Services are promoted during encounters with customers such as at public events, Imbizos, walk-ins and development and empowerment workshops.	Regular awareness programmes on DEDaT services available to customers.	Provincial Enterprises nominated to attend a BBBEE Summit IN East London.
		Advertise services in local newspapers.	Information session held in Schmidtsdrift on enterprise and cooperative services.
		Review booklet containing stakeholder information.	



## ANNUAL REPORT

### For the year ended the 31 March 2019

#### Complaints Mechanism

Complaints Strategy	Current Complaints Mechanism / Standard	Desired Complaints Mechanism / Standard	Actual Achievement
Improving complaints management by rapid and speedy response to complaints.	Complaints relating to support and development of SMMEs will be resolved within 25 working days from the date of receipt.	<ul style="list-style-type: none"> <li>Acknowledge of receipt of complaint is done within 5 working days of receipt.</li> <li>Constant feedback regarding queries electronically or in writing.</li> <li>Complaints relating to support and development of SMMEs will be resolved within 25 days</li> </ul>	<ul style="list-style-type: none"> <li>Complaints were responded to accordingly within the stipulated time frames.</li> <li>No Presidential Hotline complaints were registered.</li> </ul>

#### 2.2.3. Organisational environment

##### 2.2.3.1. Administration

The Economic Technical Cluster Secretariat chiefly provides technical support to the Economic Sector. Employment and Infrastructure Committee. The sub-programme is also responsible for coordinating the Economic Technical Advisory Committee (ETAC) which is a research and planning component, compiling economic infrastructure research reports, analysing the High Impact Projects within the Province and the establishment of an Economic Intelligence Resource Centre (War Room). The Economic Sector, Employment and Information Committee Secretariat plays a role in the verification of the 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 HDI's to enable them to participate in the mainstream economy. The sub-programme promotes and supports these HDI's 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.
- 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.



## ANNUAL REPORT

### For the year ended the 31 March 2019



#### 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.



## 2.3. Strategic Outcome Oriented Goals

### 2.3.1. Efficient leadership, strategic support and economic advice

**The Economic Technical Committee Secretariat** is responsible for compiling Economic Cluster reports bi-annually which are prepared for the purpose of the EXCO Lekgotla. This entails the collation, verification and quality control of information from the Economic Cluster Departments and relevant stakeholders. This information must be packaged in accordance with the requirements from the Lekgotla which included progress on the MTSF; the Nine Point Plan and progress on Lekgotla resolutions.

Three (3) proceedings of the Economic Sector, Employment and Infrastructure Cluster meetings were recorded for Quarter 1. In April two (2) items served, namely Progress report on the Programme of Action for 2018/2019 and Progress report on Bloodhound. The POA was recommended to serve at the Governance and Administration Cluster and Bloodhound was recommended to serve at the Economic Sector, Employment and Infrastructure Cluster.

In May four (4) items served namely, Progress report on the POA, Progress report on Operation Phakisa, Progress report on the proposed Economic Colloquium and Progress report on the Exco resolutions. After deliberations the Progress report on the POA was recommended to serve at the Governance and Administration Cluster and the Progress report on the proposed Economic Colloquium was recommended to serve at the Economic Sector, Employment and Infrastructure Cluster.

In June ten (10) items served, namely Progress report on the performance of the outcomes 4,6 and 10 for Quarter 4, SOPA commitments, Fourth quarter and annual report on the War on Poverty Programme, Update on the mental health institution, Maintenance of all provincial assets, Parliamentary village precinct, and Progress report on the SEZ. Out of these one (1) item namely, Fourth quarter and annual report on the War on Poverty Programme was recommended to serve at the Social Cluster and six (6) items namely Update on the mental health institution, Maintenance of all provincial assets, Parliamentary village precinct, and Progress report on outcome 4, 6, and 10 were recommended to serve at the Economic Sector, Employment and Infrastructure Cluster meeting.

For Quarter 2, three (3) proceedings of the Economic Sector, Employment and Infrastructure Technical Cluster reports were recorded. In June 5 items served namely, District Rural Development Plans, Progress report on the implementation of SPLUMA, Progress report on the PGDP (Provincial Growth and Development Plan) and PSDF (Provincial Spatial Development Framework), Progress report on the proposed Economic Colloquium, Progress report on the proposed Renewable Energy Conference. After deliberations, all these items were recommended to serve as agenda items at the Economic Sector, Employment and Infrastructure Cluster meeting.

In July only one item served, namely The Air Quality Management Plan. This item was recommended to serve at the Economic Sector, Employment and Infrastructure Cluster meeting. In September nine (9) items served namely, Funding proposal to the Northern Cape Provincial Government by ISDG (PTY) LTD, Provincial Programme of Action, Progress report on Operation Phakisa, Progress report on the implementation of EPWP in the Province for quarter 1, Progress report on outcome 4,6, 7 and 10, World Food Day Celebrations and Progress report on the Boegoe Bay Deep Sea Port.

All items were recommended to serve at the Economic Sector, Employment and Infrastructure Cluster meeting, except for the Funding proposal to the Northern Cape Provincial Government by ISDG (PTY) LTD, which was recommended to serve at the Head of Department (HOD) Forum and the Programme of Action which was recommended to serve in the Governance and Administration Cluster meeting of October 2018.

During Quarter 2 of the 2018/19 financial year the Economic Technical Cluster Secretariat compiled a progress report on resolutions taken by EXCO. The report highlighted the progress made regarding resolutions taken since 2018.

During Quarter 2 of the 2018/19 financial year the Economic Technical Cluster Secretariat compiled a five-year report which served as a source document for Government Lekgotla. The report reflected a comprehensive progress report on the resolutions taken at the EXCO and Government Lekgotlas since 2009.

The High Impact projects analysis report focus on the multiple dimensional impact of these said projects, namely economic, social, environmental, governance, technological, and spatial impact. In order to ensure that the progress of these projects are subjected to an integral developmental planning process there are various organizational structures in the reporting process. Key findings emanating from the populated templates will be discussed and lastly recommendations will be given in terms of the prioritization of certain projects, given the impact thereof as well as certain factors for project champions to consider.



## ANNUAL REPORT

### For the year ended the 31 March 2019

For Quarter three (3), three (3) proceedings of the Economic Sector, Employment and Infrastructure Technical Cluster reports were recorded. The target has been exceeded by one (1) as the Acting Head of Department called a Special Technical Economic Sector, Employment and Infrastructure Cluster meeting. The purpose of the meeting was to discuss and complete the Provincial Stimulus Package to be submitted to the Presidency. The meeting took place on the 19th of October 2018. In the meeting dated 3 October 2018, three items served namely, Job Creation Figures, Progress Report on the Nine-Point Plan and Marine Sciences Curriculum. Of these two (2) items were recommended to serve at the Economic Sector, Employment and Infrastructure Cluster. These were the Progress Report on the Nine Point Plan and the Marine Sciences Curriculum.

In the meeting dated 6 November 2018, three (3) items also served namely, Report on the Renewable Energy Conference, Biofin SA – Making a case for protected area funding in the Northern Cape Province, and War on Poverty. The Report on the Renewable Energy Conference and Biofin SA – Making a case for protected area funding in the Northern Cape Province was recommended to serve at the Economic Sector, Employment and Infrastructure Cluster and War on Poverty was recommended to serve at the Social Cluster.

Resultant from the War on Poverty presentation, the Economic Sector, Employment and Infrastructure Technical Cluster Secretariat is in the process to develop an intervention strategy that addresses the poor performance of the economic sector.

In Quarter 4, Economic Sector, Employment and Infrastructure Cluster meetings were held on 15 January, 5 February and 6 March 2019. In January 5 items served namely Progress reports on outcome 4, 6 and 10 as well as a progress report on Operation Phakisa for quarter 2. As government entered the end of the 5th administration or electoral cycle a progress report on the Makgotla Resolutions 2014 -2019 had been completed. Four (4) items were recommended to serve at the Economic Sector, Employment and Infrastructure cluster namely, progress reports on outcome 4, 6 and 10 as well as progress report on Operation Phakisa for quarter 2. In February, four (4) items served namely, War on Poverty, Progress report on the Makgotla Resolutions 2014-2019, One Stop Shop and Boegoe Bay deep port harbor bulk corridor and multi nodal SEZ application with the Vedanta smelter and fertilizer factory. Two (2) items were recommended to serve at the Economic Sector, Employment and Infrastructure Cluster meeting namely One Stop Shop and Boegoe Bay deep port harbor bulk corridor and multi nodal SEZ application with the Vedanta smelter and fertilizer factory, with the amendments as per the Technical Cluster's guidance. The latter did not serve at the Economic Sector, Employment and Infrastructure Cluster. In the month of March 2019, 4 items served namely Progress reports on outcome 4,6, and 10 for Quarter 2 and the Programme of Action for Quarter 2.

The progress reports for outcome 4, 6 and 10 were recommended to serve at the Economic Sector, Employment and Infrastructure Cluster and the POA was recommended to serve at the Governance and Administration Cluster.

One (1) Economic Sector Employment and Infrastructure Cluster report was provided. The report was based on progress for the Makgotla Resolutions 2014-2019. For 2014 Resolutions mainly focused on the establishment of institutional mechanisms for the implementation of the MTSF in accordance with the NDP. Resolutions reflect that extensive progress had been made in this regard. The migration from the PGDS to the PGDP has been completed. Since the Central Energy Fund (CEF) feasibility study in 2014, tremendous progress took place in the energy field and is reflected in progress on resolutions on renewable energy, mostly in 2017 and 2018.

Since 2015, Payment of SMMEs within 30 days remains a challenge since the inception of this resolution. This should be expedited as it may have a negative impact on the sustainability and livelihoods of SMMEs. For 2016, it is commendable that all resolutions of the economic sector that had been adopted by EXCO, had been implemented. For 2017 and 2018, Resolutions during this period was primarily embodied within the 9 point plan. This made it easier for monitoring and evaluation purposes as well as to determine progress. The role of implementation forums was crucial in this regard and is a powerful platform for stakeholder engagement. Outcome 4, 6, 7 and 10 reports is an effective tool to measure progress on resolutions. Through the implementation of resolutions policy directives such as the Industrial Policy Action Plan had been addressed.

An intervention strategy for the Economic Cluster Departments on the War on Poverty has been developed.

For Quarter 4 the Departmental High Impact Project Report focused on the analysis of two high impact projects, namely the SKA Visitors Centre and the Kimberley International Diamond and Jewellery Academy.

**Financial Management** achieved all targets for the year under review. This included the development of the departmental Annual Performance Plan 2018/2019, the Annual Report for 2017/2018, Budget Statement #2 and all Quarterly Reports (financial and non-financial) as per legislative prescripts and within prescribed timeframes.

The Financial Management sub-programme is responsible for two Key Performance Areas (KPA) within the Management Performance Assessment Tool (MPAT) framework. In terms of the MPAT results for the 1.8 rollout, the department achieved a score of 3.0 for KPA 1: Strategic Management and 3.6 for KPA 4: Financial Management.





## ANNUAL REPORT

### For the year ended the 31 March 2019

These results demonstrate an improvement on MPAT 1.7.

**Corporate Services** has achieved most of its annual targets, except the number of performance agreements due to three non-compliant employees. In accordance with the PMDS policy, the affected employees have been duly subjected to disciplinary processes. The target of legal sessions had to be abandoned due to the fact that the executive authority had seconded the entire legal services staff to the Gambling Board.

Employee wellness, ethics and information and awareness programmes have been fully institutionalised; hence the sub-programme has met all the targets set. The ICT and Communications units continue to do well despite stretched budgetary resources.

#### 2.3.2. Accelerated growth and transformation of the economy to create decent work and sustainable livelihood

The EGDF process commenced in April 2018 and was concluded in March 2019. The funds available to be disbursed during the 2018/19 financial year was R 31,622,000. A total of R 30 845 000.00 (97,5%) was disbursed and included a roll-over amount of R1 823 000.00. Through this intervention, one hundred and seven (107) enterprises across the province were supported (PKS – 17; ZFM-18; JTG – 25; Namakwa – 20 and FB – 27). The limited number of applications received from the Namakwa, Z F Mgcawu and Pixley Ka Seme Districts necessitated a second round of advertisements for enterprises from these districts. This prolonged the process and resulted in longer than anticipated timeframes.

A total of twenty-two (22) enterprises; (20 SMMEs and 2 Co-operatives) were referred to stakeholders. This included SEDA and the Department of Agriculture, Land Reform and Rural Development who provide non-financial support to these enterprises. The services provided included business plan development, marketing materials, branding and signage, quality management, business mentorship, product certification and the training of emerging farmers.

One of the instruments used to assist enterprises is the Companies and Intellectual Property Commission (CIPC) self-service terminal situated in the Department. This system was offline since February 2018 and only fixed in January 2019. Assistance with regards to the CIPC services was therefore done manually via the e-services.

During the financial year under review, one hundred and twenty-five (125) enterprises were assisted. The majority of these enterprises were assisted with CIPC services, 85 were new company registrations. It is evident that the marketing of this service has been limited and this will need to be addressed in the coming financial year, especially since the registration of cooperatives will be added to the basket of services offered at the self-service terminal. Five (5) companies were assisted to attend the BBBEE Summit in East London while three (3) enterprises were supported to attend the Frances Baard District Entrepreneurship Week held in Kimberley during November 2018. Thirty-two (32) co-operatives were assisted with Co-operative Incentive Scheme applications, registrations and business advice.

The Department has developed two incubator business plans for mining and renewable energy. These were submitted to the John Taolo Gaetsewe District Municipality for support at the mining incubator and the second to the Technology Station for co-location for the Renewable Energy business plan. The latter business plan was also submitted to the SEZ for location once the SEZ process has been completed. The Department has also brought SEDA on board to assist with the establishment of the incubators.

In collaboration with the Department of Sport Arts and Culture and SEDA, a trial site has been established in the Ritchie library to provide enterprise support to clients in the area. The trial site serves as a precursor to the establishment of the community enterprise content service point co- location within libraries in the province so that enterprises can make use of the free internet services at community libraries.

A key initiative is the preferential procurement initiative where the emphasis is to profile the key public and private procurement in the province and to localise the maximum of that expenditure in the Northern Cape. The Department embarked on initiatives to enable enterprises to access procurement opportunities. To this end the relationship with Transnet Freight Rail, to assist enterprises with access to information and capacity building pertaining to procurement opportunities, was utilised.

The following initiatives were operationalised:

- tender training for enterprises;
- support to enterprises in the school uniform project and
- a workshop to train service providers on the tender process of Orion Mine.

## ANNUAL REPORT

### For the year ended the 31 March 2019

The Department also participated in the review of the Sol Plaatje Universities procurement processes and the open day invitation extended to prospective service providers.

The annual target for number of economic development projects assisted within the NDP was four (4) projects but due to the extra mile, the Department was able to achieve a total of nine (9) projects. The projects identified and supported include the development of concept a note, project proposal, stakeholder facilitation, investment realisation and support and investment retention. Projects such as the proposed Vendata SEZ are national priorities which are aligned to the Presidential investment drive and the implementation of the South Africa Investment Conference 2018 outcomes.

The projects supported include the Batswana Cultural Village Proposal, Sol Plaatje Technology Station proposal, Transnet One Stop shop proposal, Vedanta SEZ proposal, Die Eiland PPP, Douglas Resort PPP, the KIP project, the Veersteel project and the Bosai project.

Maturity assessments of all 31 municipalities whereby a detailed section 47 report was completed and submitted to COGHSTA. Six municipalities were identified for support. They were Pixley Ka Seme District Municipality (LED strategy), Kgatelopele Local Municipality (LED strategy), David Kruiper Local Municipality (LED strategy), Siyathemba Local Municipality (LED component), Joe Morolong Local Municipality (LED component) and Khai-Ma Local Municipality (LED component).

The support rendered includes collection of data, research, stakeholder facilitation, consultations, drafting of documents and presentations to municipal management and council. The drafting of these strategic document assists the municipalities in positioning themselves as investment destinations and ensures alignment with the provincial and national economic development agenda.

The Northern Cape Provincial Economic Development Forum convened once per quarter. In addition an LED Newsletter was developed.

The EPWP programme led to the creation of 381 work opportunities and exceeded the target with 81 work opportunities as per the National Public Works system. The projects were located in the Sol Plaatje Tourism Precinct: Kimberley (Sol Plaatje and Frances Baard District Municipality), Ganspan Phase 2 (Phokwane Local Municipality), the Phokwane cleaning and greening (Phokwane Local Municipality) and the Okiep chefs training programme. The total annual DORA grant allocated equates to R 2 012 000.

The Department also seeks to render support to HDI groups to enable them to participate more effectively in the mainstream economy. To this end opportunities were identified in the Mining, Services, Construction, Agro-processing, Manufacturing and Renewable Energy sectors.

In the mining sector one non-core opportunities in the mining sector was identified. Through engagement with De Beers' procurement section and Anglo Zimele (which is the enterprise development section of De Beers) the non-core opportunities identified were cleaning service contracts.

In the services sector the opportunities identified were cleaning, refuse removal, security service and suppliers (e.g. stationery). A construction opportunity was identified at CoGHSTA, where construction companies were invited to register on the CoGHSTA database.

Opportunities identified in the agricultural sector include goat farming and in agro-processing. An opportunity of producing canned fruit was identified as well. In manufacturing sector, the Department collaborated with Mme Reka Thusa in training women in sewing.

The renewable energy opportunity identified was that of training the youth in Solar Energy.

Additional interventions include the South African Women in Dialogue (SAWID) event that was held in Kimberley, the Youth intervention in Warrenton, Delpportshoop, Schmidtsdrift, Upington and Kimberley, the Women Empowerment International (WEMI) Event in Kimberley and the Economic Empowerment session for women in Carnarvon during the women in parliament event.

Skills development interventions included Project Management, Energy and Water, New Venture creation, Youth empowerment, Tender training and Drivers licence training.

The Youth from all target groups in Frances Baard were trained in project management, Energy and water sector, new venture creation, youth empowerment and Entrepreneurship.

In addition the Department collaborated with Mme Reka Thusa in the Rock solid annual women awards, where women from different districts were trained in soft skills (how to use the internet and how to write a CV) and technical skills (such as agro-processing, canning of food, Diamond Cutting and Polishing, Sewing, and applying make-up).



## ANNUAL REPORT

### For the year ended the 31 March 2019

Annually the Department collaborate with Mme Reka Thusa in the annual women event, by carrying the cost of getting the women from the different districts to the awards, taking part in the judging process of the awards and in identifying what skills development programmes will be relevant for the women.

The Department collaborated with SEDA in financial management training by referring SMMEs that was funded through the EGDF to go for financial management training. The sub-programme does not have the skill to facilitate the training by the SMMEs and will go to SEDA to request that they do the training for the SMMEs identified for that particular training.

The Department also partnered with provincial treasury to facilitate tender training for SMMEs, to give them the skill to be able to complete tender documents to the required standard. In addition a driver's licence training workshop for youth in Victoria West was conducted by NCEDA.

B-BBEE Local Stakeholder Engagement Workshops in three districts namely Frances Baard (Kimberley), John Taolo Gaetsewe (Kathu) and ZF Mgcawu (Upington). The aim is to engage with stakeholders regarding implementation of B-BBEE Codes of Good Practice in the province and to solicit inputs on the Draft Provincial B-BBEE policy framework before submission to the EXCO.

Training Workshops were conducted in two districts to capacitate small businesses with relevant knowledge and skills necessary to access procurement opportunities. A Local Content and Production Workshop and an Enterprise and Supplier Development Workshop were conducted in Frances Baard, Kimberley. A Mining Qualification Authority (MQA) Accreditation workshop was conducted in John Taolo Gaetsewe, Kuruman. The aim of the workshop was to give training service providers information on how to become accredited with the MQA.

Discussions were also held with the Local Enterprise Development Unit of the mine in Danielskuil to assess the potential to roll out the YES Programme.

#### **2.3.3. Stimulated economic growth through industry development and trade investment promotion**

The Province exposed twenty-three (23) Northern Cape companies to export markets through participation at the following local and international exhibitions:

- AIM exhibition in Dubai, United Arab Emirates,
- Chenzhou Mineral and Gem Exhibition in Chenzhou, Hunan Province in The People's Republic of China,
- Broad-Based Black Economic Empowerment (BBBEE) Rural and Township Economy Summit in East London
- NOCCI Business Expo in Kimberley,
- China International Fair for Trade & Investment (CIFIT) in Xiamen (The People's Republic of China),
- SIAL show in Paris and the
- Global Expo in Botswana.

In our efforts to grow the export base of the Province, the Department in collaboration with the Department of Trade and Industry (dti) and SEDA rolled out Export Awareness Seminars in Upington, Kimberley, De Aar, Kuruman and Springbok. Ninety-two (92) companies participated in these seminars.

The Department also hosted the Global Exporter Passport Programme (GEPP) Phase 1 and Phase 2 training workshops in conjunction with the dti in Upington and Kimberley where forty-eight (48) companies participated.

DEDaT supported provincial mega-projects such as the Upington SEZ, Boegoebaai Deep Port Harbour and the De Aar Logistics hub through marketing of these projects during outward visits to UAE and The People's Republic of China. Exposure was also given to investment opportunities in marketing publications such as the Northern Cape Business Publication and also through the Frontier Invest e-marketing platform.

Research on the Northern Cape dried grape processing industry was conducted. The research locates the Northern Cape industry in a global context, analysing and presenting data on production, consumption, imports and exports at a global level. The statistical information from both international and national sources presented in the report, is expected to provide the appropriate knowledge-amalgam to assist in exploring growth opportunities for the Northern Cape dried grapes industry. The study adds on to the available information on the agro-processing sector.

In the second quarter the research work was extended by conducting site visits of dried grape processing factories and conducted interviews of factory owners and managers. The findings of the site visits and interviews are expected to clarify some of the challenges and issues specific to the dried grape processing industry with regards to market access. This knowledge is expected to assist the Department in determining which areas of intervention could be explored to support market growth for the dried grape processing industry.

Renewable Energy is another economic sector that has been the focus of support. The Department facilitated the signing of a Memorandum of Understanding (MoU) between the Pixley Ka Seme District Municipality (PKSDM), a local SMME (renewable energy company) and a strategic partner in relation to the supply and installation of rooftop solar systems and the supply of electricity using photovoltaic technology in PKSDM. The underlying objective of the programme is to address electricity challenges and implement saving mechanisms on electricity consumption. The socio-economic benefits will be through the creation of sustainable jobs as well as skills development using the concept of energy entrepreneurs as developed by a strategic partner and the establishment of Renewable Energy businesses.

The Renewable Energy Conference was held in De Aar from 23-24 August 2018. A total of 695 people attended the conference of which 167 attendees were Government officials, 174 industry people, 286 were SMMEs and businesses in the renewable energy sector, 21 were exhibitors and 47 were special guests. The resolutions of the conference have been packaged and adopted by the Executive Council. These resolutions will form part of the Department's Operational Plan for the 2019/2020 financial year.

A report on the Socio-Economic Impact of IPPs was developed in the year under review.

Fifty-one (51) learners were trained at the Kimberley International Diamond and Jewellery Academy (KIDJA) and twenty-one (21) SMMEs were incubated at the Kimberley Diamond and Jewellery Incubator (KDJI). Support was rendered to KDJI and its clients by assisting in the exposure of exhibiting and attending the South African Business Incubation Conference (SABIC) which was held in November 2018. One of the Incubator SMMEs, Lute Diamonds, won an award of 2nd runner up for best incubate of the year.

Support was also granted for KDJI and KIDJA to participate at Jewellex Africa in October 2018. The event is a platform for the marketing of gems and jewellery pieces as well as for networking by industry stakeholders. The Department purchased four stalls at the event, one for the Incubator and one for KIDJA to exhibit their services and the other two stalls for the Incubator SMMEs to market their products.

The Department also assisted two SMMEs to participate at the Hong Kong International Jewellery and Gem Fair in September 2018.

The following documents were also signed as part of international collaboration between South Africa and The People's Republic of China:

- MoU between JC Group and KDJI for future collaboration on SMME development, specifically addressing access to funding for future diamond prospecting possibilities and market access in The People's Republic of China; and the
- MoU between JC Group and Blue Noze Resource (SMME incubated by KDJI) for close collaboration on prospecting the primary mining potential of the identified alluvial diamond sites awarded and registered under Blue Noze Resources by the Department of Mineral Resources.

With regard to Preferential Mining Procurement, although the reviewed Mining Charter has not yet been promulgated, the Department is still consistent in pursuing the maximization of local mining procurement. In the financial year 2018/2019, Six (6) preferential mining procurement opportunities were identified for local suppliers.

#### **2.3.4. A fair regulated trade environment and good governance**

The Department performs and oversight function over the public entities (NCEDA, NCTA, Gambling Board and the Liquor Board). It 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.

All annual targets were achieved for the financial year 2018/19:





- Four (4) public entity strategic plans received and analysed,
- Sixteen (16) public entity quarterly reports were received and analysed,
- Sixteen (16) public entity compliance checklist verified verification and
- Sixteen (16) public entity revenue- and -expenditure reports analysed.

The Department held education and awareness outreach programmes throughout the Province in all 5 districts and had a week of awareness campaigning in the in the ZF Mgcawu District leading up to World Consumer Rights Day.

World Consumer Rights Day was celebrated in Kakamas on 15 March 2019 at Kakamas Primary School Hall. The guest speaker Mr A Vosloo delivered the key note address. The event hosted 500 consumers and 10 presenters, with the theme "Reliable Products". Various stakeholders addressed the consumer with regards to their rights and responsibilities from NPA, Human Rights Commission, Equality Court, NCR, Home Affairs, FSCA, SEDA, Public Protector, Council for Medical schemes and SASSA.

### **2.3.5. Sustainable economic development**

In monitoring the implementation of the MTSE, the Department developed and verified the Programme of Action (POA) for both Outcome 4 and 6. The implementation forums for both Outcome 4 and 6 were held in each quarter with delivery partners present. There has been marked downward trend in attendance at these forums. Quarterly reports were compiled and tabled at both Technical and Economic clusters. In response to the request by the Department of Policy, Monitoring and Evaluation, inputs were provided on the 25 year review for both Outcome 4 and 6 to the Office of the Premier.

In reporting on the implementation of the Provincial Nine Point Plan, the Outcome 4 and 6 implementation forums as well as District Economic Symposiums served as platforms where information was gathered and verified. As a mechanism on consulting municipalities, communities and stakeholders, District Economic Symposiums were convened in John Taolo Gaetsewe, Namakwa, ZF Mgcawu and Pixley Ka Seme. In Frances Baard an Economic Colloquium was held in July 2018 where valuable data was accumulated. This information helped to inform the development of the Provincial Economic Blue Print.

Economic intelligence reports focused on Renewable Energy industry in the Northern Cape Province. The major thrust of the report was on the Solar energy projects that were rolled-out across the province. It demonstrated a high installation capacity when compared to other renewable energy technologies.

Understanding of the commodities produced by the Agricultural sector in the Northern Cape is vital to diversifying the economy. The agricultural sector continues to be a beacon of hope for those seeking employment in the province, and thus a substantive employer in that regard. As such the focal point of the study was on the production trends in the field crops, livestock and horticulture, as well as the potential opportunities and existing challenge to the sector.

While, in the third quarter the Department completed both an Economic Intelligence Report and a Departmental Initiative. Premised on the significance and growth of the tourism sector, it was evident enough that possible tourism avenues needed exploration. While also the employment and economic importance of the agricultural sector in the province, it was therefore expedient to critically understand the provincial Agri-tourism sector potential, both for development and employment creation. The initiative sought to outline (through a survey methodological approach) the benefits of the Agri-tourism, as well as the challenges of venturing into the sector. Furthermore, the Department concluded an Economic Intelligence Report on the strategic significance and/or impact of three industrial minerals found in the province.

In the closing quarter of the financial year, the Department finalised a research report focusing on the youth in entrepreneurship. The study sought to critically assess provincial youth enterprise empowerment initiatives as well as attempting to understand the underlying potential of the youth to create employment for themselves as well as others (i.e. youth and other designated groupings). In addition an Economic Intelligence Report on Clothing and Textile Manufacturing in the province. The chief aim, was to analyse the industrial value-chain and to advance the implementation of the Northern Cape Manufacturing Strategy (2012).



## ANNUAL REPORT

### For the year ended the 31 March 2019

The Department has acknowledged that there is a need for coherent prioritization of its interventions within the spatial economic framework of the Province. To this end, two Knowledge Management Systems were developed which include the provincial government events management system, in collaboration with the Office of the Premier, and a tourism information management system for the Department.

It is imperative that all efforts (by internal and external stakeholders) aimed at digitally transforming the province are coordinated. It is through these collaborations that 12 e-skills initiatives were implemented as opposed to the 8 planned. These e-Skills initiatives included Hackathons that were rolled out in partnership with Geekulcha and Sol Plaatje University.

As a means on extending access to rollout of broadband connectivity, seven (7) sites were activated by BBI and SITA under the National Broadband rollout. The implementation of the Northern Cape and Information Society Strategy was monitored quarterly. The mLab initiative has been implemented in partnership with the community college, Sol Plaatje Municipality and Department of Science and Technology. The project manager has been appointed by mLab SA.

Through the multi-faceted collaboration approach, SMMEs were linked to access opportunities arising from the deployment of SKA.

Five (5) monitoring reports of Outcome 4 and 2 evaluation reports were produced. The monitoring of Outcome 4 reports helped to monitor progress of initiatives and opportunities for job creation. A verification report (Evidence-based/site visits) for Outcome 4 Report was produced. The projects were verified on the bases of performance or progress as reported on quarterly reports. The Information was received from Electronic Quarterly Performance Report (eQPRS) in response to Annual Performance Plan (APP) and from Outcome 4 Program of Action (PoA) was considered for verification. The Department also produced, the MPAT Evaluation report and desktop evaluation report on Economic Growth and Development Fund (EGDF). The EGDF report seeks to evaluate outcomes and impact of directly funded projects of the Department. This will enable the department to measure the impact of its interventions and achieving the objectives of Outcome 4.

#### **2.3.6. Sustainable impact of tourism on the economy of the Northern Cape**

Tourism awareness campaigns were conducted in partnership with communities in an effort to encourage participation and involvement of previously disadvantaged people in the tourism sector. A stakeholder consultation session was convened to forty (40) tourism public and private collaboration efforts and create synergies for tourism development and promotion.

All the Service Excellence and Welcome Campaign initiatives were actioned. However, the world federation of tourist guides convention could not transpire as envisioned.

A tourist guiding workshop was conducted to upskill the local tourist guides in business and enterprise planning and tourist market access. A campaign to combat illegal tourist guiding practices was conducted in order to combat illicit practices. The Department will continue to seek to work with internal stakeholders and external tourism stakeholders (responsible for law enforcement and compliance) to combat illegal guiding.

In order to improve the service standards in the tourist guiding sector, the Department has developed an Information Management System Framework to align and streamline the tourist guide registration process and database management. Phase 1 and Phase 2 of the tourist guide information management system is complete and the framework will lay the basis for fully functional information management system during 2019/2020 financial year.

In an effort to evaluate the domestic and international tourism industry performance, a report has been produced to track the performance of tourism in the province since the baseline year 2009. As per the Operation Phakisa imperatives a report on the progress in the implementation of the provincial Marine and Coastal Tourism has been produced. A tourism product audit was conducted to measure the performance of the provincial tourism sector, so as to track performance and inform intervention strategies. A report on tourism business registration was compiled as a framework to assist towards compliance and creation of tourism business registry. A coastal aviation feasibility study was also conducted to assess the potential to develop tourism coastal products and infrastructure development.

The International Labour Organization states that skills development is key in stimulating a sustainable development process and can make a contribution to facilitating the transition from the informal to the formal economy. Skills development therefore plays a vital role in promoting economic growth and poverty reduction through supporting the provincial tourism industry. Eighty-seven (87) tourism and respective tourism entrepreneurs were trained in quality assurance in the hospitality industry. This benefitted forty-four (44) youth.

## ANNUAL REPORT

### For the year ended the 31 March 2019

Eleven (11) black-owned tourism enterprises were supported financially, including three youth-owned tourism enterprises. Very long lead-in times to procure a service provider in order to train tourist guides impeded efforts to extend financial support to all envisaged tourism enterprises. Targets related to providing financial support to tourism enterprises were also adversely affected by long lead-in times to complete the legal processes and final approvals of grants.

Fifteen (15) tourism experiences were supported across the province. Such support plays a significant part in growing tourism arrivals, extend duration of stay and increase income derived from tourism activities. The Department also played a role in improving the ambience and attractiveness of the Galeshewe Activity Route thus contributing to growing the township economy. Eleven (11) youth were employed in an effort to improve the Mayibuye precinct as tourist destination.

Fourteen (14) tourism infrastructure projects were supported during the period under review. Such infrastructure supports growing economic activity and employment creation through tourism. Once again the target was adversely affected due to administrative delays.

Partnerships are vital for successful destination. In this regard the Tourism Programme in partnership with the Dawid Kruiper Municipality is developing Hakskeenpan in Mier as an open-air mega event venue. In this regard water supply to the pan will be completed by end of 2019, an initiative that was funded by the department during the period under review.

The Department partnered with the Riemvasmaak Trust to do comprehensive maintenance of their tourism assets. This project created twenty-eight (28) jobs for the local people of which twelve (12) were youth.

The partnership with the McGregor Museum improved the tourism experience offered at the Wildebeestkuil Rock Art Centre. This included extending the display area and doing maintenance of infrastructure and the mountain bike trail. Furthermore the departmental financial support assisted with infrastructure maintenance at the provincial flagship museum, the McGregor Museum, as well as improving the audio-visual experience and monument protection at the Magersfontein Anglo-Boer War battlefield.

The Department also entered into a partnership with the national departments of Tourism and Science and Technology to develop the Square Kilometre Array Carnarvon Exploratorium. The conceptualisation of the project has been completed and will now enter the design and construction phase. The project will chiefly be funded by the two national departments.

A joint venture has been initiated with the national Department of Tourism to develop the Big Hole Precinct This project is nearing the finalisation of the conceptual phase.



# PROGRAMME 1: ADMINISTRATION





## 2.4 Performance Information by Programme

### 2.4.1. Programme 1: Administration

#### 2.4.1.1. Office of the HOD

##### Strategic Objectives, Performance Indicators, Targets and Actual Achievement

<b>Government Outcome:</b>	Decent Employment through inclusive economic growth
<b>Government Sub-Outcomes</b>	<ul style="list-style-type: none"> <li>- Productive Investment is effectively crowded in through the infrastructure build programme.</li> <li>- The productive Sectors account for a growing share of production and employment.</li> <li>- Workers education and skills increasingly meet economic needs.</li> <li>- Spatial imbalances in economic opportunities are addressed through expanded employment in agriculture, the built programme and densification in the metros.</li> <li>- Economic opportunities for historically excluded and vulnerable groups are expanded and the number of sustainable small business and cooperatives is improved markedly.</li> <li>- Public employment schemes provide relief for the unemployed and build community solidarity and agency.</li> <li>- Investment in research, development and innovation supports inclusive growth by enhancing productivity of existing and emerging enterprises and improving the living conditions of the poor.</li> </ul>
<b>Strategic objective</b>	<b>Management of departmental transversal administrative programmes and provision of economic development leadership.</b>
<b>Objective Statement</b>	<b>To provide strategic direction and leadership in order to facilitate a sustained growth, radical transformation and diversification of the provincial economy.</b>
<b>Indicator</b>	GDP growth rate
<b>Target</b>	4-5% GDP growth rate by 2020

<b>Sub-programme: Office of the HOD</b>						
<b>Strategic Objective:</b> Management of departmental transversal administrative programmes and provision of economic development leadership.						
<b>Performance Indicator</b>		<b>Actual Achievement 2017/2018</b>	<b>Planned Target 2018/2019</b>	<b>Actual Achievement 2018/2019</b>	<b>Deviation from planned target to Actual Achievement for 2018/2019</b>	<b>Comment on Deviation</b>
1.1.1	Number of Economic Sector, Employment and Infrastructure Cluster reports.	2	2	2	None.	None.
1.1.2	Number of proceedings of the Technical Economic Sector, Employment and Infrastructure Cluster reports recorded.	10	10	12	Target exceeded by 2.	Economic Sector, Employment and Infrastructure Technical Cluster meeting was called at the request of the Acting Head of Department. Also, an additional meeting was held in January 2019 as per the Exco Calendar from the Office of the Premier.
1.1.3	Number of Economic Technical Advisory Committee Reports.	4	2	2	None.	None.
1.1.4	Number of Departmental High Impact Project Reports.	2	2	2	None.	None.



# ANNUAL REPORT

## For the year ended the 31 March 2019

### Linking performance with budgets

Sub- Programme Name	2018/2019			2017/2018		
	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	5 621	5 621	-	7 200	6 229	971
<b>Total</b>	<b>5 621</b>	<b>5 621</b>	<b>-</b>	<b>7 200</b>	<b>6 229</b>	<b>971</b>

### 2.4.1.2. Financial Management

<b>Government Outcome:</b>	Decent Employment through inclusive economic growth
<b>Government Sub-Outcomes</b>	<ul style="list-style-type: none"> <li>- Productive Investment is effectively crowded in through the infrastructure build programme.</li> <li>- The productive Sectors account for a growing share of production and employment.</li> <li>- Workers education and skills increasingly meet economic needs.</li> <li>- Spatial imbalances in economic opportunities are addressed through expanded employment in agriculture, the built programme and densification in the metros.</li> <li>- Economic opportunities for historically excluded and vulnerable groups are expanded and the number of sustainable small business and cooperatives is improved markedly.</li> <li>- Public employment schemes provide relief for the unemployed and build community solidarity and agency.</li> <li>- Investment in research, development and innovation supports inclusive growth by enhancing productivity of existing and emerging enterprises and improving the living conditions of the poor.</li> </ul>
<b>Strategic Objective</b>	Financial Management Services to the department.
<b>Objective statement</b>	Provide an efficient and economical Financial Management support service within the department in order to ensure the achievement of service delivery objectives.
<b>Indicator</b>	Number of unqualified External Audit/Audit Outcomes without matters of emphasis. Average MPAT KPA4 Score by 2019.
<b>Target</b>	Unqualified Audit without matters of emphasis = 1 Average MPAT Score for KPA4 = 4

Sub-programme: Financial Management						
Strategic Objective: The Provision of Financial Management Services to the department						
Performance Indicator		Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviation
1.2.1	Departmental plans tabled.	1	1	1	None.	None.
1.2.2	Departmental performance reports submitted.	5	5	5	None.	None.
1.2.3	Departmental Financial Reports submitted	4	4	4	None.	None.

### Linking performance with budgets

Sub- Programme Name	2018/2019			2017/2018		
	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	28 685	28 685	-	25 506	24 569	937
<b>Total</b>	<b>28 685</b>	<b>28 685</b>	<b>-</b>	<b>25 506</b>	<b>24 569</b>	<b>937</b>

## ANNUAL REPORT

### For the year ended the 31 March 2019



#### 2.4.1.3 Corporate Services

##### Strategic Objectives, Performance Indicators and Targets

<b>Government Outcome:</b>	Decent Employment through inclusive economic growth
<b>Government Sub-Outcomes</b>	<ul style="list-style-type: none"> <li>- Productive Investment is effectively crowded in through the infrastructure build programme.</li> <li>- The productive Sectors account for a growing share of production and employment.</li> <li>- Workers education and skills increasingly meet economic needs.</li> <li>- Spatial imbalances in economic opportunities are addressed through expanded employment in agriculture, the built programme and densification in the metros.</li> <li>- Economic opportunities for historically excluded and vulnerable groups are expanded and the number of sustainable small business and cooperatives is improved markedly.</li> <li>- Public employment schemes provide relief for the unemployed and build community solidarity and agency.</li> <li>- Investment in research, development and innovation supports inclusive growth by enhancing productivity of existing and emerging enterprises and improving the living conditions of the poor.</li> </ul>
<b>Strategic Objective</b>	<b>The provision of sound corporate management.</b>
<b>Objective statement</b>	<b>To provide support with regard to human resource management and legal related matters within the Department in order to ensure the achievement of strategic objectives</b>
<b>Indicator</b>	Outcome of External Audit and MPAT
<b>Target</b>	An unqualified without matters of emphasis Audit Outcome by 2019. Reach and maintain a score of 3 on MPAT by 2019.

## ANNUAL REPORT

### For the year ended the 31 March 2019

Sub-programme: Corporate Services						
Strategic Objective: The provision of sound corporate management.						
Performance Indicator		Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviation
1.3.1	Number of employment equity reports.	4	4	4	None.	None.
1.3.2	Number of SMS financial disclosures submitted.	26	26	26	None.	None.
1.3.3	Number of performance agreements completed.	176	179	176	Three (3) officials were non-compliant.	Disciplinary action has been institutionalised and the officials will not form part of the process of PMDS 2018/2019. They will forfeit all rewards.
1.3.4	Number of Employee Health and Wellness Promotions (activities) held	4	4	4	None.	None.
1.3.5	Number of Employee information sessions.	4	4	4	None.	None.
1.3.6	Number of Newsletters issued.	4	4	4	None.	None.
1.3.7	Number of legal sessions conducted.	2	2	1	One quarterly target not achieved due to staff shortage.	Legal officials were seconded to Gambling Board.
1.3.8	Number of ICT Compliant Standards for Corporate Governance Reviewed.	5	5	5	None.	None.
1.3.9	Percentage of Local Area Network Uptime maintained.	98%	95%	95%	None.	None.
1.3.10	Percentage of Wide Area Network uptime maintained.	95%	95%	95%	None.	None.

## ANNUAL REPORT

### For the year ended the 31 March 2019



#### Linking performance with budgets

Sub- Programme Name	2018/2019			2017/2018		
	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	26 963	26 963	-	25 680	25 680	-
<b>Total</b>	<b>26 963</b>	<b>26 963</b>	<b>-</b>	<b>25 680</b>	<b>25 680</b>	<b>-</b>

#### Strategy to overcome areas of under performance

None

#### In – year changes to planned targets

None



# **PROGRAMME 2:** **INTEGRATED ECONOMIC DEVELOPMENT SERVICES**



## ANNUAL REPORT

### For the year ended the 31 March 2019

## 2.4.2. Programme 2: Integrated Economic Development Services

### 2.4.2.1 Enterprise Development

#### Strategic Objectives, Performance Indicators and Targets

<b>Government Outcome:</b>	Decent Employment through inclusive economic growth
<b>Government Sub-Outcome</b>	<ul style="list-style-type: none"> <li>- Productive Investment is effectively crowded in through the infrastructure build programme.</li> <li>- The productive Sectors account for a growing share of production and employment, exports are diversified, African regional development is accelerated, carbon intensity is reduced and the organs of the state improve their alignment in support of employment-creating growth.</li> <li>- Workers education and skills increasingly meet economic needs.</li> <li>- Expanded employment in agriculture.</li> <li>- Public employment schemes provide short term relief for the unemployment and build community solidarity and agency.</li> </ul>
<b>Strategic Objective</b>	<b>The development and support of business enterprises.</b>
<b>Objective statement</b>	To provide intensive support and develop sustainable enterprises in the province by 2020.
<b>Indicator</b>	% increase in the number of small businesses and cooperatives that are still operating one year after support provided
<b>Target</b>	30% increase in the number of small businesses and cooperatives that are still operating one year after support provided by 2020

Sub-programme: SMME Development						
Strategic Objective: Provision of development and support services to enterprises.						
Performance Indicator		Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviation
2.1.1	Percentage EDGF disbursed.	New	100%	97.5%	2.5% of EDGF not disbursed.	Pursue concluding assessment process in the year prior to disbursement.
2.1.2	Number of enterprises referred.	New	20	23	Target exceeded by 3.	More walk-in clients than anticipated.
2.1.3	Number of enterprises assisted.	New	80	125	Target exceeded by 45.	More walk-in clients than anticipated.
2.1.4	Number of enterprises support initiatives.	New	4	4	None.	None.
2.1.5	Number of initiatives to enable enterprises to access procurement opportunities.	New	4	7	Target exceeded by 3.	Extended scope beyond SoE's.

#### Linking performance with budgets

Sub- Programme Name	2018/2019			2017/2018		
	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	12 458	12 458	-	35 184	26 995	8 189
<b>Total</b>	<b>12 458</b>	<b>12 458</b>	<b>-</b>	<b>35 184</b>	<b>26 995</b>	<b>8 189</b>

## ANNUAL REPORT

### For the year ended the 31 March 2019

#### 2.4.2.2 Regional Economic Development Support

##### Strategic Objective, Performance Indicators and Targets

<b>Government Outcome:</b>	Decent Employment through inclusive economic growth
<b>Government Sub-Outcome</b>	<ul style="list-style-type: none"> <li>- Worker's education and skills increasingly meet economic needs</li> <li>- Spatial imbalances in economic opportunities are addressed through employment in agriculture, the build programme and densification in the metros</li> <li>- Public employment schemes provide short term relief for the unemployed and build community solidarity and agency</li> </ul>
<b>Strategic Objective</b>	<b>To provide strategic economic development support to municipalities</b>
<b>Objective statement</b>	<b>To provide support to municipalities in terms of district based planning, alignment and implementation in partnership with key stakeholders in order to ensure local economic development by 2020.</b>
<b>Indicator</b>	Number of municipalities' plans developed in alignment to economic development policies.
<b>Target</b>	31 municipalities' plans developed in alignment to economic development policies by 2020.

<b>Sub-programme: Regional Enterprise Development Support</b>						
<b>Strategic Objective: Provision of strategic economic development support to municipalities.</b>						
<b>Performance Indicator</b>		<b>Actual Achievement 2017/2018</b>	<b>Planned Target 2018/2019</b>	<b>Actual Achievement 2018/2019</b>	<b>Deviation from planned target to Actual Achievement for 2018/2019</b>	<b>Comment on Deviation</b>
2.2.1	Number of Economic Development Projects assisted within the NDP sectors.	8	4	9	Target exceeded by 5.	The number of projects were exceeded based on special requests from the office of the HOD and external stakeholders.
2.2.2	Number of municipalities' plans aligned to economic development policies.	New	6	6	None.	None.
2.2.3	Number of Provincial LED Forums conducted.	4	4	4	None.	None.
2.2.4	Number of EPWP work opportunities created.	422WO	300WO	381	Target exceeded by 81.	<p>The number of projects were exceeded based on special requests from the office of the HOD and external stakeholders.</p> <p>Exceeding of the number of Work Opportunities reported was enabled through innovative partnerships with internal and external employers.</p>

## ANNUAL REPORT

### For the year ended the 31 March 2019

#### Linking performance with budgets

Sub- Programme Name	2018/2019			2017/2018		
	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	7 732	7 732	-	7 683	7 279	404
<b>Total</b>	<b>7 732</b>	<b>7 732</b>	<b>-</b>	<b>7 683</b>	<b>7 279</b>	<b>404</b>

#### 2.4.2.3 Economic Empowerment

##### Strategic Objective, Performance Indicators and Targets

<b>Government Outcome:</b>	Decent Employment through inclusive economic growth
<b>Government Sub-Outcome</b>	<ul style="list-style-type: none"> <li>- Productive Investment is effectively crowded in through the infrastructure build programme</li> <li>- The productive Sectors account for a growing share of production and employment, exports are diversified, African regional development is accelerated, carbon intensity is reduced and the organs of the state improve their alignment in support of employment-creating growth</li> <li>- Workers education and skills increasingly meet economic needs</li> <li>- Expanded employment in agriculture</li> <li>- Public employment schemes provide short term relief for the unemployment and build community solidarity and agency</li> </ul>
<b>Strategic Objective</b>	<b>Provision of support to HDI's to participate in the mainstream of the economy.</b>
<b>Objective statement</b>	<b>To promote and support the participation of HDI's in the mainstream of the economy through business intelligence, skills development and enterprise development.</b>
<b>Indicator</b>	% of supported enterprises and cooperatives that are owned by target groups
<b>Target</b>	30% of supported enterprises and cooperatives owned by target groups by 2020

Sub-programme: Economic Empowerment						
Strategic Objective: Empowerment of HDI's with specific focus on black women and youth to participate in the mainstream economy.						
Performance Indicator		Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviation
2.3.1	Number of target group specific opportunities identified.	4	6	6	None.	None.
2.3.2	Number of target group specific interventions implemented.	9	12	14	Target exceeded by 2.	Overachievement due to collaboration with other stakeholders e.g. Mme Re Ka Thusa. The Department collaborated with Mme Reka Thusa in the annual women event, by carrying the cost of getting the women from the different districts to the awards.



## ANNUAL REPORT

### For the year ended the 31 March 2019

Sub-programme: Economic Empowerment						
Strategic Objective: Empowerment of HDI's with specific focus on black women and youth to participate in the mainstream economy.						
Performance Indicator		Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviation
2.3.3	Number of target group skills training interventions	10	10	11	Target exceeded by 1.	Overachievement due to collaboration with SEDA.  The Department collaborated with SEDA in financial management training by referring SMMEs (funded through the EGDF) attend the financial management training. SEDA is requested to conduct the training for the SMMEs identified.
2.3.4	BBBEE interventions implemented.	New	6	7	Target exceeded by 1.	Overachievement due to collaboration with Mining Qualifications Authority. A Mining Qualification Authority (MQA) Accreditation workshop was conducted in John Taolo Gaetsewe, Kuruman.

#### Linking performance with budgets

Sub- Programme Name	2018/2019			2017/2018		
	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	5 596	5 596		5 064	5 064	
<b>Total</b>	<b>5 596</b>	<b>5 596</b>		<b>5 064</b>	<b>5 064</b>	

#### Strategy to overcome areas of under performance

One of the instruments used to assist enterprises is the Companies and Intellectual Property Commission (CIPC) self-service terminal had been offline since February 2018 and only remedied in January 2019. Assistance with regards to the CIPC services was therefore done manually via the e-services.

#### In – year changes to planned targets

None.

# **PROGRAMME 3:** **TRADE AND SECTOR** **DEVELOPMENT**



## ANNUAL REPORT

### For the year ended the 31 March 2019

## 2.4.3. Programme 3: Trade and Sector Development

### 2.4.3.1 Trade and Investment Promotion

#### Strategic Objectives, Performance Indicators and Targets

<b>Government Outcome:</b>	Decent Employment through inclusive economic growth
<b>Government Sub-Outcome</b>	<ul style="list-style-type: none"> <li>- Productive Investment is effectively crowded in through the infrastructure build programme</li> <li>- The productive Sectors account for a growing share of production and employment, exports are diversified, African regional development is accelerated, carbon intensity is reduced and the organs of the state improve their alignment in support of employment-creating growth</li> <li>- Workers education and skills increasingly meet economic needs</li> </ul>
<b>Strategic Objective</b>	<b>Facilitation of trade export promotion and investment attraction into the NC Province.</b>
<b>Objective statement</b>	<b>To stimulate trade and crowd in investment to ensure sustainable job creation and economic growth</b>
<b>Indicator</b>	Value of investment attracted
<b>Target</b>	R500 million investment attracted by 2020.

<b>Sub-Programme: Trade and Investment Promotion</b>						
<b>Strategic Objective: Facilitation of trade, promotion of export and crowding in of investment into the province.</b>						
<b>Performance Indicator</b>		<b>Actual Achievement 2017/2018</b>	<b>Planned Target 2018/2019</b>	<b>Actual Achievement 2018/2019</b>	<b>Deviation from planned target to Actual Achievement for 2018/2019</b>	<b>Comment on Deviation</b>
3.1.1	Number of investment initiatives supported.	5	4	4	None.	None.
3.1.2	Number of companies exposed to export markets.	51	19	23	Target exceeded by 4.	<p>Target exceeded due to collaboration with the sub-programme Strategic Initiatives and Department of Trade &amp; Industry.</p> <p>Collaboration with Strategic Initiatives involves sharing of cost for exhibition space which allows the Department to expose more companies to export markets. Trade &amp; Investment Promotion still covers the outlay for travel and accommodation of these companies. The collaboration with dti involves DEDaT identifying and assisting companies with applications for attending dti National pavilions such as the SIAL Show in Paris. The dti covers the cost for travel, accommodation and exhibition space. No additional resources were used.</p>

## ANNUAL REPORT

### For the year ended the 31 March 2019

#### Linking performance with budgets

Sub- Programme Name	2018/2019			2017/2018		
	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	35 080	30 080	5 000	15 857	15 857	-
<b>Total</b>	<b>35 080</b>	<b>30 080</b>	<b>5 000</b>	<b>15 857</b>	<b>15 857</b>	<b>-</b>





## ANNUAL REPORT

### For the year ended the 31 March 2019

#### 2.4.3.2 Sector Development

##### Strategic Objectives, Performance Indicators and Targets

<b>Government Outcome:</b>	Decent Employment through inclusive economic growth
<b>Government Sub-Outcome</b>	<ul style="list-style-type: none"> <li>- The productive Sectors account for a growing share of production.</li> <li>- Workers education and skills increasingly meet economic needs.</li> <li>- Economic opportunities for historically excluded and vulnerable groups are expanded and the number of sustainable small business and cooperatives is improved markedly.</li> </ul>
<b>Strategic Objective</b>	<b>Development of key economic sectors</b>
<b>Objective statement</b>	<b>To facilitate the development of key economic sectors in order to contribute to a growing share of local production and job creation in the province</b>
<b>Indicator</b>	Number of work opportunities created within key economic sectors (Manufacturing, Mining and Renewable Energy).
<b>Target</b>	3000 work opportunities created by 2020.

Sub-Programme: Sector Development						
Strategic Objective: Development of key economic sectors.						
Performance Indicator		Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviation
3.2.1	Number of economic sectors supported	2	2	2	None.	None.

##### Linking performance with budgets

Sub- Programme Name	2018/2019			2017/2018		
	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	21 585	21 585	-	15 650	14 365	1 285
<b>Total</b>	<b>21 585</b>	<b>21 585</b>	<b>-</b>	<b>15 650</b>	<b>14 365</b>	<b>1 285</b>





### 2.4.3.3 Strategic Initiatives

#### Strategic Objectives, Performance Indicators and Targets

<b>Government Outcome:</b>	Decent Employment through inclusive economic growth
<b>Government Sub-Outcome</b>	<ul style="list-style-type: none"> <li>- Productive Investment is effectively crowded in through the infrastructure build programme.</li> <li>- The productive Sectors account for a growing share of production and employment.</li> <li>- Workers education and skills increasingly meet economic needs</li> <li>- Investment in research, development and innovation supports inclusive growth by enhancing productivity of existing and emerging enterprises and improving the living conditions of the poor.</li> </ul>
<b>Strategic Objective</b>	<b>Identify and implement strategic initiatives within key economic sectors</b>
<b>Objective statement</b>	<b>To facilitate the implementation of strategic programmes, projects and economic infrastructure in order to create sustainable jobs and crowd in investment</b>
<b>Indicator</b>	Number of diamond beneficiation and jewellery projects supported.
<b>Target</b>	Three projects supported.

<b>Sub-programme: Strategic Initiatives</b>						
<b>Strategic Objective: Strategic positioning of industries in support of sector development for economic growth and development.</b>						
<b>Performance Indicator</b>		<b>Actual Achievement 2017/2018</b>	<b>Planned Target 2018/2019</b>	<b>Actual Achievement 2018/2019</b>	<b>Deviation from planned target to Actual Achievement for 2018/2019</b>	<b>Comment on Deviation</b>
3.3.1	Number of Diamond Strategy initiatives supported.	3	2	2	None.	None.
3.3.2	Number of Mining legislative imperatives supported.	New	2	2	None.	None.

## ANNUAL REPORT

### For the year ended the 31 March 2019



#### Linking performance with budgets

Sub- Programme Name	2018/2019			2017/2018		
	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	7 249	7 249	-	7 995	7 410	585
<b>Total</b>	<b>7 249</b>	<b>7 249</b>	<b>-</b>	<b>7 995</b>	<b>7 410</b>	<b>585</b>

#### Strategy to overcome areas of under performance

In order to ensure that more companies are exposed to export markets Trade and Investment Promotion and Strategic Initiatives pooled resources and partnered with stakeholders outside DEDaT. The collaboration with Strategic Initiatives including sharing of cost for exhibition space which allowed the Department to expose more companies to export markets. Trade & Investment Promotion still covered the outlay for travel and accommodation of these companies. The collaboration with dti involved DEDaT identifying and assisting companies with applications for attending dti national pavilions such as the SIAL Show in Paris. The dti covered the cost for travel, accommodation and exhibition space. No additional resources were utilized.

#### In – year changes to planned targets

None.



# **PROGRAMME 4:** **BUSINESS REGULATION AND GOVERNANCE**





## ANNUAL REPORT

### For the year ended the 31 March 2019

#### 2.4.4. Programme 4: Business Regulation and Governance

##### 2.4.4.1 Governance

##### Strategic Objectives, Performance Indicators and Targets

<b>Government Outcome</b>	Decent Employment through inclusive economic growth
<b>Government sub-Outcome</b>	<ul style="list-style-type: none"> <li>- Workers education and skills increasingly meet economic needs</li> <li>- Spatial imbalances in economic opportunities are addressed through expanded employment in agriculture, the built programme and densification in the metros</li> <li>- Economic opportunities for historically excluded and vulnerable groups are expanded and the number of sustainable small business and cooperatives is improved markedly.</li> <li>- Elimination of unnecessary regulatory burdens and lower price increases for key inputs fosters investment and economic growth</li> </ul>
<b>Strategic Objective</b>	<b>Promotion of good governance in Departmental Public entities.</b>
<b>Objective statement</b>	<b>To provide support to public entities in order to ensure compliance and good governance</b>
<b>Indicator</b>	Unqualified Outcome of external audit for Entities
<b>Target</b>	100% entities to receive an unqualified without matters of emphasis Audit Outcome by 2020

Sub-Programme: Governance						
Strategic Objective: Promotion of good governance in Departmental Public entities.						
Performance Indicator		Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviation
4.1.1	Number of reports on public entity strategic plans.	2	4	4	None.	None.
4.1.2	Number of Public Entity Quarterly Reports analysed.	8	16	16	None.	None.
4.1.3	Number of compliance check lists public entities	New	16	16	None.	None.
4.1.4	Number of verification reports on Public Entity revenue-and-expenditure.	8	16	16	None.	None.

##### Linking performance with budgets

Sub- Programme Name	2018/2019			2017/2018		
	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	2 602	2 602	-	3 177	2 886	291
<b>Total</b>	<b>2 602</b>	<b>2 602</b>	<b>-</b>	<b>3 177</b>	<b>2 886</b>	<b>291</b>

#### 2.4.4.2 Regulation Services

##### Strategic Objectives, Performance Indicators and Targets

<b>Government Outcome</b>	Decent Employment through inclusive economic growth.
<b>Government Sub-Outcome</b>	<ul style="list-style-type: none"> <li>- Workers education and skills increasingly meet economic needs</li> <li>- Spatial imbalances in economic opportunities are addressed through expanded employment in agriculture, the built programme and densification in the metros</li> <li>- Economic opportunities for historically excluded and vulnerable groups are expanded and the number of sustainable small business and cooperatives is improved markedly.</li> <li>- Elimination of unnecessary regulatory burdens</li> </ul>
<b>Strategic Objective</b>	<b>Addressing barriers in the broader business environment.</b>
<b>Objective statement</b>	<b>To identify and address barriers which inhibit business development in the broader business environment in support of economic growth.</b>
<b>Indicator</b>	% of identified barriers addressed.
<b>Target</b>	100% of identified barriers addressed by 2020.

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

##### Strategic Objectives, Performance Indicators and Targets

<b>Government Outcome</b>	Decent Employment through inclusive economic growth
<b>Government Sub-Outcome</b>	<ul style="list-style-type: none"> <li>- Workers education and skills increasingly meet economic needs</li> <li>- Spatial imbalances in economic opportunities are addressed through expanded employment in agriculture, the built programme and densification in the metros</li> <li>- Economic opportunities for historically excluded and vulnerable groups are expanded and the number of sustainable small business and cooperatives is improved markedly.</li> <li>- Elimination of unnecessary regulatory burdens and lower price increases for key inputs fosters investment and economic growth</li> </ul>
<b>Strategic Objective</b>	<b>Promotion and protection of consumer rights.</b>
<b>Objective statement</b>	<b>To promote and advance the economic and social welfare of consumers in the province.</b>
<b>Indicator</b>	Percentage of consumer complaints resolved.
<b>Target</b>	100% of consumer complaints resolved by 2020.

## ANNUAL REPORT

### For the year ended the 31 March 2019

Sub-Programme: Consumer Protection						
Strategic Objective: Promotion and protection of consumer rights						
Performance Indicator		Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviation
4.3.1	Number of consumer education and awareness programmes conducted.	42	40	44	Four (4) additional consumer education and awareness programmes were conducted.	Participated in additional awareness campaigns initiated by the Council of Medical Schemes.  No additional funds were utilized.
4.3.2	Percentage of complaints investigated	100%	100%	100%	None.	318/318 complaints were received and investigated.
4.3.3	Percentage of cases solved	99.28%	85%	88%	Target exceeded by 3%.	Of the 318 complaints received, 280 were resolved.  The national directive to establish a mediation unit was implemented. Matters were thus resolved sooner and informally. This led to the increased number of cases being resolved.
4.3.4	Percentage of court cases adjudicated.	93.5%	85%	88.2%	Target exceeded by 3.2%.	Fifteen (15) of the seventeen (17) cases were adjudicated.  The court matters are influenced by external factors and stakeholders, where there is no clear way in which one can determine how many cases will be adjudicated and concluded.  No extra funds were used.
4.3.5	Number of compliance Inspections conducted in the Province.	334	300	300	None.	None.

#### Linking performance with budgets

Sub- Programme Name	2018/2019			2017/2018		
	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	10 533	10 533	-	9 640	9 522	118
Total	10 533	10 533	-	9 640	9 522	118

#### Strategy to overcome areas of under performance

None.

#### In – year changes to planned targets

None.

# **PROGRAMME 5:** **POLICY, RESEARCH** **AND INNOVATION**





## ANNUAL REPORT

### For the year ended the 31 March 2019

## 2.4.5. Programme 5: Policy, Research and Innovation

### 2.4.5.1 Economic Policy Development

#### Strategic Objectives, Performance Indicators and Targets

<b>Government Outcome:</b>	Decent Employment through inclusive economic growth
<b>Government Sub-Outcome</b>	<ul style="list-style-type: none"> <li>- Productive Investment is effectively crowded in through the infrastructure build programme</li> <li>- The productive Sectors account for a growing share of production and employment</li> <li>- Workers education and skills increasingly meet economic needs</li> <li>- Spatial imbalances in economic opportunities are addressed through expanded employment in agriculture, the built programme and densification in the metros</li> <li>- Economic opportunities for historically excluded and vulnerable groups are expanded and the number of sustainable small business and cooperatives is improved markedly</li> <li>- Public employment schemes provide relief for the unemployed and build community solidarity and agency</li> <li>- Investment in research, development and innovation supports inclusive growth by enhancing productivity of existing and emerging enterprises and improving the living conditions of the poor</li> </ul>
<b>Strategic objective</b>	<b>Coordinate effective and Integrated Economic Planning</b>
<b>Objective Statement</b>	<b>To coordinate economic policy implementation in order to ensure effective economic planning.</b>
<b>Indicator</b>	Number of reports produced on implementation of Outcomes Delivery Agreement.
<b>Target</b>	32 Reports produced on implementation of Outcomes Delivery Agreements by 2019.

Sub-Programme: Economic Policy Development						
Strategic Objective: Effective and integrated Economic Planning and Policy development.						
Performance Indicator		Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviation
5.1.1	Number of economic strategies developed.	0	1	1	None.	None.
5.1.2	Number of economic strategies reviewed.	4	2	2	None.	None.
5.1.3	Number of Economic Dialogues with stakeholders convened.	5	5	5	None.	None.
5.1.4	Number of Outcomes Implementation forums convened.	8	8	8	None.	None.

#### Linking performance with budgets

Sub- Programme Name	2018/2019			2017/2018		
	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	4 042	3 733	309	3 253	3 253	-
<b>Total</b>	<b>4 042</b>	<b>3 733</b>	<b>309</b>	<b>3 253</b>	<b>3 253</b>	<b>-</b>

## ANNUAL REPORT

### For the year ended the 31 March 2019

#### 2.4.5.2 Research and Development

##### Strategic Objectives, Performance Indicators and Targets

<b>Government Outcome:</b>	Decent Employment through inclusive economic growth
<b>Government Sub-Outcome</b>	<ul style="list-style-type: none"> <li>- Productive Investment is effectively crowded in through the infrastructure build programme</li> <li>- The productive Sectors account for a growing share of production and employment</li> <li>- Workers education and skills increasingly meet economic needs</li> <li>- Spatial imbalances in economic opportunities are addressed through expanded employment in agriculture, the built programme and densification in the metros</li> <li>- Economic opportunities for historically excluded and vulnerable groups are expanded and the number of sustainable small business and cooperatives is improved markedly</li> <li>- Public employment schemes provide relief for the unemployed and build community solidarity and agency</li> <li>- Investment in research, development and innovation supports inclusive growth by enhancing productivity of existing and emerging enterprises and improving the living conditions of the poor</li> </ul>
<b>Strategic objective</b>	<b>Conduct relevant economic research</b>
<b>Objective statement</b>	<b>To conduct and facilitate socio-economic research that will inform planning to promote growth and development.</b>
<b>Indicator</b>	Investment in research and development as % of the departmental budget
<b>Target</b>	At least 2.5% of departmental budget to be spent on research activities.

Sub-Programme: Research and Development						
Strategic Objective: Facilitation of Efficient Economic Research.						
Performance Indicator		Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviation
5.2.1	Number of research reports compiled.	2	1	1	None.	None.
5.2.2	Number of research-and-development initiatives supported.	2	1	1	None.	None.
5.2.3	Number of Economic Intelligence reports developed.	4	4	4	None.	None.
5.2.4	Reviewed DEDaT Research Agenda	1	1	1	None.	None.

##### Linking performance with budgets

Sub- Programme Name	2018/2019			2017/2018		
	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	2 605	2 605	-	3 561	3 343	218
<b>Total</b>	<b>2 605</b>	<b>2 605</b>	<b>-</b>	<b>3 561</b>	<b>3 343</b>	<b>218</b>

## ANNUAL REPORT

### For the year ended the 31 March 2019

#### 2.4.5.3 Knowledge Economy and Innovation

##### Strategic Objectives, Performance Indicators and Targets

<b>Government Outcomes:</b>	Decent employment through inclusive growth. An efficient, competitive and responsive economic infrastructure network
<b>Government Sub-Outcome</b>	<ul style="list-style-type: none"> <li>- Workers education and skills increasingly meet economic needs.</li> <li>- Economic opportunities for historically excluded and vulnerable groups are expanded and the number of sustainable small business and cooperatives is improved markedly.</li> <li>- Expansion, modernisation, access and affordability of our information and communications infrastructure ensured: telephony, broadband and television.</li> <li>- Investment in research, development and innovation supports inclusive growth by enhancing productivity of existing and emerging enterprises and improving the living conditions of the poor.</li> </ul>
<b>Strategic objective</b>	<b>Facilitation of a provincially based Knowledge economy</b>
<b>Objective Statement</b>	<b>To develop a knowledge society, through innovation, that enhances inclusive economic growth</b>
<b>Indicator</b>	Number of districts connected to the national broadband backbone.
<b>Target</b>	5 of 5 districts in the province with access to high speed broadband internet.

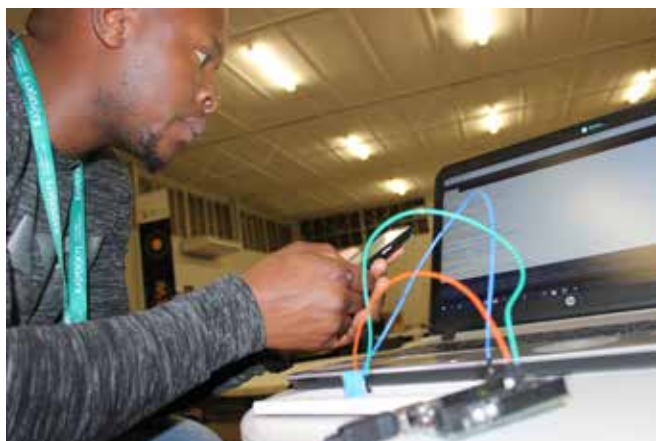
<b>Sub-Programme: Knowledge Economy and Innovation</b>						
<b>Strategic Objective: Facilitation of a Knowledge based economy.</b>						
<b>Performance Indicator</b>		<b>Actual Achievement 2017/2018</b>	<b>Planned Target 2018/2019</b>	<b>Actual Achievement 2018/2019</b>	<b>Deviation from planned target to Actual Achievement for 2018/2019</b>	<b>Comment on Deviation</b>
5.3.1	Number of Knowledge Management systems developed.	New	2	2	None.	None.
5.3.2	Number of sites with access to broadband connectivity.	New	2	8	Six (6) additional sites were provided with access to broadband connectivity.	Additional sites activated by BBI and SITA, under National Broadband roll-out.
5.3.3	Number of Digital Infrastructure initiatives implemented.	1	2	2	None.	None.
5.3.4	Number of e-skills development initiatives implemented.	8	8	12	Four (4) additional e-Skills development initiatives were implemented.	Partnerships enabled resources to be extended to support additional training events.
5.3.5	Number of local SMMEs linked to SKA procurement opportunities.	New	4	3	Target underachieved by 1.	There were insufficient SKA procurement opportunities for uptake by local SMMEs.

## ANNUAL REPORT

### For the year ended the 31 March 2019

#### Linking performance with budgets

Sub- Programme Name	2018/2019			2017/2018		
	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	7 171	7 171	-	6 848	6 848	-
<b>Total</b>	<b>7 171</b>	<b>7 171</b>	<b>-</b>	<b>6 848</b>	<b>6 848</b>	<b>-</b>





## ANNUAL REPORT

### For the year ended the 31 March 2019

#### 2.4.5.4 Monitoring and Evaluation

##### Strategic Objectives, Performance Indicators and Targets

<b>Government Outcome:</b>	Decent Employment through inclusive economic growth
<b>Government Sub-Outcome</b>	<ul style="list-style-type: none"> <li>- Productive Investment is effectively crowded in through the infrastructure build programme</li> <li>- The productive Sectors account for a growing share of production and employment</li> <li>- Workers education and skills increasingly meet economic needs</li> <li>- Spatial imbalances in economic opportunities are addressed through expanded employment in agriculture, the built programme and densification in the metros</li> <li>- Economic opportunities for historically excluded and vulnerable groups are expanded and the number of sustainable small business and cooperatives is improved markedly</li> <li>- Public employment schemes provide relief for the unemployed and build community solidarity and agency</li> <li>- Investment in research, development and innovation supports inclusive growth by enhancing productivity of existing and emerging enterprises and improving the living conditions of the poor</li> </ul>
<b>Strategic objective</b>	<b>Monitoring and evaluation of service delivery initiatives</b>
<b>objective Statement</b>	<b>Monitor and evaluate the service delivery initiatives to assess their socio-economic impact.</b>
<b>Indicator</b>	% of outcome 4 service delivery initiatives evaluated
<b>Target</b>	100% (of 60) Outcome 4 service delivery initiatives to be evaluated by 2019.



## ANNUAL REPORT

### For the year ended the 31 March 2019



Sub-Programme: Monitoring and Evaluation						
Strategic Objective: Effective monitoring and evaluation of service delivery initiatives.						
Performance Indicator		Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviation
5.4.1	Number of monitoring reports produced.	6	5	5	None.	None.
5.4.2	Number of evaluation reports produced.	2	2	2	None.	None.

#### Linking performance with budgets

Sub- Programme Name	2018/2019			2017/2018		
	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	3 158	3 158	-	2 830	2 830	-
<b>Total</b>	<b>3 158</b>	<b>3 158</b>	<b>-</b>	<b>2 830</b>	<b>2 830</b>	<b>-</b>

#### Strategy to overcome areas of under performance

None.

#### In – year changes to planned targets

None.



# PROGRAMME 6: TOURISM



## ANNUAL REPORT

### For the year ended the 31 March 2019

## 2.4.6. Tourism

### 2.4.6.1 Tourism Growth (formerly Research and Planning)

#### Strategic Objectives, Performance Indicators and Targets

<b>Government Outcome:</b>	Decent Employment through inclusive economic growth
<b>Government Sub-Outcome</b>	<ul style="list-style-type: none"> <li>- The productive Sectors account for a growing share of production and employment</li> <li>- Workers education and skills increasingly meet economic needs</li> <li>- Investment in research, developing and innovation support inclusive growth by enhancing productivity of existing and emerging enterprises and supporting the development of new industries.</li> </ul>
<b>Strategic Objective</b>	Fostering inclusivity to unlock tourism development
<b>Objective statement</b>	To facilitate opportunities for growth in the tourism industry to enable tourism development.
<b>Indicator</b>	% compliance to provincial tourism policies and regulations
<b>Target</b>	100% compliance to provincial tourism policies and regulations by 2020.

<b>Sub-Programme: Tourism Growth</b>						
<b>Strategic Objective:</b> Promotion and facilitation of efficient tourism research and planning.						
<b>Performance Indicator</b>		<b>Actual Achievement 2017/2018</b>	<b>Planned Target 2018/2019</b>	<b>Actual Achievement 2018/2019</b>	<b>Deviation from planned target to Actual Achievement for 2018/2019</b>	<b>Comment on Deviation</b>
6.1.1	Number of tourism industry performance reports produced.	1	1	1	None.	None.
6.1.2	Number of reports produced on progress on the implementation of the Marine and Coastal Strategy.	New	2	2	None.	None.
6.1.3	Number of District Tourism road signage committees established.	New	3	3	None.	None.
6.1.4	Number of interventions to support the Tourist Guiding sector.	New	4	2	Two intervention not achieved.	Due to the Departmental budgetary realignment process the World Federation of Tourist Guides Convention could not be realized.
6.1.5	Number of illegal tourist guiding campaigns conducted.	New	9	9	None.	None.
6.1.6	Number of community tourism awareness campaigns.	New	8	8	None.	None.
6.1.7	Number of Tourism industry interventions.	New	7	7	None.	None.
6.1.8	Number of stakeholder consultative sessions conducted to foster integrated planning.	New	4	4	None.	None.
6.1.9	Number of reports produced on the visitor book.	New	2	2	None.	None.
6.1.10	Number of reports produced on legislating registration of the tourism business.	New	1	1	None.	None.



## ANNUAL REPORT

### For the year ended the 31 March 2019

#### Linking performance with budgets

Sub- Programme Name	2018/2019			2017/2018		
	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	6 025	6 025	-	5 462	5 462	-
<b>Total</b>	<b>6 025</b>	<b>6 025</b>	<b>-</b>	<b>5 462</b>	<b>5 462</b>	<b>-</b>

#### 2.4.6.2 Tourism Development

##### (Previously Tourism Growth and Development)

##### Strategic Objectives, Performance Indicators and Targets

<b>Government Outcome:</b>	Decent Employment through inclusive economic growth
<b>Government Sub-Outcome</b>	<ul style="list-style-type: none"> <li>- Productive Investment is effectively crowded in through the infrastructure build programme</li> <li>- The productive Sectors account for a growing share of production and employment</li> <li>- Workers education and skills increasingly meet economic needs</li> <li>- Economic Opportunities for historically excluded and vulnerable groups are expanded and the growth in small businesses and cooperatives is improving markedly (These look more like statements than they do outcomes.)</li> </ul>
<b>Strategic Objective</b>	<b>To develop and promote an equitable, competitive and sustainable tourism destination, enhancing its contribution to provincial priorities.</b>
<b>Objective statement</b>	<b>To ensure destination competitiveness and employment creation is achieved by way of enhancing and diversifying tourism experiences, supporting tourism enterprisers and innovative destination promotion.</b>
<b>Indicator</b>	Percentage growth in visitor numbers.
<b>Target</b>	Grow visitor numbers by 3% by 2019.



# ANNUAL REPORT

## For the year ended the 31 March 2019



Sub-Programme: Tourism Development						
Strategic-Objective: Stimulation of visitor demand through tourism industry development and promotion.						
Performance Indicator		Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on Deviation
6.2.1	Number of tourism enterprises supported non-financially	37	40	43	Target exceeded by 3.	Partnerships with the relevant local government structures assisted in good mobilisation of the target market thus culminating in exceeding the target. It had no financial implications.
6.2.2	Number of youth involved in enterprise skills development.	46	20	44	Target exceeded by 24.	Partnerships with the relevant local government structures assisted in good mobilisation of the target market thus culminating in exceeding the target. It had no financial implications.
6.2.3	Number of tourism enterprises supported financially.	6	10	8	Target underachieved by 2.	One beneficiary withdrew their applications - Owami Distribution t/a The Eye Bistro in Kuruman.  One beneficiary required financial support for tourist guide training and this was deferred to the 2019/20 financial year because of a protracted procurement process.
6.2.4	Number of youth tourism enterprises supported financially.	6	10	3	Target underachieved by 7.	Only three youth owned tourism entrepreneurs applied for financial support.
6.2.5	Number of Tourism experiences supported.	25	14	17	Target exceeded by 3.	Exceeding target had no financial implication. Additional event was supported within available budget.



## ANNUAL REPORT

### For the year ended the 31 March 2019

Sub-Programme: Tourism Development					
Strategic-Objective: Stimulation of visitor demand through tourism industry development and promotion.					
Performance Indicator		Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019
6.2.6	Number of tourism infrastructure projects supported.	4	17	14	Target underachieved by 3.  R1 000 000 not transferred to South African National Parks for heritage tourism development in the world heritage sites of the Northern Cape. A capacity constraint related to the transfer for tourist route development in the 2017/18 financial year caused a shortfall in the 2018/19 financial year's transfer budget. This rendered the remaining funds insufficient to assist SANP.  The feasibility studies for mini-conference centres in PKS and JTG were not completed due to the protracted procurement process.



## ANNUAL REPORT

### For the year ended the 31 March 2019



#### Linking performance with budgets

Sub- Programme Name	2018/2019			2017/2018		
	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	57 544	46 322	11 222	40 786	37 988	2 798
<b>Total</b>	<b>57 544</b>	<b>46 322</b>	<b>11 222</b>	<b>40 786</b>	<b>37 988</b>	<b>2 798</b>

#### Strategy to overcome areas of under performance

None.

#### In – year changes to planned targets

None.



## ANNUAL REPORT

### For the year ended the 31 March 2019

## 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 2018 to 31 March 2019

Name of Public Entity	Service rendered by 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	22 329	22 329	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	12 595	11 587	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	14 704	11 384	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	23 634	22 038	Please refer to the annual report of the Northern Cape Tourism Agency (NCTA) obtainable from the Public Entity,
<b>Total</b>		<b>73 262</b>	<b>67 338</b>	

### 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 2018 to 31 March 2019

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
DAWID KRUIPER MUNICIPALITY	MUNICIPALITY	HAKSKEENPAN EVENT INFRASTRUCTURE	Yes	1 800	1 800	N/A
KAMIESBERG MUNICIPALITY	MUNICIPALITY	ROODEBERGSKLOOF WALKING TRAIL	Yes	150	150	N/A
RICHTERSVELD MUNICIPALITY	MUNICIPALITY	BEACH FESTIVAL	Yes	800	800	N/A
SOL PLAATJE-NC LOCAL MUNICIPAL	MUNICIPALITY	EPWP CAPITAL AND STIPENDS	Yes	143	143	N/A
COLUMBIA FALLS PROPERTIES 80(SOL PLAATJE MUNICIPALITY)	MUNICIPALITY	MUNICIPAL SERVICES	N/A	123	123	N/A
ERIS PROPERTY GROUP PTY LTD SOL PLAATJE MUNICIPALITY)	MUNICIPALITY	MUNICIPAL SERVICES	N/A	54	54	N/A
ENVIROMENT AND NATURE CONSERVAT	PROVINCIAL DEPARTMENT	FINES & PENALTIES	N/A	25	25	N/A
DEPARTMENT OF ROADS AND PUBLIC W	DEPARTMENTAL AGENCY	ROUTE SURVEY&ROAD SIGNS	Yes	2 453	2 453	N/A
KIMBERLEY INTERNATIONAL DIAMOND	DEPARTMENTAL AGENCY	KIDJA TRUST (DIAMOND AND JUWELARY ACADEMY)	Yes	750	750	N/A

## ANNUAL REPORT

### For the year ended the 31 March 2019

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
MC GREGOR MUSEUM	DEPARTMENTAL AGENCY	MONUMENT REJUVENATION	Yes	1 146	1 146	N/A
NATIONAL EMPOWERMENT FUND TRUST	DEPARTMENTAL AGENCY	SMME DEVELOPMENT	Yes	37	37	N/A
NCMIC NPC	DEPARTMENTAL AGENCY	METALS INDUSTRIAL CLUSTER	Yes	3 800	3 800	N/A
NORTHERN CAPE CLOTHING CLUSTER N	DEPARTMENTAL AGENCY	CLOTHING AND TEXTILE CLUSTER	Yes	2 000	2 000	N/A
NORTHERN CAPE SMME TRUST	DEPARTMENTAL AGENCY	SMME DEVELOPMENT	Yes	4 765	4 765	N/A
SEDA NORTHERN CAPE DIAMOND AND J	DEPARTMENTAL AGENCY	KIDJI (DIAMOND AND JUWELARY INCUBATOR)	Yes	2 745	2 745	N/A
SMALL ENTERPRISE DEVELOPMENT AGENCY (SEDA)	DEPARTMENTAL AGENCY	SMME DEVELOPMENT	Yes	1 000	1 000	N/A
AFRICAN METHODIST EPISCOPAL CHUR	HOUSEHOLDS	DONATION	Yes	69	69	N/A
ANNELIEN BAAI ENTERPRISE (PTY)	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	50	50	N/A
ANO KAGI TRADING ENTERPRISE	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	100	100	N/A
ARK GASTEHUIS	PRIVATE ENTERPRISE	TOURISM-EVENT SUPPORT	Yes	75	75	N/A
B.B.X DIAMONDS (PTY)LTD	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	240	240	N/A
BA-HLAKWANENG TRADING (PTY)	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	186	186	N/A
BARATIBA KATLEGO	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	160	160	N/A
BATSUMI LODGE AND PUB	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	1 300	1 300	N/A
BENGUELA FISH PTY LTD	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	445	445	N/A
BLB BELEGGINGS	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	300	300	N/A
BOET GAMMIE MUSIEK AKADEMIE	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	100	100	N/A
BOITSWELETSO	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	220	220	N/A
BOJOSI SECURITY	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	275	275	N/A
BRANDTRIX	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	600	600	N/A
BRIGHT MIND ENTERPRISE (PTY)	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	240	240	N/A
BVL EMPIRE(PTY)LTD	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	200	200	N/A
CAMMASFONTEYN GUEST HOUSE	PRIVATE ENTERPRISE	TOURISM-SMME GRANTS	Yes	150	150	N/A
CHARLES WELDING AND HYDRAU	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	500	500	N/A

## ANNUAL REPORT

### For the year ended the 31 March 2019

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
CONTERBURY GENERAL SERVICES (PTY	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	250	250	N/A
DC NAMAKWA KONSTRUKSIE DIENSTE	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	344	344	N/A
DIAMON DUTCH 501 TRADING (PTY)	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	480	480	N/A
DITSUANYANA	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	200	200	N/A
DKGOSHI TRADING AND PROJECTS	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	Yes	380	380
DONAI TRADING (PTY)LTD	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	Yes	100	100
EIN GEDI PREMIER LODGE(PTY)LTD	PRIVATE ENTERPRISE	TOURISM-SMME GRANTS	Yes	Yes	120	120
EYETHU LAUNDRY AND TRADING (PTY)	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	Yes	180	180
EYETHU LAUNDRY AND TRADING (PTY)	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	180	180	N/A
EZY MOK GENERAL TRADING	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	204	204	N/A
FREEDOM AND COMPANY TRADING (P	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	450	450	N/A
GHAAP RIVERXTREME	PRIVATE ENTERPRISE	TOURISM-EVENT SUPPORT	Yes	100	100	N/A
GILLIANS TAKE AWAYS	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	150	150	N/A
GINGER GOLD PROMOTIONS	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	162	162	N/A
GLOBAL TRAVEL AND TOURISM PARTNE	PRIVATE ENTERPRISE	TOURISM-EVENT SUPPORT	Yes	50	50	N/A
HAL CIVILS	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	481	481	N/A
HEALTH REVIVAL CLINIC AND TRADING	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	200	200	N/A
HEAVENLY DINE GENERAL TRADING CC	PRIVATE ENTERPRISE	TOURISM-SMME GRANTS	Yes	176	176	N/A
IKOMKHULU INTEGRATED RESOURCES	PRIVATE ENTERPRISE	TOURISM-EVENT SUPPORT	Yes	100	100	N/A
INTACT AGENCIES(PTY)LTD	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	500	500	N/A
IRVYS EVENTS AND SERVICES	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	293	293	N/A
ISIPHETHWENI SEWING MANUFAC	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	372	372	N/A
J MMUDIS SMALL PROJECT(PTY)LTD	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	160	160	N/A

## ANNUAL REPORT

### For the year ended the 31 March 2019

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
JBM SISTERZ	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	320	320	N/A
JENNIFERS JOINT (PTY)LTD	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	60	60	N/A
JODA MARINE (PTY) LTD	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	300	300	N/A
JOSMEL GENERAL TRADING	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	200	200	N/A
JUNKAY TRADING(PTY)LTD	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	300	300	N/A
JUPITER CONSTRUCTION AND ENTERPR	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	350	350	N/A
KALAHARI INFO CENTRE AND TENTED	PRIVATE ENTERPRISE	TOURISM-SMME GRANTS	Yes	100	100	N/A
KALOM CREATIONS PROJECTS	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	230	230	N/A
KAROO TUIS CATERING	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	86	86	N/A
KATRO CONSTRUCTIONS AND BUSINESS	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	120	120	N/A
KE KGATOENTLE	PRIVATE ENTERPRISE	TOURISM-SMME GRANTS/SMME DEV.	Yes	450	450	N/A
KENHARDT RECYCLING WORKS	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	250	250	N/A
KGARABO TRADING AND PROJECTS	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	50	50	N/A
KGOSI ITU	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	162	162	N/A
KHAI RISK SOLUTIONS	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	50	50	N/A
KHAYA'S CONSTRUCTION	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	775	775	N/A
KLEINBOOI TRANSPORT	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	157	157	N/A
KOOPMAN INDEPENDENT CONTRA	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	150	150	N/A
KT JACOBS T/A SUNRISE	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	150	150	N/A
KUYASA GHETTO	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	154	154	N/A
KWA-JAMBASE GUESTHOUSE	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	250	250	N/A
LA-GUNA GUES HOUSE	PRIVATE ENTERPRISE	TOURISM-SMME GRANTS	Yes	250	250	N/A
LITT HOLDING(PTY) LTD	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	350	350	N/A
MABOKO CONSULTANCY	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	558	558	N/A
MAITA GUESTHOUSE AND HYDROSPA	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	150	150	N/A



# ANNUAL REPORT

## For the year ended the 31 March 2019

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
<b>MAMFENE CONSTRUCTION AN ENTERPR</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	185	185	N/A
<b>MARVANOS</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	200	200	N/A
<b>MASEGO MAINTENANCE AND PROJECT</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	300	300	N/A
<b>MAT TYRE PTY LTD</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	580	580	N/A
<b>MAZ VOLSTRUIS BOERDERY CO-OPERAT</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	376	376	N/A
<b>MAZWAG CYBER CAFÉ (PTY)LTD</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	200	200	N/A
<b>MC VIGAR CONSTRUCTION &amp; TRADING</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	400	400	N/A
<b>MDK N ENTERPRISES</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	250	250	N/A
<b>MELVIN TAXIS AND TRANSPORT SERVI</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	360	360	N/A
<b>MICOTHA GENERAL TRADING</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	260	260	N/A
<b>MOGAMATS SPICE CITY (PTY)LTD</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	200	200	N/A
<b>MOLEHANE B ENTERPRISE(PTY) LTD</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	290	290	N/A
<b>MORWAMORWE GENERAL TRADING PTY L</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	255	255	N/A
<b>NAMAQUA PRIDE</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	475	475	N/A
<b>NAMEKHOTHA TRADING</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	161	161	N/A
<b>NDLELA TYRES AND SERVICES (PTY)</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	350	350	N/A
<b>NJINGANE TRADING AND PROJECT</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	150	150	N/A
<b>NORTHERN CAPE CRICKET NPC</b>	PRIVATE ENTERPRISE	TOURISM EVENT SUPPORT	Yes	260	260	N/A
<b>NTOMBHANA HOLDINGS</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	46	46	N/A
<b>ORANGE RIVER HOTEL &amp; CONFERENCE</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	135	135	N/A
<b>PAPRENAX TRADING</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	358	358	N/A
<b>PATS COMPUTER TRAINING ACADEMY</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	230	230	N/A
<b>PLAN B TOERUSTING BK</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	20	20	N/A

## ANNUAL REPORT

### For the year ended the 31 March 2019

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
POJK MINING SOLUTIONS	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	280	280	N/A
PREMIER ATTRACTION	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	1 000	1 000	N/A
PSB CREATIVE NETWORK(PTY)LTD	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	373	373	N/A
PULETHU	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	110	110	N/A
RAMZO MINING AND CONSTRUCTION CC	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	420	420	N/A
REKGARATLHILE OTHER PROJECTS	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	125	125	N/A
RE-MMOGO RECYCLING AND CLEANING	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	370	370	N/A
RIEMVASMAAK GEMEENSKAPON	PRIVATE ENTERPRISE	TOURISM FACILITY UPGRADE	Yes	649	649	N/A
RMOND SERVICES	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	80	80	N/A
ROODEPAN LAUNDRY (PTY)LTD	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	230	230	N/A
RUARKS MANAGEMENT	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	82	82	N/A
RULBAR ENTERPRISE(PTY) LTD	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	180	180	N/A
SEBOMIA CONSTRUCTION AND PROJECTS	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	335	335	N/A
SELLMON WASTE RECYCLING CO-OP	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	490	490	N/A
SESERJO FUNERAL SERVICES	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	300	300	N/A
SHAMA GUESTHOUSE(PTY) LTD	PRIVATE ENTERPRISE	TOURISM-SMME GRANTS	Yes	119	119	N/A
SIYANDA ZF MCAWU TOURS OPERA	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	250	250	N/A
SIZAMILE GUEST HOUSE	PRIVATE ENTERPRISE	TOURISM-SMME GRANTS	Yes	170	170	N/A
SKBM UMUSA TRADING	PRIVATE ENTERPRISE	TOURISM-EVENT SUPPORT	Yes	150	150	N/A
SLAKES ENTERPRISES	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	541	541	N/A
SOL PLAATJE LOCAL FOOTBALL ASSOCIATION	PRIVATE ENTERPRISE	TOURISM-EVENT SUPPORT	Yes	200	200	N/A
ST WILLIAMS FUNERAL PARLOUR	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	156	156	N/A
STREET OUTLAWS NC	PRIVATE ENTERPRISE	TOURISM-EVENT SUPPORT	Yes	50	50	N/A
SUMEYA GENERAL TRADING (PTY)LTD	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	950	950	N/A

# ANNUAL REPORT

## For the year ended the 31 March 2019

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
TEBONNGWE ENTERPRISE	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	90	90	N/A
THAPELO TJ TRANSPORT (PTY) LTD	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	220	220	N/A
THE DKO LOCAL WOOD CABINET	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	300	300	N/A
THE HIVE ENTERTAINMENT	PRIVATE ENTERPRISE	TOURISM-EVENT SUPPORT	Yes	345	345	N/A
THINGOS GENERAL TRADING(PTY)LTD	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	300	300	N/A
TOP 2 BOTTOM CLEANING (PTY)LTD	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	320	320	N/A
TRANS AUGRABIES MTB	PRIVATE ENTERPRISE	TOURISM-EVENT SUPPORT	Yes	100	100	N/A
TUMI'S ADVENTUROUS TRAVEL AND T	PRIVATE ENTERPRISE	TOURISM-SMME GRANTS	Yes	150	150	N/A
UBUNELE PRIMARY COO-OPERATIVE	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	150	150	N/A
WALLA ENTERPRISES AND CLEANING	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	350	350	N/A
WIL AND SU CORPORATION	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	342	342	N/A
WILDEKLAWER PTY	PRIVATE ENTERPRISE	TOURISM-EVENT SUPPORT	Yes	200	200	N/A
WORKWELL HEALTH CONSULTING	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	208	208	N/A
XHUKAIPE CONSTRUCTION AND GENERA	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	342	342	N/A
Y2K DRIVING SCHOOL CC	PRIVATE ENTERPRISE	TOURISM-EVENT SUPPORT	Yes	200	200	N/A
ZECHA TRADING	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	208	208	N/A
ZROSE VENTURES	PRIVATE ENTERPRISE	SMME DEVELOPMENT	Yes	490	490	N/A
AD THEKISHO	EX-EMPLOYEE	LEAVE GRATUITY	N/A	3	3	N/A
LM SOLOMON	EX-EMPLOYEE	LEAVE GRATUITY	N/A	1	1	N/A
LR JONAS	EX-EMPLOYEE	LEAVE GRATUITY	N/A	3	3	N/A
NORTHERN CAPE COMMUNITY EDUCATIO	HIGHER EDUCATION	MLAB	Yes	1 500	1 500	N/A
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58 163</b>	<b>58 163</b>	<b>-</b>

# ANNUAL REPORT

## For the year ended the 31 March 2019



**Table 2.5.2.2: Transfer payments budgeted for but not made for the period 1 April 2018 to 31 March 2019**

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
<b>NCEDA</b>	PUBLIC ENTITY	Provincial Youth Development Conference	5 000	5 000	Due to limited timeframe NCEDA could not finalize the planning prior to the end of the financial year.
<b>ANTON LOGISTICS</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	80	80	Funds were returned due to inactive/dormant bank accounts.
<b>FANCY FACE BUILDING AND PLUMBING(PTY) LTD</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	187	187	Funds were returned due to inactive/dormant bank accounts.
<b>SMALL WORLD STEEL WORKS</b>	PRIVATE ENTERPRISE	SMME DEVELOPMENT	335	335	Funds were returned due to inactive/dormant bank accounts.
<b>NAMAKWA COASTAL EXPEDITIONS</b>	PRIVATE ENTERPRISE	TOURISM-SMME GRANTS	71	71	Was committed but not yet paid due to administrative delays
<b>BOSCO SPORTS EVENTS</b>	PRIVATE ENTERPRISE	TOURISM-EVENT SUPPORT	3 000	3 000	Event which did not take place due to unanticipated circumstances.
<b>Total</b>	-	-	<b>8 673</b>	<b>8 673</b>	-



## ANNUAL REPORT

### For the year ended the 31 March 2019

## 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 2018 to 31 March 2019**

Department/ Municipality to whom the grant has been transferred	Frances Baard 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	900
Amount transferred (R'000)	900
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	900
Reasons for the funds unspent by the entity	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 2018 to 31 March 2019**

Department/ Municipality to whom the grant has been transferred	Northern Cape Rural FET College
Purpose of the grant	EPWP
Expected outputs of the grant	Expansion of the EPWP
Actual outputs achieved	100% implementation
Amount per amended DORA	600
Amount transferred (R'000)	600
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	600
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	In year monitoring report completed and submitted monthly. Employment contracts, attendance registers and site visits.

## ANNUAL REPORT

### For the year ended the 31 March 2019

**Table 2.6.1.3: Conditional Grants and Earmarked funds paid for the period 1 April 2018 to 31 March 2019**

Department/ Municipality to whom the grant has been transferred	Sol Plaatje-NC Local Municipality
Purpose of the grant	EPWP
Expected outputs of the grant	Expansion of the EPWP
Actual outputs achieved	100% implementation
Amount per amended DORA	512
Amount transferred (R'000)	512
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	512
Reasons for the funds unspent by the entity	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 2018 to 31 March 2019**

Department who transferred the grant	National Public Works
Purpose of the grant	To implement the projects as per EPWP principles for the Environmental Sector and to report the expenditure as well as work opportunities (w/o) created.
Expected outputs of the grant	Expansion of the EPWP
Actual outputs achieved	100% implementation 381 Work opportunities (WO) created
Amount per amended DORA (R'000)	2012
Amount received (R'000)	2012
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	2012
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	In year monitoring report completed and submitted monthly. Employment contracts, attendance registers and site visits.

## ANNUAL REPORT

### For the year ended the 31 March 2019

## 2.7. Donor Funds

### 2.7.1 Donor Funds Received

Table 2.7.1.1: Donor funds received during for the period 1 April 2018 to 31 March 2019

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

## 2.8. Capital Investments

### 2.8.1. Capital investment, maintenance and asset management plan

Infrastructure projects	2018/2019			2017/2018		
	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			-			
Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
Total			—			-

# PART C:

## GOVERNANCE





## ANNUAL REPORT

### For the year ended the 31 March 2019

### 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 Audit Committee providing independent oversight over governance, risk management and control processes.
- An independent internal audit function providing independent assurance that the controls in place to manage and mitigate risks are adequate and functioning effectively.
- An Information Communication Steering Committee chaired by the Chief Operations Officer.
- A departmental Planning Forum chaired by the Head of Economic Policy Development

### 3.2. Risk Management

The Department has an approved risk management policy, risk management strategy and an annual risk management implementation plan in place.

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. Quarterly risk awareness sessions were conducted throughout the year.

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

The Audit Committee was furnished with quarterly progress reports on the significant risks faced by the Department. The department's risk management score at MPAT 1.8 was 4 which means the enterprise risk management processes is SMART.

### 3.3. Fraud and Corruption

The Department has an approved fraud prevention and ethics management strategy, whistle blowing and financial disclosure policy in place. An annual integrity management implementation plan was approved by the Acting Head of Department and implemented by departmental officials. Regular progress reports on integrity / ethics management processes were presented to the Risk and Ethics Management Committee. Quarterly integrity / ethics management awareness sessions were conducted.

### 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:-

### 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. The Department has an adopted Health and Safety Policy in place. All the necessary structures are in place to ensure that it is implemented. The 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
Reference 16.6.2.5.11 Resolutions of Annual Report 17/18	<p>The committee recommends that:</p> <p>As reported by the department that the investigation on the uncut diamonds has been referred to the relevant authority, progress on the status must be submitted to the committee as soon as it is available.</p> <p>The department must strengthen internal control systems to avoid material under-spending on its budget.</p> <p>Progress report must be submitted to the committee by 31 January 2019 on implementation of SCOPA Resolutions.</p> <p>A report must be submitted to the committee on the outcome of the reported investigation by 31 January 2019 on whether funds transferred for projects are utilized for the intended purpose and in accordance with approved business plan.</p>	The Department submitted a signed progress report with supporting documentation on the 31 <sup>st</sup> of January 2019.

## ANNUAL REPORT

### For the year ended the 31 March 2019

### 3.8. Scopa Resolutions

The Department presented its Annual Report for the 2017/18 financial year to the Joint Committee of the Portfolio Committee on Finance, Economic Development & Tourism and the Standing Committee on Public Accounts on Thursday, 22 November 2018.

Resolution No.	Subject	Details	Response by the department
Reference 16.6.2.5.11	Resolutions of Annual Report 17/18 – Department of Economic Development and Tourism	<p>The committee recommends that:</p> <p>As reported by the department that the investigation on the uncut diamonds has been referred to the relevant authority, progress on the status must be submitted to the committee as soon as it is available.</p> <p>The department must strengthen internal control systems to avoid material under-spending on its budget.</p> <p>Progress report must be submitted to the committee by 31 January 2019 on implementation of SCOPA Resolutions.</p> <p>A report must be submitted to the committee on the outcome of the reported investigation by 31 January 2019 on whether funds transferred for projects are utilized for the intended purpose and in accordance with approved business plan.</p>	<p>The Department submitted a signed progress report with supporting documentation on the 31<sup>st</sup> of January 2019.</p> <p>Subsequent to the 2017/18 year-end audit, an Audit Action Plan was developed in order to address the internal control weaknesses identified by the Auditor-General.</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
Unqualified audit opinion		
<p>Emphasis of matter</p> <p>Material underspending of the vote –</p> <p>As disclosed in the appropriation statement, the department has materially underspent the budget by R18 153 000 on Administration, Integrated Economic Development Services, Trade and Sector Development, Business Regulation and Governance, Economic Planning and Tourism.</p>	2017-18	<p>Subsequent to the 2017/18 year-end audit, an Audit Action Plan was developed in order to address the internal control weaknesses identified by the Auditor-General.</p> <p>These matters were resolved.</p>

### 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 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 approves the internal audit plan for implementation.

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 one internal member, all of whom are not employed by the department.

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 entity. The audit committee members were appointed on a 3-year term with effect from 1 December 2017. The audit committee comprises of five members in total. One internal member resigned and was replaced on 1 April 2019. The audit committee consisted of the members listed hereunder, and five audit committee meetings were held as per its approved meeting schedule:



## ANNUAL REPORT

### For the year ended the 31 March 2019

#### Audit Committee Members' Profiles and Attendance.

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Ms M Mbonambi	Bachelor of Accountancy B.Com Honours Certificate in Risk Management and Certificate in Board Governance	External	n/a	01 December 2017	n/a	04
Ms A Mafuleka	CA (SA) B Com – Honours	External	n/a	01 December 2017	n/a	03
Mr. V.A. Makaleni	Master in Public Management Bachelor of Commerce (Accounting) Postgraduate Diploma in Corporate Government Management Advancement Programme (MAP)	External	n/a	01 December 2014	n/a	05
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	03
Vacant	Vacant	Vacant	Vacant	Vacant	Vacant	Vacant

During the year under review the committee consistently engaged with the senior management of the department, internal audit and the Auditor-General, individually and collectively, to address risks and challenges facing the department.

## 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 2019.

### 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 work was completed during the year under review:

- Review of the Annual Financial Statements
- Review of Interim Financial Statements
- Quarterly review on Performance Information verification
- Quarterly follow up audits
- Human Resource Development
- Information Technology Systems review (assess IT governance systems)
- Management Assessment Performance Tool
- Review of risk management processes and minimum anti-corruption capacity requirement

The following were areas of concern:

- Follow up audit
  - The general management and the economic growth and development fund in terms of funds disbursement and utilization of funds by recipients for the funds' intended purpose.
- Vacancy rate within the department and particularly vacancy of the Head of Department
- Support and coordination by the department to its entities in relation to transfers, monitoring and assistance where skills are lacking or in short supplier at the entities.

The internal audit activity also maintains the combined assurance framework which was developed in collaboration with the departmental risk management unit and the Auditor-General. This collaboration proved useful and effective in ensuring combined effort in all identified high risk areas to ensure that risks were addressed and brought to an acceptable level.

In addition, management developed an audit action plan to address the findings raised by both the Auditor-General and Internal audit. The audit committee monitored the implementation of the plan during the year under review, including the implementation of the audit committee's recommendations.

### In-Year Management and Monthly/Quarterly Report

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

## ANNUAL REPORT

### For the year ended the 31 March 2019

#### 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 noted that the department has regressed from the previous year's clean audit to a qualified audit opinion in 2018/19, relating to receivables that were not recognised in accordance with chapter 9, General Departmental Assets and Liabilities.

The audit committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



---

**Ms M Mbonambi**

**Chairperson of the Audit Committee**

**Department of Economic Development and Tourism**

**Dated: 31 July 2019**

# PART D:

## HUMAN RESOURCE MANAGEMENT





## ANNUAL REPORT

### For the year ended the 31 March 2019

## 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,
- The implementation of the ethics standards as required by the Public Administration Management Act, and
- The improvement of MPAT scores related to the human resource management function.

### 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, workplans, 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 wof the Department to institute a 24-hour employee assistance programme in the near future.

## ANNUAL REPORT

### For the year ended the 31 March 2019

#### 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.

In the period under review, the Department filled two permanent posts and appointed 47 Interns/Leanerships. Fourteen (14) posts were advertised and the appointment process of filling these is currently in progress.

Four (4) officials exited the department in 2018/2019. Two (2) of these were promotional transfers and two (2) were lateral transfers.

## 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 2018 and 31 March 2019**

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	16 300.00	10 063.00	0.00	0.00	61.70	113.00
Small business Development (IEDS)	7 878.00	3 289.00	0.00	0.00	41.70	127.00
Trade and Sector Development	8 443.00	2 639.00	0.00	0.00	31.30	155.00
Business Regulation and Governance	9 759.00	2 326.00	0.00	0.00	23.80	101.00
Policy Research and Innovation (Economic Planning)	4 281.00	3 234.00	0.00	0.00	75.50	141.00
Tourism	18 108.00	2 397.00	0.00	0.00	13.20	109.00
<b>Total</b>	<b>64 769.00</b>	<b>23 947.00</b>	<b>0.00</b>	<b>0.00</b>	<b>37.00</b>	<b>120.00</b>

**Table 4.2.1.2 Personnel costs by salary band for the period 1 April 2018 and 31 March 2019**

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)	-	-	-	-
Skilled (levels 3-5)	1 499.00	6.10	24.00	62 458.00
Highly skilled production (levels 6-8)	4 940.00	20.20	58.00	85 172.00
Highly skilled supervision (levels 9-12)	10 018.00	40.90	68.00	147 324.00
Senior and Top management (levels 13-16)	6 268.00	25.60	23.00	272 522.00
Contract (levels 1-2)	-	-	-	-
Contract (levels 3-5)	-	-	-	-

# ANNUAL REPORT

## For the year ended the 31 March 2019

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Contract (levels 6-8)	95.00	0.40	1.00	95 000.00
Contract (levels 9-12)	198.00	0.80	1.00	198 000.00
Contract (levels 13-16)	474.00	1.90	2.00	237 000.00
Contract Other	297.00	1.20	19.00	15 632.00
Periodical Remuneration	24.00	0.10	4.00	6 000.00
Abnormal Appointment	-	-	-	-
<b>Total</b>	<b>103 933.00</b>	<b>97.60</b>	<b>224.00</b>	<b>463 987.00</b>

**Table 4.2.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2018 and 31 March 2019**

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	8 328.00	83.30	0.00	0.00	239.00	2.40	461.00	4.60
Small business Development (IEDS) (INTERGRATE ECONOMIC DEV SERV)	2 787.00	83.30	0.00	0.00	74.00	2.20	120.00	3.60
Trade and Sector Development	2 280.00	79.50	0.00	0.00	52.00	1.80	78.00	2.70
Business Regulation and Governance	1 990.00	83.90	0.00	0.00	60.00	2.50	80.00	3.40
Policy Research and Innovation (Economic Planning)	2 776.00	82.20	0.00	0.00	79.00	2.30	115.00	3.40
Tourism	2 013.00	80.10	0.00	0.00	54.00	2.10	107.00	4.30
<b>Total</b>	<b>20 174.00</b>	<b>82.40</b>	<b>0.00</b>	<b>0.00</b>	<b>559.00</b>	<b>2.30</b>	<b>960.00</b>	<b>3.90</b>

**Table 4.2.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2018 and 31 March 2019**

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)	-	-	-	-	-	-	-	-
Skilled (levels 3-5)	1 087.00	72.20	0.00	0.00	100.00	6.60	179.00	11.90
Highly skilled production (levels 6-8)	3 910.00	78.60	0.00	0.00	194.00	3.90	366.00	7.40
Highly skilled supervision (levels 9-12)	8 526.00	83.50	0.00	0.00	164.00	1.60	345.00	3.40
Senior and Top management (levels 13-16)	5 583.00	83.70	0.00	0.00	98.00	1.50	64.00	1.00
Contract (levels 1-2)	-	-	-	-	-	-	-	-

## ANNUAL REPORT

### For the year ended the 31 March 2019

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
Contract (levels 3-5)	-	-	-	-	-	-	-	-
Contract Other	297.00	97.70	0.00	0.00	0.00	0.00	0.00	0.00
Contract (levels 6-8)	77.00	80.20	0.00	0.00	4.00	4.20	7.00	7.30
Contract (levels 9-12)	198.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (levels 13-16)	474.00	97.30	0.00	0.00	0.00	0.00	0.00	0.00
Periodical Remuneration	24.00	70.60	0.00	0.00	0.00	0.00	0.00	0.00
Abnormal Appointment	0	0	0	0	0	0	0	0
<b>Total</b>	<b>20 174.00</b>	<b>82.40</b>	<b>0.00</b>	<b>0.00</b>	<b>559.00</b>	<b>2.30</b>	<b>960.00</b>	<b>3.90</b>

#### 4.2.2. Employment and Vacancies

**Table 4.2.2.1 Employment and vacancies by programme as on 31 March 2019**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	104.00	92.00	11.50	1.00
Small business Development (IEDS)	30.00	26.00	13.30	0.00
Trade and Sector Development	19.00	17.00	10.50	0.00
Business Regulation and Governance	24.00	21.00	12.50	0.00
Policy Research and Innovation (Economic Planning)	25.00	23.00	8.00	1.00
Tourism	23.00	22.00	4.30	0.00
<b>Total</b>	<b>221.00</b>	<b>196.00</b>	<b>11.30</b>	<b>2.00</b>

**Table 4.2.2.2 Employment and vacancies by salary band as on 31 March 2019**

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)	1.00	0.00	100.00	0.00
Skilled (3-5)	30.00	25.00	16.70	0.00
Highly skilled production (6-8)	65.00	56.00	13.80	0.00
Highly skilled supervision (9-12)	73.00	70.00	4.10	0.00
Senior management (13-16)	26.00	22.00	15.40	0.00
09 Other, Permanent	39.00	39.00	0.00	1.00
Contract (levels 1-2)	1.00	1.00	0.00	0.00
Contract (levels 3-5)	-	-	-	-
Contract (levels 6-8)	-	-	-	-
Contract (levels 9-12)	1.00	1.00	0.00	0.00
Contract (levels 13-16)	2.00	2.00	0.00	0.00
Periodical Remuneration	0	0	0	0
Abnormal Appointment	0	0	0	0
<b>Total</b>	<b>238.00</b>	<b>216.00</b>	<b>9.20</b>	<b>1.00</b>





## ANNUAL REPORT

### For the year ended the 31 March 2019

**Table 4.2.5.5 Promotions by salary band for the period 1 April 2018 to 31 March 2019**

Salary band	Employees 1 April 2015	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	0	0	0	0
Skilled (levels3-5)	26.00	0.00	0.00	0.00	0.00
Highly skilled production (levels 6-8)	57.00	0.00	0.00	0.00	0.00
Highly skilled supervision (levels 9-12)	68.00	0.00	0.00	0.00	0.00
Senior Management (level 13-16)	23.00	0.00	0.00	0.00	0.00
Other, Permanent	18.00	0.00	0.00	0.00	0.00
Contract (levels 1-2)	0	0	0	0	0
Contract (levels 3-5)	0	0	0	0	0
Contract (levels 6-8)	1.00	0.00	0.00	0.00	0.00
Contract (levels 9-12)	1.00	0.00	0.00	0.00	0.00
Contract (levels 13-16)	2.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>196.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**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 2019**

Occupational categories	Male				Female				<u>Total</u>
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	5	4	1	0	3	1	0	1	15
Professionals	15.00	6.00	0.00	2.00	11.00	6.00	0.00	3	43
Technicians and associate professionals	29	5	0.00	3.00	29	11	0.00	1.00	78
Clerks	4	1	0.00	0	15	12	0.00	3	35
Service and sales workers									
Labourers and related workers	6	9	0	0	5	4	0	1	25
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations									
<b>Total</b>	<b>59.00</b>	<b>25.00</b>	<b>1.00</b>	<b>5</b>	<b>63.00</b>	<b>34.00</b>	<b>0.00</b>	<b>9</b>	<b>196</b>
Employees with disabilities									

## ANNUAL REPORT

### For the year ended the 31 March 2019

**Table 4.2.2.3 Employment and vacancies by critical occupation as on 31 March 2019**

Critical occupations	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related, Perm	81.00	75.00	7.40	1.00
Client information clerks (e.g. switchboard)	1.00	1.00	0.00	0.00
Communication and information related	2.00	2.00	0.00	0.00
Computer programmers	0	0	0	0
Computer system designers and analysts	2.00	1.00	50.00	0.00
Economists	2.00	2.00	0.00	0.00
Finance and economics related	8.00	7.00	12.50	0.00
Financial and related professionals	8.00	6.00	25.00	0.00
Financial clerks and credit controllers	8.00	7.00	12.50	0.00
Food services aids and waiters	1.00	0.00	100.00	0.00
General legal administration and related professionals	5.00	4.00	20.00	0.00
Human resources and organisation developed and related	10.00	10.00	0.00	0.00
Human resources clerks	1.00	1.00	0.00	0.00
Human resources related	1.00	1.00	0.00	0.00
Information technology related	2.00	2.00	0.00	0.00
Language practitioners, interpreters and other communication	0	0	0	0
Library mail and related clerks	5.00	5.00	0.00	0.00
Material-recording clerks and transport clerks	1.00	1.00	0.00	0.00
Messengers, porters and deliverers	2.00	2.00	0.00	0.00
Other administration and related clerks and organisers	28.00	27.00	3.60	0.00
Other administrative policy and related officers	6.00	5.00	16.70	0.00
Other information technology personnel	2.00	2.00	0.00	0.00
Other occupations	2.00	2.00	0.00	0.00
Regulatory inspectors	13.00	12.00	7.70	0.00
Risk management and security services	1.00	1.00	0.00	0.00
Secretaries and other keyboard operating clerks	15.00	12.00	20.00	0.00
Security guards	6.00	6.00	0.00	0.00
Security Officers, Permanent	1.00	1.00	0.00	0.00
Senior managers	16.00	13.00	18.80	0.00
Trade Labourers, Permanent	1.00	1.00	0.00	0.00
Trade/industry advisors and other related professionals	6.00	6.00	0.00	0.00
<b>Total</b>	<b>238.00</b>	<b>216.00</b>	<b>9.20</b>	<b>1.00</b>

**4.2.3. Filling of SMS Posts****Table 4.2.3.1 SMS post information as on 31 March 2019**

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	-	-	-	-	-
Salary Level 16	-	-	-	-	-
Salary Level 15	2	1	50%	1	50%
Salary Level 14	7	7	100%	0	0
Salary Level 13	18	16	89%	2	11%
<b>Total</b>	<b>27</b>	<b>24</b>	<b>89%</b>	<b>3</b>	<b>11%</b>

## ANNUAL REPORT

### For the year ended the 31 March 2019

**Table 4.2.3.2 SMS post information as on 31 September 2018**

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	-	-	-	-	-
Salary Level 16	-	-	-	-	-
Salary Level 15	2	1	50%	1	50%
Salary Level 14	7	7	100%	0	0
Salary Level 13	18	16	89%	2	11%
<b>Total</b>	<b>27</b>	<b>24</b>	<b>89%</b>	<b>3</b>	<b>11%</b>

**Table 4.2.3.3 Advertising and filling of SMS posts for the period 1 April 2018 to 31 March 2019**

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	-	-	-	-	-
Salary Level 16	-	-	-	-	-
Salary Level 15	0	0	0	0	0
Salary Level 14	0	0	0	0	0
Salary Level 13	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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 2018 to 31 March 2019**

<b>Reasons for vacancies not advertised within six months</b>
N/A
<b>Reasons for vacancies not filled within six months</b>
HOD position was advertised by Office of the Premier within six months but not yet filled.

**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 2018 to 31 March 2019**

<b>Reasons for vacancies not advertised within six months</b>
See above
<b>Reasons for vacancies not filled within six months</b>
See above



## ANNUAL REPORT

### For the year ended the 31 March 2019

#### 4.2.4. Job Evaluation

**Table 4.2.4.1 Job Evaluation by salary band for the period 1 April 2018 to 31 March 2019**

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)	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Skilled (levels 3-5)	30.00	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled production (levels 6-8)	65.00	2.00	3.10	1.00	0.00	0.00	0.00
Highly skilled supervision (levels 9-12)	73.00	2.00	2.70	0.00	0.00	0.00	0.00
Senior Management Service Band A	17.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band B	7.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band C	2.00	0.00	0.00	1.00	100.00	0.00	0.00
09 Other	39.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band D	0	0	0	0	0	0	0
Contract (levels 1-2)	0	0	0	0	0	0	0
Contract (levels 3-5)	0	0	0	0	0	0	0
Contract (levels 6-8)	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (levels 9-12)	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Band A)	2.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Band B)	0	0	0	0	0	0	0
Contract (Band C)	0	0	0	0	0	0	0
Contract (Band D)	0	0	0	0	0	0	0
<b>Total</b>	<b>238.00</b>	<b>4.00</b>	<b>1.70</b>	<b>1.70</b>	<b>2.00</b>	<b>50.00</b>	<b>00.00</b>

**Table 4.2.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2018 to 31 March 2019**

Beneficiaries	African	Asian	Coloured	White	Total
<b>Female</b>	0.00	0.00	0.00	0.00	0.00
<b>Male</b>	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	0.00	0.00	0.00	0.00	0.00

<b>Employees with a disability</b>	<b>0</b>
------------------------------------	----------

**Table 4.2.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2018 to 31 March 2019**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Top Management (L15-L16)	1	14	15	Internal arrangement
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>				<b>1</b>
<b>Percentage of total employed</b>				<b>0.5%</b>

## ANNUAL REPORT

### For the year ended the 31 March 2019

**Table 4.2.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2018 to 31 March 2019**

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	1	0	0	1
<b>Total</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Employees with a disability</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Number of Employees whose remuneration exceeded the grade determined by job evaluation in 2014/15</b>					<b>1</b>

#### 4.2.5. Employment Changes

**Table 4.2.5.1 Annual turnover rates by salary band for the period 1 April 2018 to 31 March 2019**

Salary Band	Employment at beginning of period-April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled ( levels 1-2)	-	-	-	-
Skilled (levels 3-5)	26.00	1.00	0.00	0.00
Highly skilled production (levels 6-8)	57.00	1.00	0.00	0.00
Highly skilled supervision (levels 9-12)	68.00	0.00	0.00	0.00
Senior Management Service Bands A	15.00	0.00	0.00	0.00
Senior Management Service Bands B	7.00	0.00	0.00	0.00
Senior Management Service Bands C	1.00	1.00	1.00	1.00
Senior Management Service Bands D	-	-	-	-
Other Permanent	19.00	47.00	27.00	142.10
Contract (Levels 1-2)	0	0	0	0
Contract (Levels 3-5)	0	0	0	0
Contract (Levels 6-8)	1.00	0.00	0.00	0.00
Contract (Levels 9-12)	1.00	1.00	1.00	100.00
Contract (Band A)	2.00	3.00	3.00	150.000
<b>Total</b>	<b>197.00</b>	<b>53.00</b>	<b>31.00</b>	<b>15.70</b>

**Table 4.2.5.2 Annual turnover rates by critical occupation for the period 1 April 2018 to 31 March 2019**

Critical Occupation	Number of employees at beginning of period-April 2013	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related	73.00	27.00	24.00	32.90
Client information clerks	1.00	0.00	0.00	0.00
Communication and information related	2.00	0.00	0.00	0.00
Computer programmers	0	0	0	0
Computer system designers and analysts	1.00	0.00	0.00	0.00
Economists	2.00	0.00	0.00	0.00
Finance and economics related	0	0	0	0
Financial and related professionals	6.00	0.00	0.00	0.00
Financial clerks and credit controllers	8.00	0.00	0.00	0.00

## ANNUAL REPORT

### For the year ended the 31 March 2019

Critical Occupation	Number of employees at beginning of period-April 2013	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Food services aids and waiters	0	0	0	0
General legal administration and related professionals	4.00	0.00	0.00	0.00
Head of department/chief executive officer	0	0	0	0
Human resources and organisation developed and related	10.00	0.00	0.00	0.00
Human resources clerk	0	0	0	0
Human resources related	0	0	0	0
Information technology related	0	0	0	0
Library mail and related clerks	5.00	0.00	0.00	0.00
Material-recording clerks and transport clerks	1.00	0.00	0.00	0.00
Messengers, porters and deliverers	2.00	0.00	0.00	0.00
Other administrative and related clerks and organisers	8.00	8.00	4.00	50.00
Other administrative policy and related officers	5.00	0.00	0.00	0.00
Other information technology personnel	2.00	0.00	0.00	0.00
Other occupations	2.00	0.00	0.00	0.00
Regulatory inspectors	12.00	0.00	0.00	0.00
Risk management and security services	1.00	0.00	0.00	0.00
Secretaries and other operating clerks	11.00	1.00	0.00	0.00
Security guards	6.00	0.00	0.00	0.00
Security Officers	1.00	0.00	0.00	0.00
Senior managers	15.00	2.00	3.00	20.00
Trade Labourers	1.00	0.00	0.00	0.00
Trade/industry advisers and other related professionals	6.00	0.00	0.00	0.00
<b>Total</b>	<b>185.00</b>	<b>30.00</b>	<b>31.00</b>	<b>52.90</b>

**Table 4.2.5.3 Reasons why staff left the department for the period 1 April 2018 to 31 March 2019**

Termination Type	Number	% of Total Resignations
Death	0	0
Resignation	0	0
Expiry of contract	27	15
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	0	0
Transfer to other Public Service Departments	2	1%
Other	2	1%
<b>Total</b>	<b>31</b>	
<b>Total number of employees who left as a % of total employment</b>	<b>16.75%</b>	

## ANNUAL REPORT

### For the year ended the 31 March 2019

**Table 4.2.5.4 Promotions by critical occupation for the period 1 April 2018 to 31 March 2019**

Occupation:	Employees 1 April 2014	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	73.00	1.00	1.40	46.00	63.00
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	7.00	0.00	0.00	4.00	57.10
Financial and related professionals	6.00	1.00	16.70	3.00	50.00
Financial clerks and credit controllers	8.00	0.00	0.00	7.00	87.50
Food services aids and waiters	0	0	0	0	0
General legal administration and related professionals	4.00	0.00	0.00	2.00	50.00
Head of department	0	0	0	0	0
Human resources and organisational developed and related	10.00	0.00	0.00	7.00	70.00
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	2.00	0.00	0.00	1.00	50.00
Library mail and related clerks	5.00	0.00	0.00	5.00	100.00
Material-recording clerks and transport clerks	1.00	0.00	0.00	1.00	100.00
Messengers, porters and deliverers	2.00	0.00	0.00	2.00	100.00
Other administrative and related clerks and organisers	8.00	0.00	0.00	7.00	87.50
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	12.00	0.00	0.00	8.00	66.70
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	11.00	100.00
Security Guards	6.00	0.00	0.00	6.00	100.00
Security Officers	1.00	0.00	0.00	1.00	100.00
Senior managers	1.00	0.00	0.00	1.00	100.00
Trade Labourers	1.00	0.00	0.00	1.00	100.00
Statisticians and related professionals	0	0	0	0	0
Trade/industry advisers and other related professionals	6.00	0.00	0.00	5.00	83.30
<b>Total</b>	<b>197.00</b>	<b>2.00</b>	<b>1.00</b>	<b>145.00</b>	<b>73.60</b>



## ANNUAL REPORT

### For the year ended the 31 March 2019

**Table 4.2.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2019**

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)	5.00	5.00	0.00	3.00	6.00	2.00	0.00	1.00	22.00
Professionally qualified and experienced specialists and mid-management	31.00	11.00	0.00	2.00	13.00	8.00	0.00	3.00	68.00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8.00	5.00	0.00	0.00	21.00	19.00	0.00	5.00	58.00
Semi-skilled and discretionary decision making	5.00	3.00	0.00	0.00	13.00	3.00	0.00	0.00	24.00
Not available, Permanent									
Unskilled and defined decision making	8.00	0.00	0.00	0.00	10.00	1.00	0.00	0.00	19.00
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	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Contract (Unskilled)									
<b>Total</b>	<b>59.00</b>	<b>25.00</b>	<b>1.00</b>	<b>5.00</b>	<b>63.00</b>	<b>34.00</b>	<b>0.00</b>	<b>9.00</b>	<b>196.00</b>

**Table 4.2.6.3 Recruitment for the period 1 April 2016 and 31 March 2019**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	1	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	1	0	0	0	1
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	1
Not available, Permanent	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract (Senior Management)	2	0	0	0	0	0	0	0	2
Contract (Professionally qualified)	0	0	0	0	0	0	0	0	0
Contract (Semi-skilled)	0	0	0	0	0	0	0	0	0
Contract (Unskilled)	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>5</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

## ANNUAL REPORT

### For the year ended the 31 March 2019

**Table 4.2.6.4 Promotions for the period 1 April 2016 to 31 March 2019**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	1	1
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract (Senior Management)	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified)	0	0	0	0	0	0	0	0	0
Contract (Semi-skilled)	0	0	0	0	0	0	0	0	0
Contract (Unskilled)	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with disabilities	0	0	0	0	0	0	0	0	1

**Table 4.2.6.5 Terminations for the period 1 April 2016 to 31 March 2019**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	1	0	0	0	2	0	0	1	4
Not available, Permanent									
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract (Senior Management)	0	0	0	0	0	00	0	0	0
Contract (Professionally qualified)	0	0	0	0	0	0	0	0	0
Contract (semi-skilled)	0	0	0	0	0	0	0	0	0
Contract (Unskilled)	0	0	0	0	0	00	00	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>
Employees with Disabilities	0	0	0	0	0	0	0	0	0

## ANNUAL REPORT

### For the year ended the 31 March 2019

**Table 4.2.6.6 Disciplinary action for the period 1 April 2016 to 31 March 2019**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Absenteeism	1	0	0	0	0	0	0	0	1
Insubordination	1	1	0	0	2	1	0	0	5
Refusing a lawful instruction	0	0	0	0	0	0	0	0	0
Non-compliance to supply chain processes	0	0	0	0	0	0	0	0	0
Non-compliance to EPMDS processes	0	1	0	0	0	0	0	0	1

**Table 4.2.6.7 Skills development for the period 1 April 2016 to 31 March 2019**

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	3	0	0	1	3	0	0	0	7
Professionals	9	3	0	0	1	1	0	0	14
Technicians and associate professionals	5	0	0	0	8	4	0	0	17
Clerks	8	3	0	0	7	4	0	0	22
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	1	3	2	0	0	6
<b>Total</b>	25	6	0	2	22	11	0	0	66
Employees with disabilities	0	0	0	0	0	0	0	0	0

#### 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 2019**

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	1	1	100
Salary Level 14	7	7	7	100
Salary Level 13	18	16	16	100
<b>Total</b>	<b>27</b>	<b>24</b>	<b>24</b>	<b>100</b>

## ANNUAL REPORT

### For the year ended the 31 March 2019

**Table 4.2.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2019**

Reasons
Not Applicable

**Table 4.2.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2019**

Reasons
Not Applicable

#### 4.2.8. Performance Rewards

**Table 4.2.8.1 Performance Rewards by race, gender and disability for the period 1 April 2016 to 31 March 2019**

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	3.00	59.00	5.10	60.16	20 052.00
Asian, Male	0.00	1.00	0.00	0.00	0.00
Coloured Male	0.00	27.00	0.00	0.00	0.00
White Male	2.00	5.00	40.00	70.68	35 341.00
African Female	5.00	74.00	6.80	56.19	11 238.00
Asian Female	0.00	0.00	0.00	0.00	0.00
Coloured Female	4.00	37.00	10.80	45.41	11 352.00
White Female	0.00	8.00	0.00	0.00	0.00
Employees with disability	0.00	5.00	0.00	0.00	0.00
<b>14.00</b>	<b>14.00</b>	<b>216.00</b>	<b>62.70</b>	<b>232.44</b>	<b>77.983</b>

**Table 4.2.8.2 Performance Rewards by salary bands for personnel below Senior Management Service for the period 1 April 2017 to 31 March 2019**

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)	3.00	25.00	12.00	24.48	8 160.00	-
Highly skilled production (levels 6-8)	6.00	56.00	10.70	70.96	11 826.00	-
Highly skilled supervision (levels 9-12)	4.00	70.00	5.70	85.16	21 290.00	-
Contract ( levels1-2)	-	-	-	-	-	-
Contract ( levels 3-5)	-	-	-	-	-	-
Contract ( levels 9-12)	0.00	1.00	0.00	0.00	0.00	-
Abnormal Appointments	-	-	-	-	-	-
<b>Total</b>	<b>11.00</b>	<b>152.00</b>	<b>28.40</b>	<b>180.60</b>	<b>41276</b>	<b>-</b>



## ANNUAL REPORT

### For the year ended the 31 March 2019

**Table 4.2.8.3 Performance Rewards by critical occupations for the period 1 April 2017 to 31 March 2019**

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	4.00	75.00	5.30	103.83	25 957.00
Client information clerks	-	-	-	-	-
Communication and information related	0.00	2.00	0.00	0.00	0.00
Computer system designers and analysts	0.00	1.00	0.00	0.00	0.00
Economists	0.00	2.00	0.00	0.00	0.00
Finance and economics related	0.00	7.00	0.00	0.00	0.00
Financial and related professionals	0.00	6.00	0.00	0.00	0.00
Financial clerks and credit controllers	1.00	7.00	14.30	14.22	14 218.00
Food services aids and waiters	-	-	-	-	-
General legal administration and related professionals	0.00	4.00	0.00	0.00	0.00
Human resources and organisational development and related personnel	1.00	10.00	10.00	18.84	18 842.00
Human resources clerk	0.00	1.00	0.00	0.00	0.00
Human resources related	0.00	1.00	0.00	0.00	0.00
Information technology related	1.00	2.00	50.00	11.33	11 331.00
Library mail and related clerks	0.00	5.00	0.00	0.00	0.00
Material-recording clerks and transport clerks	0.00	1.00	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	27.00	0.00	0.00	0.00
Other administrative policy and related officers	2.00	5.00	40.00	35.15	17 573.00
Other information technology personnel	1.00	2.00	50.00	12.76	12 764.00
Other occupations	0.00	2.00	0.00	0.00	0.00
Regulatory inspectors	0.00	12.00	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	3.00	12.00	25.00	28.19	9 398.00
Security guards	0.00	6.00	0.00	0.00	0.00
Security Officers					
Senior managers	0.00	13.00	0.00	0.00	0.00
Trade Labourers	0.00	1.00	0.00	0.00	0.00
Trade/industry advisors and other related professions	0.00	4.00	0.00	0.00	0.00
<b>Total</b>	<b>13.00</b>	<b>211.00</b>	<b>194.60</b>	<b>224.32</b>	<b>970319.00</b>

**Table 4.2.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2018 to 31 March 2019**

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	1.00	16.00	6.30	51.84	51 839.40	18 939.27
Band B	0.00	7.00	0.00	0.00	0.00	9 740.35
Band C	0.00	1.00	0.00	0.00	0.00	1 598.06
Band D						
<b>Total</b>	<b>1.00</b>	<b>24.00</b>	<b>4.20</b>	<b>51.84</b>	<b>51 839.40</b>	<b>30 277.69</b>







## ANNUAL REPORT

### For the year ended the 31 March 2019

#### 4.2.9. Foreign Workers

**Table 4.2.9.1 foreign workers by salary band for the period 1 April 2018 to 31 March 2019**

Salary Band	01 April 2014	31 March 2015	Number	Change	Number	% Change
	Number	% of total		% of total		
Lower skilled	1.00	1.00	1.00	0.00	1.00	1.00
Highly skilled production (level 6-8)	-	-	-	-	-	-
Highly skilled supervision (level 9-12)	1.00	1.00	1.00	0.00	1.00	1.00
Contract (level 9-12)	-	-	-	-	-	-
Contract (level 13-16)	-	-	-	-	-	-
<b>Total</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>	<b>1.00</b>	<b>1.00</b>

**Table 4.2.9.2 foreign workers by major occupation**

Major occupation	01 April 2018		31 March 2019		Change	
	Number	% of total	Number	% of total	Number	% Change
Economic and Advisory Support	1.00	100.00	1.00	100.00	0.00	0.00

#### 4.2.10. Leave utilisation

**Table 4.2.10.1 Sick leave for the period 1 April 2018 to 31 March 2019**

Salary Band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (levels 1-2)	-	-	-	-	-	-
Skilled (levels 3-5)	126.00	77.80	19.00	15.40	7.00	98.00
Highly skilled production (levels 6-8)	224.00	75.40	42.00	34.10	5.00	296.00
Highly skilled supervision (levels 9 -12)	186.00	71.50	37.00	30.10	5.00	417.00
Top and Senior management (levels 13-16)	37.00	64.90	11.00	8.90	3.00	163.00
Contract (levels 1-2)	-	-	-	-	-	-
Contract (levels 3-5)	-	-	-	-	-	-
Contract Other	9.00	88.90	1.00	0.80	9.00	11.00
Contract (levels 6-8)	3.00	33.30	1.00	0.80	3.00	9.00
Contract (levels 13-16)	14.00	100.00	1.00	0.80	14.00	51.00
<b>Total</b>	<b>29.00</b>	<b>62.10</b>	<b>11.00</b>	<b>8.90</b>	<b>3.00</b>	<b>9.00</b>

**Table 4.2.10.2 Disability Leave (temporary and permanent) for the period 1 April 2018 to 31 March 2019**

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)	0	0	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (levels 9-12)	0		0	0	0	0
Senior management (levels 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## ANNUAL REPORT

### For the year ended the 31 March 2019

**Table 4.2.10.3 Annual Leave for the period 1 April 2018 to 31 March 2019**

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (levels 1-2)	-	-	-
Skilled (levels 3-5)	246.00	9.00	26.00
Highly skilled production (levels 6-8)	632.00	11.00	55.00
Highly skilled supervision (levels 9-12)	702.00	11.00	64.00
Senior management (levels 13-16)	315.00	14.00	23.00
Contract (level 1-2)	-	-	-
Contract (level 3-5)	-	-	-
Contract (level 6-8)	5.00	5.00	1.00
Contract (level 9-12)	12.00	12.00	1.00
Contract Other	136.00	8.00	17.00
Contract (level 13-16)	13.00	7.00	2.00
<b>Total</b>	<b>2 061.00</b>	<b>11.00</b>	<b>189.00</b>

**Table 4.2.10.4 Capped leave for the period 1 April 2018 to 31 March 2019**

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)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	18.00
Highly skilled supervision (Levels 9-12)	0	0	0	24.00
Senior management (Levels 13-16)	0	0	0	52.00
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>

**Table 4.2.10.5 Leave pay outs for the period 1 April 2018 to 31 March 2019**

Reason	Total Amount (R'000)	Number of Employees	Average per employee (R'000)
Capped leave pay-outs on termination of service	0	0	0
Current leave pay-outs on termination of service	1	1	1000
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1000</b>

**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
None	General awareness programmes are conducted within the Department.



## ANNUAL REPORT

### For the year ended the 31 March 2019

**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		Adv. Molefanyana 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 employees.
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		Department has 24 hotline and employee assistance programme covering all elements of employee wellness, including socio-psychological services.
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. Here are the names of members: Adv. M Phera (Chair); Mr J van Zyl; Ms E Dennis; Ms L Molefe; Mr Z Jakavula; Mr R Koopman; Mr R Moses; Mr G Bosman; Mr M Makhate and Mr Gotha
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 reviewed and relevant and are due next year for another review. All our 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 departmental 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 2018 to 31 March 2019**

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

**Table 4.2.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2016 to 31 March 2017**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	5	71.4
Final written warning	1	14.3
Suspended without pay	0	0

## ANNUAL REPORT

### For the year ended the 31 March 2019

Outcomes of disciplinary hearings	Number	% of total
Fine	0	0
Demotion	0	0
Dismissal	1	14.3
Not guilty	0	0
Case withdrawn	0	0
<b>Total</b>	<b>7</b>	<b>100</b>

<b>Total number of Disciplinary hearings finalised</b>	<b>1</b>
--	----------

**Table 4.2.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2018 to 31 March 2019**

Type of misconduct (based on annexure A)	Number	% of total
Absenteeism	1	33.3
Insubordination	1	33.3
Refusing a lawful instruction	1	33.3
Non-compliance to supply chain processes	0	0
Non-compliance to EPMDS processes	0	0
<b>Total</b>	<b>3</b>	<b>100</b>

**Table 4.2.12.4 Grievances logged for the period 1 April 2018 to 31 March 2019**

	Number	% of Total
Number of grievances resolved	1	33.3
Number of grievances not resolved	2	66.7
<b>Total number of grievances lodged</b>	<b>3</b>	<b>100</b>

**Table 4.2.12.5 Disputes logged for the period 1 April 2018 to 31 March 2019**

	Number	% of Total
Number of disputes upheld	1	20
Number of disputes dismissed	0	0
<b>Total number of disputes lodged</b>	<b>5</b>	<b>100</b>

**Table 4.2.12.6 Strike actions for the period 1 April 2018 to 31 March 2019**

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 2018 to 31 March 2019**

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

## ANNUAL REPORT

### For the year ended the 31 March 2019

#### 4.2.13. Skills development

**Table 4.2.13.1 Training needs identified for the period 1 April 2018 to 31 March 2019**

Occupational Categories	Gender	Number of employees as at 1 April 2018	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	3
	Females- 8					
Professionals	Males- 26	32	0	Advanced Project Management, Business Management,	0	23
	Females- 6					
Technicians and associate professionals	Males- 18	38	N/A	AMDP (Advanced Management Development Programme) Advanced Project Management	Occupational Health and Safety Course Diversity Management	10
	Females- 20					
Clerks	Males-21	82	N/A	FMDP (Foundation Management Development Programme) Office Management EMDP Management	Computer literacy Occupational Health and Safety Course, Records Management and Client Orientation training. Transversal Systems training e.g PERSAL, BAS & LOGIS.	28
	Females- 61					
Total	Males	81	-	-	-	33
	Females	95	-	-	-	31
Total		176	-	-	-	64

**Table 4.2.13.2 Training provided for the period for the period 1 April 2018 to 31 March 2019**

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-3	7	0	Business Continuity, HR Conference, Policy implementation, Monitoring and Evaluation and PAIA training.	0	7
	Male -4					
Professionals	Female -2	14	0	Business continuity, Statistics training, Theory of Change, HR Conference, Policy implementation, and Renewable Energy.	0	14
	Male -12					
Technicians and associate professionals	Female -12	17	0	Business Continuity, minute taking, Statistics course, Policy implementation, and Export Development training.	0	17
	Male - 5					
Clerks	Female 11	22	6	Minute taking, PERSAL Introduction, Records Management	0	28
	Male - 11					
	Female	28	5	-	0	33
	Male	32	1	-	0	33
Total		78	60	6	-	0

## ANNUAL REPORT

### For the year ended the 31 March 2019

#### 4.2.14. Injury on duty

**Table 4.2.14.1 Injury on duty for the period 1 April 2018 to 31 March 2019**

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	0.5
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
<b>Total</b>	<b>1</b>	<b>0.5</b>

#### 4.2.15. Utilisation of Consultants

**Table 4.2.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2018 to 31 March 2019**

Project Title	Total Number of consultants that worked on project	Duration Work days	Contract value in Rand
1 Implementing and operating an employee wellness programme	ICAS	364	109 906.66
2 To provide baseline for all 26 local municipalities and 5 districts in the Northern Cape Province and provide training for the system used.	Pula Strategic Resource Management	105	150 075.00
3 Conduct the desk-top Palaeontological impacts Assessment at Haksteen Pan.	McGregor Museum	243	39 931.50
4 Facilitate and co-ordinate a process of rezoning the sub-division application for the proposed development of a Metals Industrial Cluster in Kuruman.	Macroplan – Gobetla Beplanings Dienste	31	85 537.00
5 Training and development	Kandiguru	1	38 088.80
6 Event Management services for the Galeshewe Activity Route Festival.	Royal Bofokeng Group	2	229 300.00

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
6	13	746	652 838.16

**Table 4.2.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2018 to 31 March 2019**

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
1 Implementing and operating an employee wellness programme	19.90%	1.97	1
2 To provide baseline for all 26 local municipalities and 5 districts in the Northern Cape Province and provide training for the system used.	12.41%	12.41%	1
3 Conduct the desk-top Palaeontological impacts Assessment at Haksteen Pan.	0	0	-
4 Facilitate and co-ordinate a process of rezoning the sub-division application for the proposed development of a Metals Industrial Cluster in Kuruman.	0	0	-
5 Training and development	100%	100%	1
6 Event Management services for the Galeshewe Activity Route Festival.	100%	100%	10



# PART E:

## FINANCIAL INFORMATION



## 5.1 Report of the Auditor General

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

#### Report on the audit of the financial statements

#### Qualified opinion

1. I have audited the financial statements of the Department of Economic Development and Tourism set out on pages 155 to 239, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matter described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Department of Economic Development and Tourism as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with 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, 2018 (Act No. 1 of 2018) (DoRA).

#### Basis for qualified opinion

##### Receivables

3. The department did not recognise receivables in accordance with Chapter 9, *General Departmental Assets and Liabilities*, as the department did not maintain adequate and complete accounting records for the receivables. I was unable to determine the full extent of the understatement of current and non-current receivables for the current and prior year as it was impracticable to do so. Additionally, there was as a resultant impact on the recoverable revenue in the financial statements for the current and prior year.

#### Context for the opinion

4. 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 this auditor's report.
5. I am independent of the department in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* and the 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 codes.

## AUDITOR GENERAL REPORT

### For the year ended the 31 March 2019

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

#### Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

#### Material underspending of the vote

8. As disclosed in note 4 to the appropriation statement, the department materially underspent the budget by R16 222 000 on Trade and Sector Development and Tourism. Reasons for the material underspending are disclosed in note 4 to the appropriation statement.

#### Irregular expenditure

9. As disclosed in note 21.2 to the financial statements, the department incurred irregular expenditure amounting to R7 197 000, as a proper tender process was not followed.

#### Other matter

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

#### Unaudited supplementary schedules

11. The supplementary information set out on pages 222 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 officer for the financial statements

12. 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.
13. In preparing the financial statements, the accounting officer is responsible for assessing the Department of Economic Development and Tourism'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

14. 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

## AUDITOR GENERAL REPORT

### For the year ended the 31 March 2019

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.

15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

#### Report on the audit of the annual performance report

#### Introduction and scope

16. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
17. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to 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.
18. 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 annual performance report of the department for the year ended 31 March 2019:

Programmes	Pages in the annual performance report
Programme 2 – Integrated economic development services	75 – 78
Programme 3 – Trade and sector development	80– 84
Programme 4 – Business regulation and governance	86 – 88

19. 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.
20. I did not raise any material findings on the usefulness and reliability of the reported performance information for these programmes.



## AUDITOR GENERAL REPORT

### For the year ended the 31 March 2019

#### Other matters

21. I draw attention to the matters below.

#### Achievement of planned targets

22. Refer to the annual performance report on pages 68-101 for information on the achievement of planned targets for the year and explanations provided for the under/ over achievement of a number of targets.

#### Adjustment of material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Trade and sector development and Business regulation and governance. 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

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

25. The material findings on compliance with specific matters in key legislations are as follows:

#### Annual financial statements

26. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1) (a) and (b) of the PFMA. Material misstatements of current assets, expenditure and a disclosure item identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatement and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

#### Expenditure management

27. Payments were made before goods and services were received, in contravention of treasury regulation 15.10.1.2(c).

#### Procurement and contract management

28. Some of the goods and services of a transaction value above R500 000 were procured without inviting competitive bids, but it was practical to invite competitive bids, as required by treasury regulations 16A6.1. This non-compliance was identified in the procurement processes for the Kimberley Diamond Cup Skateboarding Project.

## AUDITOR GENERAL REPORT

### For the year ended the 31 March 2019

29. A construction contract was awarded to a contractor that was not registered with the Construction Industry Development Board and did not qualify for the contract in accordance with section 18(1) of the CIDB Act and CIDB regulations 17 and 25(7A). This non-compliance was identified in the procurement processes for the Kimberley Diamond Cup Skateboarding Project.

#### Other information

30. 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 those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
31. 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.
32. 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 programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
33. 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

34. 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 basis for the qualified opinion and the findings on compliance with legislation included in this report.
35. There were material findings identified in the financial statements which could not be addressed and corrected, the annual performance report had amendments as leadership did not adequately review the reports before submission for auditing.
36. The department's internal processes and systems did not prevent material misstatements in the financial statements and material non-compliance from occurring.
37. 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.

## AUDITOR GENERAL REPORT

### For the year ended the 31 March 2019

#### Other reports

38. I draw attention to the following engagements conducted by various parties that 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.
39. 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.
40. 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

31 July 2019



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## AUDITOR GENERAL REPORT For the year ended the 31 March 2019

### 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 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 related to events or conditions that may cast significant doubt on the Department of Economic Development and Tourism's ability 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 the 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 continuing as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and 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 confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.



## ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

## 5.2. Annual Financial Statements

### Table of Contents

Appropriation Statement	155
Notes to the Appropriation Statement	184
Statement of Financial Performance	186
Statement of Financial Position	187
Statement of Changes in Net Assets	188
Cash Flow Statement	189
Notes to the Annual Financial Statements (including Accounting policies)	190
Annexures	222

## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

Appropriation per programme									
2018/19								2017/18	
	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
<b>Programme</b>									
1. Administration	61,237	-	2,094	63,331	63,331	-	100.0%	60,103	58,190
2. Integrated Economic Development Services	66,420	-	(775)	65,645	65,042	603	99.1%	85,658	74,953
3. Trade and Sector Development	70,622	-	(1,347)	69,275	64,275	5,000	92.8%	44,999	43,104
4. Business Regulation and Governance	40,543	-	90	40,633	40,633	-	100.0%	38,586	38,177
5. Economic Planning	22,091	-	(620)	21,471	21,162	309	98.6%	20,392	20,174
6. Tourism	70,164	-	558	70,722	59,500	11,222	84.1%	53,353	50,340
<b>Subtotal</b>	<b>331,077</b>	<b>-</b>	<b>-</b>	<b>331,077</b>	<b>313,943</b>	<b>17,134</b>	<b>94.8%</b>	<b>303,091</b>	<b>284,938</b>
<b>TOTAL</b>	<b>331,077</b>	<b>-</b>	<b>-</b>	<b>331,077</b>	<b>313,943</b>	<b>17,134</b>	<b>94.8%</b>	<b>303,091</b>	<b>284,938</b>

## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

	2018/19		2017/18	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
<b>TOTAL (brought forward)</b>				
<b>Reconciliation with statement of financial performance</b>	-	-	-	-
<b>ADD</b>				
Departmental receipts	-	-	-	-
NRF Receipts	-	-	-	-
Aid assistance	-	-	-	-
<b>Actual amounts per statement of financial performance (total revenue)</b>	<b>331,077</b>		<b>303,091</b>	
<b>ADD</b>				
Aid assistance	-	-		-
Prior year unauthorised expenditure approved without funding	-	-		-
<b>Actual amounts per statement of financial performance (total expenditure)</b>		<b>313,943</b>		<b>284,938</b>

## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

Appropriation per economic classification									
	2018/19							2017/18	
	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>187,369</b>	<b>(5,474)</b>	<b>(895)</b>	<b>181,000</b>	<b>177,105</b>	<b>3,895</b>	<b>97.8%</b>	<b>185,098</b>	<b>173,296</b>
Compensation of employees	107,896	(3,155)	(744)	103,997	103,997	-	100.0%	101,650	96,518
Salaries and wages	95,439	(3,492)	(916)	91,031	91,031	-	100.0%	89,342	84,453
Social contributions	12,457	337	172	12,966	12,966	-	100.0%	12,308	12,065
Goods and services	79,473	(2,319)	(151)	77,003	73,108	3,895	94.9%	83,448	76,778
Administrative fees	2,198	127	(81)	2,244	2,244	-	100.0%	2,048	2,048
Advertising	3,386	415	(19)	3,782	3,782	-	100.0%	4,247	4,247
Minor assets	199	18	-	217	217	-	100.0%	311	311
Audit costs: External	3,087	(604)	-	2,483	2,483	-	100.0%	2,316	2,316
Bursaries: Employees	317	564	(54)	827	827	-	100.0%	592	592
Catering: Departmental activities	2,554	453	235	3,242	3,242	-	100.0%	2,356	2,356
Communication	1,964	189	(80)	2,073	2,073	-	100.0%	1,856	1,856
Computer services	1,087	(37)	496	1,546	1,546	-	100.0%	1,279	1,279
Consultants: Business and advisory services	1,880	(309)	(605)	966	657	309	68.0%	2,026	2,026
Legal services	644	230	87	961	961	-	100.0%	180	180
Contractors	21,879	(5,088)	(217)	16,574	12,988	3,586	78.4%	11,268	4,598
Agency and support / outsourced services	33	(6)	-	27	27	-	100.0%	23	23
Fleet services	581	268	29	878	878	-	100.0%	744	744
Consumable supplies	441	24	-	465	465	-	100.0%	390	390
Consumable: Stationery, printing and office supplies	665	41	(34)	672	672	-	100.0%	1,391	1,391
Operating leases	7,873	1,148	(271)	8,750	8,750	-	100.0%	8,614	8,614
Property payments	8,027	1,405	283	9,715	9,715	-	100.0%	22,257	22,257
Travel and subsistence	18,472	(931)	80	17,621	17,621	-	100.0%	16,767	16,767
Training and development	1,383	(471)	-	912	912	-	100.0%	1,604	1,604
Operating payments	743	54	-	797	797	-	100.0%	647	647
Venues and facilities	2,060	191	-	2,251	2,251	-	100.0%	2,532	2,532



# **APPROPRIATION STATEMENT** **For the year ended the 31 March 2019**

<b>Appropriation per economic classification</b>									
	<b>2018/19</b>							<b>2017/18</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Transfers and subsidies</b>	141,983	126	1	142,110	133,436	8,674	93.9%	116,002	109,651
Provinces and municipalities	5,322	(799)	(16)	4,507	4,507	-	100.0%	2,536	2,500
Provinces	1,437	-	-	1,437	1,437	-	100.0%	-	-
Provincial agencies and funds	1,437	-	-	1,437	1,437	-	100.0%	-	-
Municipalities	3,885	(799)	(16)	3,070	3,070	-	100.0%	2,536	2,500
Municipal bank accounts	3,885	(799)	(16)	3,070	3,070	-	100.0%	2,536	2,500
Departmental agencies and accounts	98,843	(280)	(1,605)	96,958	91,958	5,000	94.8%	77,392	73,174
Departmental agencies and accounts	98,843	(280)	(1,605)	96,958	91,958	5,000	94.8%	77,392	73,174
Higher education institutions	2,100	-	-	2,100	2,100	-	100.0%	1,916	1,916
Public corporations and private enterprises	35,711	1,205	1,622	38,538	34,864	3,674	90.5%	34,039	31,946
Public corporations	69	-	-	69	69	-	100.0%	-	-
Other transfers to public corporations	69	-	-	69	69	-	100.0%	-	-
Private enterprises	35,642	1,205	1,622	38,469	34,795	3,674	90.4%	34,039	31,946
Other transfers to private enterprises	35,642	1,205	1,622	38,469	34,795	3,674	90.4%	34,039	31,946
Households	7	-	-	7	7	-	100.0%	119	115
Social benefits	7	-	-	7	7	-	100.0%	75	75
Other transfers to households	-	-	-	-	-	-	-	44	40
<b>Payments for capital assets</b>	1,725	783	894	3,402	3,402	-	100.0%	1,991	1,991
Machinery and equipment	1,714	777	894	3,385	3,385	-	100.0%	1,991	1,991
Transport equipment	336	243	704	1,283	1,283	-	100.0%	625	625
Other machinery and equipment	1,378	534	190	2,102	2,102	-	100.0%	1,366	1,366
Software and other intangible assets	11	6	-	17	17	-	100.0%	-	-
<b>Total</b>	<b>331,077</b>	<b>-</b>	<b>-</b>	<b>331,077</b>	<b>313,943</b>	<b>17,134</b>	<b>94.8%</b>	<b>303,091</b>	<b>284,938</b>

## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

Programme 1: Administration									
2018/19								2017/18	
	Adjusted Appropriation	Shift-ing of Funds	Vire-ment	Final Appropri-ation	Actual Expendi-ture	Vari-ance	Expendi-ture as % of final appropri-ation	Final Appro-riation	Actual ex-pendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Office of the MEC	1,370	132	560	2,062	2,062	-	100.0%	1,717	1,713
2. Office of the HOD	6,532	(911)	-	5,621	5,621	-	100.0%	7,200	6,229
3. Corporate Services	25,972	466	525	26,963	26,963	-	100.0%	25,680	25,680
4. Financial Management	27,363	313	1,009	28,685	28,685	-	100.0%	25,506	24,568
<b>Total for sub programmes</b>	<b>61,237</b>	<b>-</b>	<b>2,094</b>	<b>63,331</b>	<b>63,331</b>	<b>-</b>	<b>100.0%</b>	<b>60,103</b>	<b>58,190</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>60,337</b>	<b>(177)</b>	<b>1,339</b>	<b>61,499</b>	<b>61,499</b>	<b>-</b>	<b>100.0%</b>	<b>59,041</b>	<b>57,168</b>
Compensation of employees	43,861	(1,665)	-	42,196	42,196	-	100.0%	41,690	39,817
Salaries and wages	38,495	(1,926)	-	36,569	36,569	-	100.0%	36,465	34,592
Social contributions	5,366	261	-	5,627	5,627	-	100.0%	5,225	5,225
Goods and services	16,476	1,488	1,339	19,303	19,303	-	100.0%	17,351	17,351
Administrative fees	517	(67)	26	476	476	-	100.0%	634	634
Advertising	432	54	-	486	486	-	100.0%	442	442
Minor assets	63	(9)	-	54	54	-	100.0%	84	84
Audit costs: External	2,562	(79)	-	2,483	2,483	-	100.0%	2,316	2,316
Bursaries: Employees	180	334	-	514	514	-	100.0%	261	261
Catering: Departmental activities	933	149	235	1,317	1,317	-	100.0%	695	695
Communication	678	56	-	734	734	-	100.0%	807	807
Computer services	951	79	496	1,526	1,526	-	100.0%	1,279	1,279
Consultants: Business and advisory services	4	110	-	114	114	-	100.0%	155	155
Legal services	60	214	-	274	274	-	100.0%	77	77
Contractors	186	1	-	187	187	-	100.0%	19	19
Agency and support / outsourced services	33	(6)	-	27	27	-	100.0%	23	23
Fleet services	209	14	-	223	223	-	100.0%	216	216
Consumable supplies	247	21	-	268	268	-	100.0%	244	244
Consumable: Stationery, printing and office supplies	420	(4)	-	416	416	-	100.0%	602	602
Operating leases	2,133	534	-	2,667	2,667	-	100.0%	1,841	1,841
Property payments	1,570	584	283	2,437	2,437	-	100.0%	1,693	1,693
Travel and subsistence	3,134	(189)	299	3,244	3,244	-	100.0%	4,416	4,416
Training and development	1,080	(342)	-	738	738	-	100.0%	998	998
Operating payments	294	36	-	330	330	-	100.0%	360	360
Venues and facilities	790	(2)	-	788	788	-	100.0%	189	189

# **APPROPRIATION STATEMENT** **For the year ended the 31 March 2019**

<b>Programme 1: Administration</b>									
	<b>2018/19</b>							<b>2017/18</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Transfers and subsidies</b>	<b>268</b>	<b>-</b>	<b>(16)</b>	<b>252</b>	<b>252</b>	<b>-</b>	<b>100.0%</b>	<b>281</b>	<b>241</b>
Provinces and municipalities	193	-	(16)	177	177	-	100.0%	182	146
Municipalities	193	-	(16)	177	177	-	100.0%	182	146
Municipal bank accounts	193	-	(16)	177	177	-	100.0%	182	146
Public corporations and private enterprises	69	-	-	69	69	-	100.0%	55	55
Public corporations	69	-	-	69	69	-	100.0%	-	-
Other transfers to public corporations	69	-	-	69	69	-	100.0%	-	-
Private enterprises	-	-	-	-	-	-	-	55	55
Other transfers to private enterprises	-	-	-	-	-	-	-	55	55
Households	6	-	-	6	6	-	100.0%	44	40
Social benefits	6	-	-	6	6	-	100.0%	-	-
Other transfers to households	-	-	-	-	-	-	-	44	40
<b>Payments for capital assets</b>	<b>632</b>	<b>177</b>	<b>771</b>	<b>1,580</b>	<b>1,580</b>	<b>-</b>	<b>100.0%</b>	<b>781</b>	<b>781</b>
Machinery and equipment	621	177	771	1,569	1,569	-	100.0%	781	781
Transport equipment	137	43	627	807	807	-	100.0%	160	160
Other machinery and equipment	484	134	144	762	762	-	100.0%	621	621
Software and other intangible assets	11	-	-	11	11	-	100.0%	-	-
<b>Total</b>	<b>61,237</b>	<b>-</b>	<b>2,094</b>	<b>63,331</b>	<b>63,331</b>	<b>-</b>	<b>100.0%</b>	<b>60,103</b>	<b>58,190</b>

## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

1.1 Office of the MEC									
	2018/19							2017/18	
	Adjusted Appropriation	Shift-ing of Funds	Vire-ment	Final Appropri-ation	Actual Expendi-ture	Variance	Expendi-ture as % of final appropri-ation	Final Appro-riation	Actual expendi-ture
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>1,370</b>	<b>132</b>	<b>560</b>	<b>2,062</b>	<b>2,062</b>	-	100.0%	<b>1,713</b>	<b>1,713</b>
Goods and services	1,370	132	560	2,062	2,062	-	100.0%	1,713	1,713
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>4</b>	-
Households	-	-	-	-	-	-	-	4	-
<b>Total</b>	<b>1,370</b>	<b>132</b>	<b>560</b>	<b>2,062</b>	<b>2,062</b>	-	<b>100.0%</b>	<b>1,717</b>	<b>1,713</b>

1.2 Office of the HOD									
	2018/19							2017/18	
	Adjusted Appropriation	Shift-ing of Funds	Vire-ment	Final Appropri-ation	Actual Expendi-ture	Vari-ance	Expendi-ture as % of final appropri-ation	Final Appro-riation	Actual expendi-ture
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>6,278</b>	<b>(1,088)</b>	-	<b>5,190</b>	<b>5,190</b>	-	<b>100.0%</b>	<b>6,955</b>	<b>5,984</b>
Compensation of employees	4,867	(1,134)	-	3,733	3,733	-	100.0%	4,932	3,961
Goods and services	1,411	46	-	1,457	1,457	-	100.0%	2,023	2,023
<b>Transfers and subsidies</b>	<b>69</b>	-	-	<b>69</b>	<b>69</b>	-	<b>100.0%</b>	<b>95</b>	<b>95</b>
Public corporations and private enterprises	69	-	-	69	69	-	100.0%	55	55
<b>Payments for capital assets</b>	<b>185</b>	<b>177</b>	-	<b>362</b>	<b>362</b>	-	<b>100.0%</b>	<b>150</b>	<b>150</b>
Machinery and equipment	185	177	-	362	362	-	100.0%	150	150
<b>Total</b>	<b>6,532</b>	<b>(911)</b>	-	<b>5,621</b>	<b>5,621</b>	-	<b>100.0%</b>	<b>7,200</b>	<b>6,229</b>



## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

1.3 Corporate Services									
	2018/19							2017/18	
	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
<b>Current payments</b>	<b>25,860</b>	<b>466</b>	<b>496</b>	<b>26,822</b>	<b>26,822</b>	-	<b>100.0%</b>	<b>25,563</b>	<b>25,563</b>
Compensation of employees	22,884	(66)	-	22,818	22,818	-	100.0%	21,276	21,276
Goods and services	2,976	532	496	4,004	4,004	-	100.0%	4,287	4,287
<b>Transfers and subsidies</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Households	3	-	-	3	3	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>109</b>	<b>-</b>	<b>29</b>	<b>138</b>	<b>138</b>	<b>-</b>	<b>100.0%</b>	<b>117</b>	<b>117</b>
Machinery and equipment	109	-	29	138	138	-	100.0%	117	117
<b>Total</b>	<b>25,972</b>	<b>466</b>	<b>525</b>	<b>26,963</b>	<b>26,963</b>	<b>-</b>	<b>100.0%</b>	<b>25,680</b>	<b>25,680</b>

1.4 Financial Management									
	2018/19							2017/18	
	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
<b>Current payments</b>	<b>26,829</b>	<b>313</b>	<b>283</b>	<b>27,425</b>	<b>27,425</b>	-	<b>100.0%</b>	<b>24,810</b>	<b>23,908</b>
Compensation of employees	16,110	(465)	-	15,645	15,645	-	100.0%	15,482	14,580
Goods and services	10,719	778	283	11,780	11,780	-	100.0%	9,328	9,328
<b>Transfers and subsidies</b>	<b>196</b>	<b>-</b>	<b>(16)</b>	<b>180</b>	<b>180</b>	<b>-</b>	<b>100.0%</b>	<b>182</b>	<b>146</b>
Provinces and municipalities	193	-	(16)	177	177	-	100.0%	182	146
Households	3	-	-	3	3	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>338</b>	<b>-</b>	<b>742</b>	<b>1,080</b>	<b>1,080</b>	<b>-</b>	<b>100.0%</b>	<b>514</b>	<b>514</b>
Machinery and equipment	327	-	742	1,069	1,069	-	100.0%	514	514
Software and other intangible assets	11	-	-	11	11	-	100.0%	-	-
<b>Total</b>	<b>27,363</b>	<b>313</b>	<b>1,009</b>	<b>28,685</b>	<b>28,685</b>	<b>-</b>	<b>100.0%</b>	<b>25,506</b>	<b>24,568</b>

## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

<b>Programme 2: Integrated Economic Development Services</b>									
	<b>2018/19</b>							<b>2017/18</b>	
	<b>Adjusted Appropriation</b>	<b>Shift-ing of Funds</b>	<b>Vire-ment</b>	<b>Final Appropriation</b>	<b>Actual Expend-iture</b>	<b>Vari-ance</b>	<b>Expendi-ture as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual ex-pend-iture</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Sub programme</b>									
1. Enterprise Development	13,243	(438)	(347)	12,458	12,458	-	100.0%	35,184	26,995
2. Regional and Local Economic Development	8,112	(244)	(136)	7,732	7,732	-	100.0%	7,683	7,279
3. Economic Empowerment	5,616	94	(114)	5,596	5,596	-	100.0%	5,064	5,064
4. Economic Growth and Development Fund	31,622	(30)	(145)	31,447	30,844	603	98.1%	28,165	26,092
5. Office of the Chief Director	7,827	618	(33)	8,412	8,412	-	100.0%	9,562	9,523
<b>Total for sub programmes</b>	<b>66,420</b>	<b>-</b>	<b>(775)</b>	<b>65,645</b>	<b>65,042</b>	<b>603</b>	<b>99.1%</b>	<b>85,658</b>	<b>74,953</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>26,410</b>	<b>(217)</b>	<b>(630)</b>	<b>25,563</b>	<b>25,563</b>	<b>-</b>	<b>100.0%</b>	<b>45,257</b>	<b>37,258</b>
Compensation of employees	16,407	(437)	(445)	15,525	15,525	-	100.0%	15,342	14,013
Salaries and wages	14,544	(442)	(380)	13,722	13,722	-	100.0%	13,430	12,277
Social contributions	1,863	5	(65)	1,803	1,803	-	100.0%	1,912	1,736
Goods and services	10,003	220	(185)	10,038	10,038	-	100.0%	29,915	23,245
Administrative fees	626	48	-	674	674	-	100.0%	335	335
Advertising	751	89	-	840	840	-	100.0%	1,578	1,578
Minor assets	16	17	-	33	33	-	100.0%	22	22
Audit costs: External	196	(196)	-	-	-	-	-	-	-
Bursaries: Employees	62	47	-	109	109	-	100.0%	38	38
Catering: Departmental activities	587	85	-	672	672	-	100.0%	588	588
Communication	211	32	-	243	243	-	100.0%	258	258
Computer services	-	3	-	3	3	-	100.0%	-	-
Consultants: Business and advisory services	190	(40)	-	150	150	-	100.0%	433	433
Contractors	582	(155)	(185)	242	242	-	100.0%	6792	122
Fleet services	37	27	-	64	64	-	100.0%	45	45
Consumable supplies	54	20	-	74	74	-	100.0%	21	21
Consumable: Stationery, printing and office supplies	99	2	-	101	101	-	100.0%	272	272
Operating leases	254	304	-	558	558	-	100.0%	1,571	1,571
Property payments	1,063	154	-	1,217	1,217	-	100.0%	15,790	15,790
Travel and subsistence	4,988	(109)	-	4,879	4,879	-	100.0%	1,895	1,895
Training and development	27	(27)	-	-	-	-	-	35	35
Operating payments	68	10	-	78	78	-	100.0%	27	27
Venues and facilities	192	(91)	-	101	101	-	100.0%	215	215

# **APPROPRIATION STATEMENT** **For the year ended the 31 March 2019**

<b>Programme 2: Integrated Economic Development Services</b>									
	<b>2018/19</b>							<b>2017/18</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Transfers and subsidies</b>	<b>39,810</b>	<b>-</b>	<b>(145)</b>	<b>39,665</b>	<b>39,062</b>	<b>603</b>	<b>98.5%</b>	<b>40,069</b>	<b>37,363</b>
Provinces and municipalities	1,705	(150)	-	1,555	1,555	-	100.0%	1,584	1,584
Provinces	1,412	-	-	1,412	1,412	-	100.0%	-	-
Provincial agencies and funds	1,412	-	-	1,412	1,412	-	100.0%	-	-
Municipalities	293	(150)	-	143	143	-	100.0%	1,584	1,584
Municipal bank accounts	293	(150)	-	143	143	-	100.0%	1,584	1,584
Departmental agencies and accounts	5,882	(80)	-	5,802	5,802	-	100.0%	7,374	6,741
Departmental agencies	5,882	(80)	-	5,802	5,802	-	100.0%	7,374	6,741
Higher education institutions	600	-	-	600	600	-	100.0%	416	416
Public corporations and private enterprises	31,622	230	(145)	31,707	31,104	603	98.1%	30,666	28,593
Private enterprises	31,622	230	(145)	31,707	31,104	603	98.1%	30,666	28,593
Other transfers to private enterprises	31,622	230	(145)	31,707	31,104	603	98.1%	30,666	28,593
Households	1	-	-	1	1	-	100.0%	29	29
Social benefits	1	-	-	1	1	-	100.0%	29	29
<b>Payments for capital assets</b>	<b>200</b>	<b>217</b>	<b>-</b>	<b>417</b>	<b>417</b>	<b>-</b>	<b>100.0%</b>	<b>332</b>	<b>332</b>
Machinery and equipment	200	217	-	417	417	-	100.0%	332	332
Transport equipment	34	58	-	92	92	-	100.0%	71	71
Other machinery and equipment	166	159	-	325	325	-	100.0%	261	261
<b>Total</b>	<b>66,420</b>	<b>-</b>	<b>(775)</b>	<b>65,645</b>	<b>65,042</b>	<b>603</b>	<b>99.1%</b>	<b>85,658</b>	<b>74,953</b>

## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

<b>2.1 Enterprise Development</b>									
	<b>2018/19</b>							<b>2017/18</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>7,131</b>	<b>(468)</b>	<b>(347)</b>	<b>6,316</b>	<b>6,316</b>	<b>-</b>	<b>100.0%</b>	<b>25,306</b>	<b>17,750</b>
Compensation of employees	5,098	(137)	(162)	4,799	4,799	-	100.0%	4,827	3,941
Goods and services	2,033	(331)	(185)	1,517	1,517	-	100.0%	20,479	13,809
<b>Transfers and subsidies</b>	<b>6,032</b>	<b>30</b>	<b>-</b>	<b>6,062</b>	<b>6,062</b>	<b>-</b>	<b>100.0%</b>	<b>9,875</b>	<b>9,242</b>
Provinces and municipalities	150	(150)	-	-	-	-	-	-	-
Departmental agencies and accounts	5,882	(80)	-	5,802	5,802	-	100.0%	6,875	6,242
Public corporations and private enterprises	-	260	-	260	260	-	100.0%	3,000	3,000
<b>Payments for capital assets</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>80</b>	<b>-</b>	<b>100.0%</b>	<b>3</b>	<b>3</b>
Machinery and equipment	80	-	-	80	80	-	100.0%	3	3
<b>Total</b>	<b>13,243</b>	<b>(438)</b>	<b>(347)</b>	<b>12,458</b>	<b>12,458</b>	<b>-</b>	<b>100.0%</b>	<b>35,184</b>	<b>26,995</b>



## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

2.2 Regional and Local Economic Development									
Economic classification	2018/19							2017/18	
	Adjusted Appropriation	Shift-ing of Funds	Vire-ment	Final Appropri-ation	Actual Expendi-ture	Vari-ance	Expendi-ture as % of final appro-priation	Final Appro-riation	Actual expend-iture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>5,929</b>	<b>(374)</b>	<b>(136)</b>	<b>5,419</b>	<b>5,419</b>	-	<b>100.0%</b>	<b>5,609</b>	<b>5,205</b>
Compensation of employees	4,737	(300)	(136)	4,301	4,301	-	100.0%	4,644	4,240
Goods and services	1,192	(74)	-	1,118	1,118	-	100.0%	965	965
<b>Transfers and subsidies</b>	<b>2,155</b>	<b>-</b>	<b>-</b>	<b>2,155</b>	<b>2,155</b>	<b>-</b>	<b>100.0%</b>	<b>2,029</b>	<b>2,029</b>
Provinces and municipalities	1,555	-	-	1,555	1,555	-	100.0%	1,584	1,584
Higher education institutions	600	-	-	600	600	-	100.0%	416	416
Households	-	-	-	-	-	-	-	29	29
<b>Payments for capital assets</b>	<b>28</b>	<b>130</b>	<b>-</b>	<b>158</b>	<b>158</b>	<b>-</b>	<b>100.0%</b>	<b>45</b>	<b>45</b>
Machinery and equipment	28	130	-	158	158	-	100.0%	45	45
<b>Total</b>	<b>8,112</b>	<b>(244)</b>	<b>(136)</b>	<b>7,732</b>	<b>7,732</b>	<b>-</b>	<b>100.0%</b>	<b>7,683</b>	<b>7,279</b>

2.3 Economic Empowerment									
Economic classification	2018/19							2017/18	
	Adjusted Appropriation	Shift-ing of Funds	Vire-ment	Final Appropri-ation	Actual Expendi-ture	Vari-ance	Expendi-ture as % of final appro-priation	Final Appro-riation	Actual expend-iture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>5,598</b>	<b>65</b>	<b>(114)</b>	<b>5,549</b>	<b>5,549</b>	<b>-</b>	<b>100.0%</b>	<b>5,006</b>	<b>5,006</b>
Compensation of employees	4,837	-	(114)	4,723	4,723	-	100.0%	4,289	4,289
Goods and services	761	65	-	826	826	-	100.0%	717	717
<b>Transfers and subsidies</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Households	1	-	-	1	1	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>17</b>	<b>29</b>	<b>-</b>	<b>46</b>	<b>46</b>	<b>-</b>	<b>100.0%</b>	<b>58</b>	<b>58</b>
Machinery and equipment	17	29	-	46	46	-	100.0%	58	58
<b>Total</b>	<b>5,616</b>	<b>94</b>	<b>(114)</b>	<b>5,596</b>	<b>5,596</b>	<b>-</b>	<b>100.0%</b>	<b>5,064</b>	<b>5,064</b>

## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

2.4 Economic Growth and Development Fund									
2018/19								2017/18	
	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
<b>Transfers and subsidies</b>	<b>31,622</b>	<b>(30)</b>	<b>(145)</b>	<b>31,447</b>	<b>30,844</b>	<b>603</b>	<b>98.1%</b>	<b>28,165</b>	<b>26,092</b>
Departmental agencies and accounts	-	-	-	-	-	-	-	499	499
Public corporations and private enterprises	31,622	(30)	(145)	31,447	30,844	603	98.1%	27,666	25,593
<b>Total</b>	<b>31,622</b>	<b>(30)</b>	<b>(145)</b>	<b>31,447</b>	<b>30,844</b>	<b>603</b>	<b>98.1%</b>	<b>28,165</b>	<b>26,092</b>

2.5 Office of the Chief Director									
2018/19								2017/18	
	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
<b>Current payments</b>	<b>7,752</b>	<b>560</b>	<b>(33)</b>	<b>8,279</b>	<b>8,279</b>	<b>-</b>	<b>100.0%</b>	<b>9,336</b>	<b>9,297</b>
Compensation of employees	1,735	-	(33)	1,702	1,702	-	100.0%	1,582	1,543
Goods and services	6,017	560	-	6,577	6,577	-	100.0%	7,754	7,754
<b>Payments for capital assets</b>	<b>75</b>	<b>58</b>	<b>-</b>	<b>133</b>	<b>133</b>	<b>-</b>	<b>100.0%</b>	<b>226</b>	<b>226</b>
Machinery and equipment	75	58	-	133	133	-	100.0%	226	226
<b>Total</b>	<b>7,827</b>	<b>618</b>	<b>(33)</b>	<b>8,412</b>	<b>8,412</b>	<b>-</b>	<b>100.0%</b>	<b>9,562</b>	<b>9,523</b>

# **APPROPRIATION STATEMENT** **For the year ended the 31 March 2019**

<b>Programme 3: Trade and Sector Development</b>									
	<b>2018/19</b>							<b>2017/18</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Sub programme</b>									
<b>1. Trade and Investment Promotion</b>	<b>34,939</b>	<b>-</b>	<b>141</b>	<b>35,080</b>	<b>30,080</b>	<b>5,000</b>	<b>85.7%</b>	<b>15,857</b>	<b>15,857</b>
<b>2. Sector Development</b>	<b>22,103</b>	<b>(553)</b>	<b>35</b>	<b>21,585</b>	<b>21,585</b>	<b>-</b>	<b>100.0%</b>	<b>15,650</b>	<b>14,365</b>
<b>3. Strategic Initiatives</b>	<b>9,274</b>	<b>(456)</b>	<b>(1,569)</b>	<b>7,249</b>	<b>7,249</b>	<b>-</b>	<b>100.0%</b>	<b>7,995</b>	<b>7,410</b>
<b>4. Office of the Chief Director</b>	<b>4,306</b>	<b>1,009</b>	<b>46</b>	<b>5,361</b>	<b>5,361</b>	<b>-</b>	<b>100.0%</b>	<b>5,497</b>	<b>5,472</b>
<b>Total for sub programmes</b>	<b>70,622</b>	<b>-</b>	<b>(1,347)</b>	<b>69,275</b>	<b>64,275</b>	<b>5,000</b>	<b>92.8%</b>	<b>44,999</b>	<b>43,104</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>32,281</b>	<b>-</b>	<b>180</b>	<b>32,461</b>	<b>32,461</b>	<b>-</b>	<b>100.0%</b>	<b>25,538</b>	<b>25,428</b>
Compensation of employees	11,258	-	84	11,342	11,342	-	100.0%	10,541	10,431
Salaries and wages	10,201	(60)	(106)	10,035	10,035	-	100.0%	9,319	9,220
Social contributions	1,057	60	190	1,307	1,307	-	100.0%	1,222	1,211
Goods and services	21,023	-	96	21,119	21,119	-	100.0%	14,997	14,997
Administrative fees	374	(18)	-	356	356	-	100.0%	361	361
Advertising	1,880	108	-	1,988	1,988	-	100.0%	1,011	1,011
Minor assets	19	(6)	-	13	13	-	100.0%	9	9
Audit costs: External	186	(186)	-	-	-	-	-	-	-
Bursaries: Employees	20	(19)	-	1	1	-	100.0%	41	41
Catering: Departmental activities	271	(40)	-	231	231	-	100.0%	362	362
Communication	177	116	9	302	302	-	100.0%	237	237
Consultants: Business and advisory services	500	(500)	-	-	-	-	-	127	127
Legal services	316	20	87	423	423	-	100.0%	100	100

## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

Programme 3: Trade and Sector Development									
	2018/19							2017/18	
	Adjusted Appropriation	Shift-ing of Funds	Vire-ment	Final Appropriation	Actual Expendi-ture	Vari-ance	Expendi-ture as % of final appropri-ation	Final Approp-riation	Actual expend-iture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Contractors	8,600	-	-	8,600	8,600	-	100.0%	3,701	3,701
Fleet services	10	1	-	11	11	-	100.0%	31	31
Consumable supplies	16	3	-	19	19	-	100.0%	77	77
Consumable: Stationery, printing and office supplies	26	-	-	26	26	-	100.0%	111	111
Operating leases	1,126	289	-	1,415	1,415	-	100.0%	1,215	1,215
Property payments	2,390	199	-	2,589	2,589	-	100.0%	2,808	2,808
Travel and subsistence	4,336	(225)	-	4,111	4,111	-	100.0%	2,890	2,890
Training and development	60	(60)	-	-	-	-	-	169	169
Operating payments	31	6	-	37	37	-	100.0%	121	121
Venues and facilities	685	312	-	997	997	-	100.0%	1,626	1,626
<b>Transfers and subsidies</b>	<b>38,229</b>	<b>-</b>	<b>(1,605)</b>	<b>36,624</b>	<b>31,624</b>	<b>5,000</b>	<b>86.3%</b>	<b>19,349</b>	<b>17,564</b>
Departmental agencies and accounts	38,229	-	(1,605)	36,624	31,624	5,000	86.3%	19,349	17,564
Departmental agencies	38,229	-	(1,605)	36,624	31,624	5,000	86.3%	19,349	17,564
<b>Payments for capital assets</b>	<b>112</b>	<b>-</b>	<b>78</b>	<b>190</b>	<b>190</b>	<b>-</b>	<b>100.0%</b>	<b>112</b>	<b>112</b>
Machinery and equipment	112	-	78	190	190	-	100.0%	112	112
Transport equipment	4	-	11	15	15	-	100.0%	6	6
Other machinery and equipment	108	-	67	175	175	-	100.0%	106	106
<b>Total</b>	<b>70,622</b>	<b>-</b>	<b>(1,347)</b>	<b>69,275</b>	<b>64,275</b>	<b>5,000</b>	<b>92.8%</b>	<b>44,999</b>	<b>43,104</b>

## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

3.1 Trade and Investment Promotion									
Economic classification	2018/19							2017/18	
	Adjusted Appropriation	Shift-ing of Funds	Vire-ment	Final Approp-iation	Actual Expendi-ture	Vari-ance	Expendi-ture as % of final approp-iation	Final Approp-iation	Actual ex-pendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>7,582</b>	-	<b>128</b>	<b>7,710</b>	<b>7,710</b>	-	<b>100.0%</b>	<b>5,183</b>	<b>5,183</b>
Compensation of employees	3,012	-	41	3,053	3,053	-	100.0%	2,350	2,350
Goods and services	4,570	-	87	4,657	4,657	-	100.0%	2,833	2,833
<b>Transfers and subsidies</b>	<b>27,329</b>	-	-	<b>27,329</b>	<b>22,329</b>	<b>5,000</b>	<b>81.7%</b>	<b>10,664</b>	<b>10,664</b>
Departmental agencies and accounts	27,329	-	-	27,329	22,329	5,000	81.7%	10,664	10,664
<b>Payments for capital assets</b>	<b>28</b>	-	<b>13</b>	<b>41</b>	<b>41</b>	-	<b>100.0%</b>	<b>10</b>	<b>10</b>
Machinery and equipment	28	-	13	41	41	-	100.0%	10	10
<b>Total</b>	<b>34,939</b>	-	<b>141</b>	<b>35,080</b>	<b>30,080</b>	<b>5,000</b>	<b>85.7%</b>	<b>15,857</b>	<b>15,857</b>

3.2 Sector Development									
Economic classification	2018/19							2017/18	
	Adjusted Appropriation	Shift-ing of Funds	Vire-ment	Final Approp-iation	Actual Expendi-ture	Vari-ance	Expendi-ture as % of final approp-iation	Final Approp-iation	Actual expend-iture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>16,303</b>	<b>(553)</b>	<b>35</b>	<b>15,785</b>	<b>15,785</b>	-	<b>100.0%</b>	<b>10,824</b>	<b>10,824</b>
Compensation of employees	5,069	-	35	5,104	5,104	-	100.0%	5,037	5,037
Goods and services	11,234	(553)	-	10,681	10,681	-	100.0%	5,787	5,787
<b>Transfers and subsidies</b>	<b>5,800</b>	-	-	<b>5,800</b>	<b>5,800</b>	-	<b>100.0%</b>	<b>4,785</b>	<b>3,500</b>
Departmental agencies and accounts	5,800	-	-	5,800	5,800	-	100.0%	4,785	3,500
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	<b>41</b>	<b>41</b>
Machinery and equipment	-	-	-	-	-	-	-	41	41
<b>Total</b>	<b>22,103</b>	<b>(553)</b>	<b>35</b>	<b>21,585</b>	<b>21,585</b>	-	<b>100.0%</b>	<b>15,650</b>	<b>14,365</b>



## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

3.3 Strategic Initiatives									
	2018/19							2017/18	
	Adjusted Appropriation	Shift-ing of Funds	Vire-ment	Final Approp-riation	Actual Expendi-ture	Vari-ance	Expendi-ture as % of final approp-riation	Final Approp-riation	Actual expendi-ture
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>4,154</b>	<b>(456)</b>	<b>5</b>	<b>3,703</b>	<b>3,703</b>	<b>-</b>	<b>100.0%</b>	<b>4,076</b>	<b>3,991</b>
Compensation of employees	1,840	-	5	1,845	1,845	-	100.0%	1,753	1,668
Goods and services	2,314	(456)	-	1,858	1,858	-	100.0%	2,323	2,323
<b>Transfers and subsidies</b>	<b>5,100</b>	<b>-</b>	<b>(1,605)</b>	<b>3,495</b>	<b>3,495</b>	<b>-</b>	<b>100.0%</b>	<b>3,900</b>	<b>3,400</b>
Departmental agencies and accounts	5,100	-	(1,605)	3,495	3,495	-	100.0%	3,900	3,400
<b>Payments for capital assets</b>	<b>20</b>	<b>-</b>	<b>31</b>	<b>51</b>	<b>51</b>	<b>-</b>	<b>100.0%</b>	<b>19</b>	<b>19</b>
Machinery and equipment	20	-	31	51	51	-	100.0%	19	19
<b>Total</b>	<b>9,274</b>	<b>(456)</b>	<b>(1,569)</b>	<b>7,249</b>	<b>7,249</b>	<b>-</b>	<b>100.0%</b>	<b>7,995</b>	<b>7,410</b>

3.4 Office of the Chief Director									
	2018/19							2017/18	
	Adjusted Appropriation	Shift-ing of Funds	Vire-ment	Final Approp-riation	Actual Expendi-ture	Vari-ance	Expendi-ture as % of final approp-riation	Final Approp-riation	Actual expendi-ture
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>4,242</b>	<b>1,009</b>	<b>12</b>	<b>5,263</b>	<b>5,263</b>	<b>-</b>	<b>100.0%</b>	<b>5,455</b>	<b>5,430</b>
Compensation of employees	1,337	-	3	1,340	1,340	-	100.0%	1,401	1,376
Goods and services	2,905	1,009	9	3,923	3,923	-	100.0%	4,054	4,054
<b>Payments for capital assets</b>	<b>64</b>	<b>-</b>	<b>34</b>	<b>98</b>	<b>98</b>	<b>-</b>	<b>100.0%</b>	<b>42</b>	<b>42</b>
Machinery and equipment	64	-	34	98	98	-	100.0%	42	42
<b>Total</b>	<b>4,306</b>	<b>1,009</b>	<b>46</b>	<b>5,361</b>	<b>5,361</b>	<b>-</b>	<b>100.0%</b>	<b>5,497</b>	<b>5,472</b>

# **APPROPRIATION STATEMENT** **For the year ended the 31 March 2019**

<b>Programme 4: Business Regulation and Governance</b>									
	<b>2018/19</b>							<b>2017/18</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Sub programme</b>									
1. Corporate Governance	2,633	(31)	-	2,602	2,602	-	100.0%	3,177	2,886
2. Consumer Protection	10,526	7	-	10,533	10,533	-	100.0%	9,640	9,522
3. Liquor Regulation	12,605	24	23	12,652	12,652	-	100.0%	11,779	11,779
4. Gambling and Betting	14,779	-	67	14,846	1,846	-	100.0%	13,990	13,990
<b>Total for sub programmes</b>	<b>40,543</b>	<b>-</b>	<b>90</b>	<b>40,633</b>	<b>40,633</b>	<b>-</b>	<b>100.0%</b>	<b>38,586</b>	<b>38,177</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>13,179</b>	<b>(74)</b>	<b>44</b>	<b>13,149</b>	<b>13,149</b>	<b>-</b>	<b>100.0%</b>	<b>12,691</b>	<b>12,282</b>
Compensation of employees	10,186	(104)	-	10,082	10,082	-	100.0%	9,552	9,143
Salaries and wages	8,986	(119)	-	8,867	8,867	-	100.0%	8,482	8,073
Social contributions	1,200	15	-	1,215	1,215	-	100.0%	1,070	1,070
Goods and services	2,993	30	44	3,067	3,067	-	100.0%	3,139	3,139
Administrative fees	33	(1)	-	32	32	-	100.0%	175	175
Advertising	37	74	-	111	111	-	100.0%	324	324
Minor assets	18	(18)	-	-	-	-	-	9	9
Audit costs: External	25	(25)	-	-	-	-	-	-	-
Bursaries: Employees	-	67	-	67	67	-	100.0%	7	7
Catering: Departmental activities	34	26	-	60	60	-	100.0%	70	70
Communication	192	25	15	232	232	-	100.0%	135	135
Computer services	-	14	-	14	14	-	100.0%	-	-
Legal services	225	(4)	-	221	221	-	100.0%	3	3
Contractors	-	-	-	-	-	-	-	1	1
Fleet services	178	78	29	285	285	-	100.0%	218	218

## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

Programme 4: Business Regulation and Governance									
	2018/19							2017/18	
	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 supplies	17	4	-	21	21	-	100.0%	10	10
Consumable: Stationery, printing and office supplies	-	71	-	71	71	-	100.0%	141	141
Operating leases	1,267	(123)	-	1,144	1,144	-	100.0%	1,198	1,198
Property payments	412	(100)	-	312	312	-	100.0%	336	336
Travel and subsistence	481	(12)	-	469	469	-	100.0%	472	472
Training and development	20	(20)	-	-	-	-	-	29	29
Operating payments	9	7	-	16	16	-	100.0%	9	9
Venues and facilities	45	(33)	-	12	12	-	100.0%	2	2
<b>Transfers and subsidies</b>	<b>27,299</b>	<b>-</b>	<b>-</b>	<b>27,299</b>	<b>27,299</b>	<b>-</b>	<b>100.0%</b>	<b>25,676</b>	<b>25,676</b>
Departmental agencies and accounts	27,299	-	-	27,299	27,299	-	100.0%	25,670	25,670
Social security funds									
Departmental agencies	27,299	-	-	27,299	27,299	-	100.0%	25,670	25,670
Households	-	-	-	-	-	-	-	6	6
Social benefits	-	-	-	-	-	-	-	6	6
<b>Payments for capital assets</b>	<b>65</b>	<b>74</b>	<b>46</b>	<b>185</b>	<b>185</b>	<b>-</b>	<b>100.0%</b>	<b>219</b>	<b>219</b>
Machinery and equipment	65	74	46	185	185	-	100.0%	219	219
Transport equipment	67	48	46	161	161	-	100.0%	191	191
Other machinery and equipment	(2)	26	-	24	24	-	100.0%	28	28
<b>Total</b>	<b>40,543</b>	<b>-</b>	<b>90</b>	<b>40,633</b>	<b>40,633</b>	<b>-</b>	<b>100.0%</b>	<b>38,586</b>	<b>38,177</b>

## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

4.1 Corporate Governance									
2018/19								2017/18	
	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
<b>Current payments</b>	<b>2,633</b>	<b>(31)</b>	-	<b>2,602</b>	<b>2,602</b>	-	<b>100.0%</b>	<b>3,156</b>	<b>2,865</b>
Compensation of employees	2,431	(6)	-	2,425	2,425	-	100.0%	2,942	2,651
Goods and services	202	(25)	-	177	177	-	100.0%	214	214
<b>Total</b>	<b>2,633</b>	<b>(31)</b>	-	<b>2,602</b>	<b>2,602</b>	-	<b>100.0%</b>	<b>3,177</b>	<b>2,886</b>

4.2 Consumer Protection									
2018/19								2017/18	
	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
<b>Current payments</b>	<b>10,487</b>	<b>(67)</b>	-	<b>10,420</b>	<b>10,420</b>	-	<b>100.0%</b>	<b>9,463</b>	<b>9,345</b>
Compensation of employees	7,755	(98)	-	7,657	7,657	-	100.0%	6,610	6,492
Goods and services	2,732	31	-	2,763	2,763	-	100.0%	2,853	2,853
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>6</b>	<b>6</b>
Households	-	-	-	-	-	-	-	6	6
<b>Payments for capital assets</b>	<b>39</b>	<b>74</b>	-	<b>113</b>	<b>113</b>	-	<b>100.0%</b>	<b>171</b>	<b>171</b>
Machinery and equipment	39	74	-	113	113	-	100.0%	171	171
<b>Total</b>	<b>10,526</b>	<b>7</b>	-	<b>10,533</b>	<b>10,533</b>	-	<b>100.0%</b>	<b>9,640</b>	<b>9,522</b>

## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

4.3 Liquor Regulation									
	2018/19							2017/18	
	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
<b>Economic classification</b>									
<b>Current payments</b>	4	24	6	34	34	-	100.0%	14	14
Compensation of employees									
Goods and services	4	24	6	34	34	-	100.0%	14	14
<b>Transfers and subsidies</b>	12,595	-	-	12,595	12,595	-	100.0%	11,755	11,755
Departmental agencies and accounts	12,595	-	-	12,595	12,595	-	100.0%	11,755	11,755
<b>Payments for capital assets</b>	6	-	17	23	23	-	100.0%	10	10
Machinery and equipment	6	-	17	23	23	-	100.0%	10	10
<b>Total</b>	<b>12,605</b>	<b>24</b>	<b>23</b>	<b>12,652</b>	<b>12,652</b>	<b>-</b>	<b>100.0%</b>	<b>11,779</b>	<b>11,779</b>

4.4 Gambling and Betting									
	2018/19							2017/18	
	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
<b>Economic classification</b>									
<b>Current payments</b>	55	-	38	93	93	-	100.0%	58	58
Compensation of employees									
Goods and services	55	-	38	93	93	-	100.0%	58	58
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	14,704	-	-	14,704	14,704	-	100.0%	13,915	13,915
Departmental agencies and accounts	14,704	-	-	14,704	14,704	-	100.0%	13,915	13,915
<b>Payments for capital assets</b>	20	-	29	49	49	-	100.0%	17	17
Machinery and equipment	20	-	29	49	49	-	100.0%	17	17
<b>Total</b>	<b>14,779</b>	<b>-</b>	<b>67</b>	<b>14,846</b>	<b>14,846</b>	<b>-</b>	<b>100.0%</b>	<b>13,990</b>	<b>13,990</b>



# **APPROPRIATION STATEMENT** **For the year ended the 31 March 2019**

<b>Programme 5: Economic Planning</b>									
	<b>2018/19</b>							<b>2017/18</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Sub programme</b>									
1. Policy and Planning	3,760	282	-	4,042	3,733	309	92.4%	3253	3253
2. Research and Development	3,201	(224)	(372)	2,605	2,605	-	100.0%	3561	3343
3. Knowledge Management	7,656	(316)	(169)	7,171	7,171	-	100.0%	6848	6848
4. Monitoring and Evaluation	2,919	239	-	3,158	3,158	-	100.0%	2830	2830
5. Office of the Chief Director	4,555	19	(79)	4,495	4,495	-	100.0%	3900	3900
<b>Total for sub programmes</b>	<b>22,091</b>	<b>-</b>	<b>(620)</b>	<b>21,471</b>	<b>21,162</b>	<b>309</b>	<b>98.6%</b>	<b>20392</b>	<b>20174</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>20,327</b>	<b>-</b>	<b>(560)</b>	<b>19,767</b>	<b>19,458</b>	<b>309</b>	<b>98.4%</b>	<b>18,663</b>	<b>18,445</b>
Compensation of employees	14,387	-	(383)	14,004	14,004	-	100.0%	13,505	13,287
Salaries and wages	13,018	(156)	(430)	12,432	12,432	-	100.0%	12,010	11,803
Social contributions	1,369	156	47	1,572	1,572	-	100.0%	1,495	1,484
Goods and services	5,940	-	(177)	5,763	5,454	309	94.6%	5,158	5,158
Administrative fees	264	11	(19)	256	256	-	100.0%	195	195
Advertising	80	(17)	-	63	63	-	100.0%	416	416
Minor assets	33	(12)	-	21	21	-	100.0%	141	141
Audit costs: External	79	(79)	-	-	-	-	-	-	-
Bursaries: Employees	55	127	(54)	128	128	-	100.0%	196	196
Catering: Departmental activities	471	181	-	652	652	-	100.0%	366	366
Communication	477	(99)	(104)	274	274	-	100.0%	230	230
Computer services	136	(136)	-	-	-	-	-	-	-
Consultants: Business and advisory services	188	121	-	309	-	309	-	-	-
Fleet services	79	57	-	136	136	-	100.0%	91	91
Consumable supplies	26	6	-	32	32	-	100.0%	15	15
Consumable: Stationery, printing and office supplies	26	6	-	32	32	-	100.0%	138	138
Operating leases	1,260	103	-	1,363	1,363	-	100.0%	1,215	1,215
Property payments	530	31	-	561	561	-	100.0%	319	319
Travel and subsistence	1,840	(158)	-	1,682	1,682	-	100.0%	1,595	1,595
Training and development	134	(98)	-	36	36	-	100.0%	77	77
Operating payments	51	(20)	-	31	31	-	100.0%	35	35
Venues and facilities	211	(24)	-	187	187	-	100.0%	129	129

## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

Programme 5: Economic Planning									
	2018/19							2017/18	
	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
<b>Transfers and subsidies</b>	<b>1,500</b>	-	-	<b>1,500</b>	<b>1,500</b>	-	<b>100.0%</b>	<b>1,500</b>	<b>1,500</b>
Higher education institutions	1,500	-	-	1,500	1,500	-	100.0%	1,500	1,500
<b>Payments for capital assets</b>	<b>264</b>	-	<b>(60)</b>	<b>204</b>	<b>204</b>	-	<b>100.0%</b>	<b>229</b>	<b>229</b>
Machinery and equipment	264	(6)	(60)	198	198	-	100.0%	229	229
Transport equipment	43	38	-	81	81	-	100.0%	84	84
Other machinery and equipment	221	(44)	(60)	117	117	-	100.0%	145	145
Software and other intangible assets	-	6	-	6	6	-	100.0%	-	-
<b>Total</b>	<b>22,091</b>	-	<b>(620)</b>	<b>21,471</b>	<b>21,162</b>	<b>309</b>	<b>98.6%</b>	<b>20,392</b>	<b>20,174</b>

5.1 Policy and Planning									
	2018/19							2017/18	
	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
<b>Current payments</b>	<b>3,742</b>	<b>265</b>	-	<b>4,007</b>	<b>3,698</b>	<b>309</b>	<b>92.3%</b>	<b>3,165</b>	<b>3,165</b>
Compensation of employees	3,218	74	-	3,292	3,292	-	100.0%	2,559	2,559
Goods and services	524	191	-	715	406	309	56.8%	606	606
<b>Payments for capital assets</b>	<b>18</b>	<b>17</b>	-	<b>35</b>	<b>35</b>	-	<b>100.0%</b>	<b>88</b>	<b>88</b>
Machinery and equipment	18	17	-	35	35	-	100.0%	88	88
<b>Total</b>	<b>3,760</b>	<b>282</b>	-	<b>4,042</b>	<b>3,733</b>	<b>309</b>	<b>92.4%</b>	<b>3,253</b>	<b>3,253</b>

## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

5.2 Research and Development									
	2018/19							2017/18	
	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
<b>Current payments</b>	<b>3,151</b>	<b>(205)</b>	<b>(372)</b>	<b>2,574</b>	<b>2,574</b>	-	<b>100.0%</b>	<b>3,551</b>	<b>3,333</b>
Compensation of employees	2,703	(205)	(318)	2,180	2,180	-	100.0%	3,322	3,104
Goods and services	448	-	(54)	394	394	-	100.0%	229	229
<b>Payments for capital assets</b>	<b>50</b>	<b>(19)</b>	-	<b>31</b>	<b>31</b>	-	<b>100.0%</b>	<b>10</b>	<b>10</b>
Machinery and equipment	50	(19)	-	31	31	-	100.0%	10	10
<b>Total</b>	<b>3,201</b>	<b>(224)</b>	<b>(372)</b>	<b>2,605</b>	<b>2,605</b>	-	<b>100.0%</b>	<b>3,561</b>	<b>3,343</b>

5.3 Knowledge Management									
	2018/19							2017/18	
	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
<b>Current payments</b>	<b>6,121</b>	<b>(299)</b>	<b>(169)</b>	<b>5,653</b>	<b>5,653</b>	-	<b>100.0%</b>	<b>5,310</b>	<b>5,310</b>
Compensation of employees	4,110	-	(65)	4,045	4,045	-	100.0%	3,640	3,640
Goods and services	2,011	(299)	(104)	1,608	1,608	-	100.0%	1,670	1,670
<b>Transfers and subsidies</b>	<b>1,500</b>	-	-	<b>1,500</b>	<b>1,500</b>	-	<b>100.0%</b>	<b>1,500</b>	<b>1,500</b>
Higher education institutions	1,500	-	-	1,500	1,500	-	100.0%	1,500	1,500
<b>Payments for capital assets</b>	<b>35</b>	<b>(17)</b>	-	<b>18</b>	<b>18</b>	-	<b>100.0%</b>	<b>38</b>	<b>38</b>
Machinery and equipment	35	(17)	-	18	18	-	100.0%	38	38
<b>Total</b>	<b>7,656</b>	<b>(316)</b>	<b>(169)</b>	<b>7,171</b>	<b>7,171</b>	-	<b>100.0%</b>	<b>6,848</b>	<b>6,848</b>

## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

5.4 Monitoring and Evaluation									
2018/19								2017/18	
	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
<b>Current payments</b>	<b>2,895</b>	<b>201</b>	<b>-</b>	<b>3,096</b>	<b>3,096</b>	<b>-</b>	<b>100.0%</b>	<b>2,806</b>	<b>2,806</b>
Compensation of employees	2,452	93	-	2,545	2,545	-	100.0%	2,297	2,297
Goods and services	443	108	-	551	551	-	100.0%	509	509
<b>Payments for capital assets</b>	<b>24</b>	<b>38</b>	<b>-</b>	<b>62</b>	<b>62</b>	<b>-</b>	<b>100.0%</b>	<b>24</b>	<b>24</b>
Machinery and equipment	24	38	-	62	62	-	100.0%	24	24
<b>Total</b>	<b>2,919</b>	<b>239</b>	<b>-</b>	<b>3,158</b>	<b>3,158</b>	<b>-</b>	<b>100.0%</b>	<b>2,830</b>	<b>2,830</b>

5.5 Office of the Chief Director									
2018/19								2017/18	
	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
<b>Current payments</b>	<b>4,418</b>	<b>38</b>	<b>(19)</b>	<b>4,437</b>	<b>4,437</b>	<b>-</b>	<b>100.0%</b>	<b>3,831</b>	<b>3,831</b>
Compensation of employees	1,904	38	-	1,942	1,942	-	100.0%	1,687	1,687
Goods and services	2,514	-	(19)	2,495	2,495	-	100.0%	2,144	2,144
<b>Payments for capital assets</b>	<b>137</b>	<b>(19)</b>	<b>(60)</b>	<b>58</b>	<b>58</b>	<b>-</b>	<b>100.0%</b>	<b>69</b>	<b>69</b>
Buildings and other fixed structures									
Machinery and equipment	137	(25)	(60)	52	52	-	100.0%	69	69
Software and other intangible assets	-	6	-	6	6	-	100.0%	-	-
<b>Total</b>	<b>4,555</b>	<b>19</b>	<b>(79)</b>	<b>4,495</b>	<b>4,495</b>	<b>-</b>	<b>100.0%</b>	<b>3,900</b>	<b>3,900</b>

## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

Programme 6: Tourism									
	2018/19							2017/18	
	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
<b>Sub programme</b>									
1. Tourism Planning	5,998	27	-	6,025	6,025	-	100.0%	5,462	5,462
2. Tourism Growth and Development	57,373	(328)	499	57,544	46,322	11,222	80.5%	40,786	37,988
3. Tourism Sector Transformation	2,105	41	-	2,146	2,146	-	100.0%	2,309	2,175
4. Office of the Chief Director	4,688	260	59	5,007	5,007	-	100.0%	4,796	4,715
<b>Total for sub programmes</b>	<b>70,164</b>	<b>-</b>	<b>558</b>	<b>70,722</b>	<b>59,500</b>	<b>11,222</b>	<b>84.1%</b>	<b>53,353</b>	<b>50,340</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>34,835</b>	<b>(5,006)</b>	<b>(1,268)</b>	<b>28,561</b>	<b>24,975</b>	<b>3,586</b>	<b>87.4%</b>	<b>23,908</b>	<b>22,715</b>
Compensation of employees	11,797	(949)	-	10,848	10,848	-	100.0%	11,020	9,827
Salaries and wages	10,195	(789)	-	9,406	9,406	-	100.0%	9,636	8,488
Social contributions	1,602	(160)	-	1,442	1,442	-	100.0%	1,384	1,339
Goods and services	23,038	(4,057)	(1,268)	17,713	14,127	3,586	79.8%	12,888	12,888
Administrative fees	384	154	(88)	450	450	-	100.0%	348	348
Advertising	206	107	(19)	294	294	-	100.0%	476	476
Minor assets	50	46	-	96	96	-	100.0%	46	46
Audit costs: External	39	(39)	-	-	-	-	-	-	-
Bursaries: Employees	-	8	-	8	8	-	100.0%	49	49
Catering: Departmental activities	258	52	-	310	310	-	100.0%	275	275
Communication	229	59	-	288	288	-	100.0%	189	189
Computer services	-	3	-	3	3	-	100.0%	-	-
Consultants: Business and advisory services	998	-	(605)	393	393	-	100.0%	1,311	1,311
Legal services	43	-	-	43	43	-	100.0%	-	-
Contractors	12,511	(4,934)	(32)	7,545	3,959	3,586	52.5%	755	755
Fleet services	68	91	-	159	159	-	100.0%	143	143
Consumable supplies	81	(30)	-	51	51	-	100.0%	23	23
Consumable: Stationery, printing and office supplies	94	(34)	(34)	26	26	-	100.0%	127	127
Operating leases	1,833	41	(271)	1,603	1,603	-	100.0%	1,574	1,574
Property payments	2,062	537	-	2,599	2,599	-	100.0%	1,311	1,311
Travel and subsistence	3,693	(238)	(219)	3,236	3,236	-	100.0%	5,499	5,499
Training and development	62	76	-	138	138	-	100.0%	296	296
Operating payments	290	15	-	305	305	-	100.0%	95	95
Venues and facilities	137	29	-	166	166	-	100.0%	371	371



## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

Programme 6: Tourism									
	2018/19							2017/18	
	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
<b>Transfers and subsidies</b>	<b>34,877</b>	<b>126</b>	<b>1,767</b>	<b>36,770</b>	<b>33,699</b>	<b>3,071</b>	<b>91.6%</b>	<b>29,127</b>	<b>27,307</b>
Provinces and municipalities	3,424	(649)	-	2,775	2,775	-	100.0%	770	770
Provinces	25								
Provincial agencies and funds	25	-	-	25	25	-	100.0%	-	-
Municipalities	3,399	(649)	-	2,750	2,750	-	100.0%	770	770
Municipal bank accounts	3,399	(649)	-	2,750	2,750	-	100.0%	770	770
Departmental agencies and accounts	27,433	(200)	-	27,233	27,233	-	100.0%	24,999	23,199
Departmental agencies	27,433	(200)	-	27,233	27,233	-	100.0%	24,999	23,199
Public corporations and private enterprises	4,020	975	1,767	6,762	3,691	3,071	54.6%	3,318	3,298
Private enterprises	4,020	975	1,767	6,762	3,691	3,071	54.6%	3,318	3,298
Other transfers to private enterprises	4,020	975	1,767	6,762	3,691	3,071	54.6%	3,318	3,298
Households	-	-	-	-	-	-	-	40	40
Social benefits	-	-	-	-	-	-	-	40	40
<b>Payments for capital assets</b>	<b>452</b>	<b>315</b>	<b>59</b>	<b>826</b>	<b>826</b>	<b>-</b>	<b>100.0%</b>	<b>318</b>	<b>318</b>
Machinery and equipment	452	315	59	826	826	-	100.0%	318	318
Transport equipment	51	56	20	127	127	-	100.0%	113	113
Other machinery and equipment	401	259	39	699	699	-	100.0%	205	205
<b>Total</b>	<b>70,164</b>	<b>-</b>	<b>558</b>	<b>70,722</b>	<b>59,500</b>	<b>11,222</b>	<b>84.1%</b>	<b>53,353</b>	<b>50,340</b>

## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

6.1 Tourism Planning									
Economic classification	2018/19							2017/18	
	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
<b>Current payments</b>	<b>5,982</b>	<b>2</b>	<b>-</b>	<b>5,984</b>	<b>5,984</b>	<b>-</b>	<b>100.0%</b>	<b>5,452</b>	<b>5,452</b>
Compensation of employees	4,261	127	-	4,388	4,388	-	100.0%	3,850	3,850
Goods and services	1,721	(125)	-	1,596	1,596	-	100.0%	1,602	1,602
<b>Payments for capital assets</b>	<b>16</b>	<b>25</b>	<b>-</b>	<b>41</b>	<b>41</b>	<b>-</b>	<b>100.0%</b>	<b>10</b>	<b>10</b>
Machinery and equipment	16	25	-	41	41	-	100.0%	10	10
<b>Total</b>	<b>5,998</b>	<b>27</b>	<b>-</b>	<b>6,025</b>	<b>6,025</b>	<b>-</b>	<b>100.0%</b>	<b>5,462</b>	<b>5,462</b>

6.2 Tourism Growth and Development									
Economic classification	2018/19							2017/18	
	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
<b>Current payments</b>	<b>22,271</b>	<b>(5,253)</b>	<b>(1,268)</b>	<b>15,750</b>	<b>12,164</b>	<b>3,586</b>	<b>77.2%</b>	<b>11,549</b>	<b>10,571</b>
Compensation of employees	4,562	(608)	-	3,954	3,954	-	100.0%	4,579	3,601
Goods and services	17,709	(4,645)	(1,268)	11,796	8,210	3,586	69.6%	6,970	6,970
<b>Transfers and subsidies</b>	<b>34,877</b>	<b>126</b>	<b>1,767</b>	<b>36,770</b>	<b>33,699</b>	<b>3,071</b>	<b>91.6%</b>	<b>29,127</b>	<b>27,307</b>
Provinces and municipalities	3,424	(649)	-	2,775	2,775	-	100.0%	770	770
Provinces	25	-	-	25	25	-	-	-	-
Departmental agencies and accounts	27,433	(200)	-	27,233	27,233	-	100.0%	24,999	23,199
Public corporations and private enterprises	4,020	975	1,767	6,762	3,691	3,071	54.6%	3,318	3,298
Households	-	-	-	-	-	-	-	40	40
<b>Payments for capital assets</b>	<b>225</b>	<b>234</b>	<b>-</b>	<b>459</b>	<b>459</b>	<b>-</b>	<b>100.0%</b>	<b>110</b>	<b>110</b>
Machinery and equipment	225	234	-	459	459	-	100.0%	110	110
<b>Total</b>	<b>57,373</b>	<b>(328)</b>	<b>499</b>	<b>57,544</b>	<b>46,322</b>	<b>11,222</b>	<b>80.5%</b>	<b>40,786</b>	<b>37,988</b>

## APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

6.3 Tourism Sector Transformation									
Economic classification	2018/19							2017/18	
	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
<b>Current payments</b>	<b>2,081</b>	<b>41</b>	<b>-</b>	<b>2,122</b>	<b>2,122</b>	<b>-</b>	<b>100.0%</b>	<b>2,309</b>	<b>2,175</b>
Compensation of employees	961	(69)	-	892	892	-	100.0%	1,180	1,046
Goods and services	1,120	110	-	1,230	1,230	-	100.0%	1,129	1,129
<b>Payments for capital assets</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>24</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Machinery and equipment	24	-	-	24	24	-	100.0%	-	-
<b>Total</b>	<b>2,105</b>	<b>41</b>	<b>-</b>	<b>2,146</b>	<b>2,146</b>	<b>-</b>	<b>100.0%</b>	<b>2,309</b>	<b>2,175</b>

6.4 Office of the Chief Director									
Economic classification	2018/19							2017/18	
	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
<b>Current payments</b>	<b>4,501</b>	<b>204</b>	<b>-</b>	<b>4,705</b>	<b>4,705</b>	<b>-</b>	<b>100.0%</b>	<b>4,598</b>	<b>4,517</b>
Compensation of employees	2,013	(399)	-	1,614	1,614	-	100.0%	1,411	1,330
Goods and services	2,488	603	-	3,091	3,091	-	100.0%	3,187	3,187
<b>Payments for capital assets</b>	<b>187</b>	<b>56</b>	<b>59</b>	<b>302</b>	<b>302</b>	<b>-</b>	<b>100.0%</b>	<b>198</b>	<b>198</b>
Machinery and equipment	187	56	59	302	302	-	100.0%	198	198
<b>Total</b>	<b>4,688</b>	<b>260</b>	<b>59</b>	<b>5,007</b>	<b>5,007</b>	<b>-</b>	<b>100.0%</b>	<b>4,796</b>	<b>4,715</b>

## NOTES TO THE APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

#### 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
<b>Integrated Economic Development Services</b>				
Transfers and Subsidies	39,665	39,063	602	1.52%

An under spending, amounting R602 000 was realised on Transfers and Subsidies due to the under spending on the EGDF amounting to R602 000. A roll-over request was registered at Provincial Treasury for the unspent funds on Transfers and Subsidies in terms of the EGDF.

#### Trade and Sector Development

Transfers and Subsidies	36,624	31,624	5,000	13.65%
-------------------------	--------	--------	-------	--------

An under spending, amounting R5 000 000 was realised on Transfers and Subsidies due to the under spending on the NCEDA amounting to R5 000 000. The funding was received in the 2018 Adjustment Estimates to host a Youth Conference. Due to limited timeframe NCEDA could not finalize the planning prior to the end of the financial year. The event will be hosted in the third quarter of 2019/20 financial year. A roll-over request were registered at Provincial Treasury for the unspent funds on Transfers and Subsidies.

#### Economic Planning

Goods and Services	5,763	5,454	309	5.36%
--------------------	-------	-------	-----	-------

An under spending, amounting R309 000 was realised on Goods and Services due to the under spending on the Economic Blue Print Research Document amounting to R309 000. The service provider handed over the final draft by 31 March 2019. The research document will be finalized in the first quarter of 2019/20 financial year. A roll-over request were registered at Provincial Treasury for the unspent funds on Goods and Services.

#### Tourism

Goods and Services	22,278	14,127	8,151	36.59%
Transfers and Subsidies	36,770	33,699	3,071	8.35%

## NOTES TO THE APPROPRIATION STATEMENT

### For the year ended the 31 March 2019

An under spending, amounting R8 151 000 was realised on Goods and Services due to the KDC main event which did not take place, due to unforeseen circumstances in the 2018/19 financial year. The other regional events, Skateboarding for Hope and mini grand slams took place. A under spending, amounting to R3000 000 was realised on Transfers and Subsidies due to the under spending on the BOSCO Sports event which did not take place due to unanticipated circumstances. The event will be hosted in the second quarter of 2019/20 financial year. A roll-over request were registered at Provincial Treasury for the unspent funds on Transfers and Subsidies in term of the BOSCO Sports events. A under spending, amounting to R71 000 was realised on Transfers and Subsidies due to the under spending on Tourism Enterprise Grants. The transfer was commitment but not yet paid to the beneficiary due to administrative delays. The payment will effected in the first quarter of the 2019/20 financial year. A roll-over request were registered at Provincial Treasury for the unspent funds on Transfers and Subsidies.

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>Current payments</b>				
Compensation of employees	103,997	103,997	-	0%
Goods and services	81,568	73,108	8,460	10.37%
Interest and rent on land	-	-	-	-
<b>Transfers and subsidies</b>				
Provinces and municipalities	4,507	4,507	-	0%
Departmental agencies and accounts	96,958	91,958	5,000	5.16%
Higher education institutions	2,100	2,100	-	0%
Public corporations and private enterprises	38,538	34,865	3,673	9.53%
Households	7	7	-	0%
<b>Payments for capital assets</b>				
Machinery and equipment	3,385	3,385	-	0%
Software and other intangible assets	17	17	-	0%

An under spending, amounting R309 000 was realised on Goods and Services due to the under spending on the Economic Blue Print Research Document amounting to R309 000. The service provider handed over the final draft by 31 March 2019. The



# STATEMENT OF FINANCIAL PERFORMANCE

## For the year ended the 31 March 2019

	<i>Note</i>	<b>2018/19</b> <b>R'000</b>	<b>2017/18</b> <b>R'000</b>
<b>REVENUE</b>			
Annual appropriation	<u>1</u>	331,077	303,091
<b>TOTAL REVENUE</b>		<b>331,077</b>	<b>303,091</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	<u>4</u>	103,997	96,519
Goods and services	<u>5</u>	73,108	76,779
<b>Total current expenditure</b>		<b>177,105</b>	<b>173,298</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	<u>6</u>	133,436	109,651
<b>Total transfers and subsidies</b>		<b>133,436</b>	<b>109,651</b>
<b>Expenditure for capital assets</b>			
Tangible assets	<u>7</u>	3,385	1,989
Software and other intangible assets	<u>7</u>	17	-
<b>Total expenditure for capital assets</b>		<b>3,402</b>	<b>1,989</b>
<b>TOTAL EXPENDITURE</b>		<b>313,943</b>	<b>284,938</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>17,134</b>	<b>18,153</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		<b>17,134</b>	18,153
Annual appropriation		17,134	18,153
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>17,134</b>	<b>18,153</b>

# STATEMENT OF FINANCIAL POSITION

## as at 31 March 2019

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>19,076</b>	<b>20,685</b>
Cash and cash equivalents	8	14,083	20,359
Prepayments and advances	9	4,780	215
Receivables	10	213	111
<b>Non-current assets</b>		<b>6,796</b>	<b>6,796</b>
Receivables	10	6,796	6,796
<b>TOTAL ASSETS</b>		<b>25,872</b>	<b>27,481</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>19,076</b>	<b>20,685</b>
Voted funds to be surrendered to the Revenue Fund	11	17,134	18,153
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	1,883	2,362
Payables	13	59	170
<b>TOTAL LIABILITIES</b>		<b>19,076</b>	<b>20,685</b>
<b>NET ASSETS</b>		<b>6,796</b>	<b>6,796</b>
<b>Represented by:</b>			
Recoverable revenue		6,796	6,796
<b>TOTAL</b>		<b>6,796</b>	<b>6,796</b>

## STATEMENT OF CHANGES IN NET ASSETS

### For the year ended the 31 March 2019

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
<b>Recoverable revenue</b>			
Opening balance		6,796	6,796
Closing balance		6,796	6,796
<b>TOTAL</b>		<b>6,796</b>	<b>6,796</b>

## CASH FLOW STATEMENT

### For the year ended the 31 March 2019

	<i>Note</i>	2018/19 R'000	2017/18 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		361,480	334,160
Annual appropriated funds received	<u>1.1</u>	331,077	303,091
Departmental revenue received	<u>2</u>	30,403	31,069
Net (increase)/decrease in working capital		(4,778)	473
Surrendered to Revenue Fund		(49,035)	(42,772)
Surrendered to RDP Fund/Donor		-	(443)
Current payments		(177,105)	(173,298)
Transfers and subsidies paid		(133,436)	(109,651)
<b>Net cash flow available from operating activities</b>	<b><u>14</u></b>	<b><u>(2,874)</u></b>	<b><u>8,469</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	<u>7</u>	(3,402)	(1,989)
<b>Net cash flows from investing activities</b>		<b><u>(3,402)</u></b>	<b><u>(1,989)</u></b>
Net increase/(decrease) in cash and cash equivalents		(6,276)	6,480
Cash and cash equivalents at beginning of period		20,359	13,879
<b>Cash and cash equivalents at end of period</b>	<b><u>8</u></b>	<b><u>14,083</u></b>	<b><u>20,359</u></b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

#### 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.

<b>1</b>	<b>Basis of preparation</b> The financial statements have been prepared in accordance with the Modified Cash Standard.
<b>2</b>	<b>Going concern</b> The financial statements have been prepared on a going concern basis.
<b>3</b>	<b>Presentation currency</b> Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
<b>4</b>	<b>Rounding</b> Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
<b>5</b>	<b>Foreign currency translation</b> 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.
<b>6</b>	<b>Comparative information</b>
<b>6.1</b>	<b>Prior period comparative information</b> 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.
<b>6.2</b>	<b>Current year comparison with budget</b> A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
<b>7</b>	<b>Revenue</b>
<b>7.1</b>	<b>Appropriated funds</b> 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.
<b>7.2</b>	<b>Departmental revenue</b> Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.  Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

<b>7.3</b>	<p><b>Accrued departmental revenue</b></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"> <li>it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>the amount of revenue can be measured reliably.</li> </ul> <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>
<b>8</b>	<b>Expenditure</b>
<b>8.1</b>	<b>Compensation of employees</b>
<b>8.1.1</b>	<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
<b>8.1.2</b>	<p><b>Social contributions</b></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>
<b>8.2</b>	<p><b>Other expenditure</b></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>
<b>8.3</b>	<p><b>Accruals and payables not recognised</b></p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
<b>8.4</b>	<b>Leases</b>
<b>8.4.1</b>	<p><b>Operating leases</b></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.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
<b>8.4.2</b>	<p><b>Finance leases</b></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.</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"> <li>cost, being the fair value of the asset; or</li> <li>the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

<b>9</b>	<b>Aid Assistance</b>
<b>9.1</b>	<p><b>Aid assistance received</b></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>
<b>9.2</b>	<p><b>Aid assistance paid</b></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>
<b>10</b>	<p><b>Cash and cash equivalents</b></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>
<b>11</b>	<p><b>Prepayments and advances</b></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> <p>&lt;Indicate when prepayments are expensed and under what circumstances.&gt;</p>
<b>12</b>	<p><b>Loans and receivables</b></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>
<b>13</b>	<p><b>Investments</b></p> <p>Investments are recognised in the statement of financial position at cost.</p>
<b>14</b>	<b>Financial assets</b>
<b>14.1</b>	<p><b>Financial assets (not covered elsewhere)</b></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>
<b>14.2</b>	<p><b>Impairment of financial assets</b></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>
<b>15</b>	<p><b>Payables</b></p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

<b>16</b>	<b>Capital Assets</b>
<b>16.1</b>	<p><b>Immovable capital assets</b></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>
<b>16.2</b>	<p><b>Movable capital assets</b></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.</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
<b>16.3</b>	<p><b>Software and other intangible assets</b></p> <p>Software and other intangible assets are initially recorded in the notes to the financial statements at cost. Software and other intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated Software and other 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 Software and other intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the Software and other 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>Software and other 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>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

<b>16.4</b>	<p><b>Project Costs: Work-in-progress</b></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>
<b>17</b>	<b>Provisions and Contingents</b>
<b>17.1</b>	<p><b>Provisions</b></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>
<b>17.2</b>	<p><b>Contingent liabilities</b></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>
<b>17.3</b>	<p><b>Contingent assets</b></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>
<b>17.4</b>	<p><b>Commitments</b></p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
<b>18</b>	<p><b>Unauthorised expenditure</b></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"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

<b>19</b>	<p><b>Fruitless and wasteful expenditure</b></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 for recovery.</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>
<b>20</b>	<p><b>Irregular expenditure</b></p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. 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 removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</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>
<b>21</b>	<p><b>Changes in accounting policies, accounting estimates and errors</b></p> <p>Changes in accounting policies that are effected by management have been applied retrospectively 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 change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</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>
<b>22</b>	<p><b>Events after the reporting date</b></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>
<b>23</b>	<p><b>Principal-Agent arrangements</b></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>
<b>24</b>	<p><b>Departures from the MCS requirements</b></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; and the requirement from which the department has departed, the nature of the departure and the reason for departure.</p>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

<b>25</b>	<p><b>Capitalisation reserve</b></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>
<b>26</b>	<p><b>Recoverable revenue</b></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>
<b>27</b>	<p><b>Related party transactions</b></p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. 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>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
<b>28</b>	<p><b>Inventories</b></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>
<b>29</b>	<p><b>Public-Private Partnerships</b></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>
<b>30</b>	<p><b>Employee benefits</b></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>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

## 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:

	Final Appropriation	Actual Funds Re- ceived	2018/19 Funds not requested/ not re- ceived	Final Ap- propriation	2017/18 Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	61,238	61,238	-	60,747	60,747
Integrated Economic Development Services	66,419	66,419	-	83,766	83,766
Trade and Sector Development	70,621	70,621	-	44,567	44,567
Business Regulation and Governance	40,543	40,543	-	38,354	38,354
Economic Planning	22,091	22,091	-	21,309	21,309
Tourism	70,165	70,165	-	54,348	54,348
<b>Total</b>	<b>331,077</b>	<b>331,077</b>	<b>-</b>	<b>303,091</b>	<b>303,091</b>

The department received 100% of the appropriated funds for the 2018/19 financial year from the NC Provincial Treasury

### 1.2 Conditional grants

	Note	2018/19 R'000	2017/18 R'000
Total grants received	47	2,012	2,000
Provincial grants included in Total Grants received		-	-

Conditional Grants were used for intended purposes in EPWP projects.

## 2. Departmental revenue

	Note	2018/19 R'000	2017/18 R'000
Tax revenue		27,930	29,294
Sales of goods and services other than capital assets	2.1	240	91
Fines, penalties and forfeits	2.2	161	131
Transactions in financial assets and liabilities	2.3	2,072	1,303
Transfer received	2.4	-	250
Total revenue collected		30,403	31,069
Less: Own revenue included in appropriation	19	30,403	31,069
<b>Departmental revenue collected</b>		<b>-</b>	<b>-</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

#### 2.1. Sales of goods and services other than capital assets

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
	<b>2</b>	<b>R'000</b>	<b>R'000</b>
Sales of goods and services produced by the department		240	91
Sales by market establishment		151	26
Administrative fees		89	65
<b>Total</b>		<b>240</b>	<b>91</b>

#### 2.2 Fines, penalties and forfeits

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
	<b>2</b>	<b>R'000</b>	<b>R'000</b>
Fines		31	5
Penalties		130	126
<b>Total</b>		<b>161</b>	<b>131</b>

#### 2.3 Transactions in financial assets and liabilities

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
	<b>2</b>	<b>R'000</b>	<b>R'000</b>
Other Receipts including Recoverable Revenue		2,072	1,303
<b>Total</b>		<b>2,072</b>	<b>1,303</b>

#### 2.4 Transfers received

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
	<b>2</b>	<b>R'000</b>	<b>R'000</b>
Public corporations and private enterprises		-	250
<b>Total</b>		<b>-</b>	<b>250</b>

#### 3. Aid assistance

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
Opening Balance		-	443
As restated		-	443
Paid during the year		-	(443)
<b>Closing Balance</b>		<b>-</b>	<b>-</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

#### 4. Compensation of employees

##### 4.1 Salaries and Wages

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
Basic salary		73,440	68,127
Performance award		232	154
Service Based		31	20
Compensative/circumstantial		611	549
Periodic payments		283	163
Other non-pensionable allowances		16,435	15,442
<b>Total</b>		<b>91,032</b>	<b>84,455</b>

##### 4.2 Social contributions

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
<b>Employer contributions</b>			
Pension		8,984	8,445
Medical		3,965	3,604
Bargaining council		16	15
<b>Total</b>		<b>12,965</b>	<b>12,064</b>

<b>Total compensation of employees</b>	<b>103,997</b>	<b>96,519</b>
--	----------------	---------------

Average number of employees	209	197
-----------------------------	-----	-----

Included in the average number of 209 employees for 2018/19 are 43 officials whom are in an internship and learnership programme.

#### 5. Goods and services

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
Administrative fees		2,245	2,050
Advertising		3,784	4,246
Minor assets	5.1	216	310
Bursaries (employees)		827	593
Catering		3,242	2,358
Communication		2,072	1,853
Computer services	5.2	1,547	1,279
Consultants: Business and advisory services		657	2,026
Legal services		962	180

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
Contractors		12,986	4,598
Agency and support / outsourced services		27	23
Audit cost – external	5.3	2,483	2,316
Fleet services		878	741
Consumables	5.4	1,139	1,781
Operating leases		8,749	8,614
Property payments	5.5	9,716	22,260
Travel and subsistence	5.6	17,619	16,768
Venues and facilities		2,251	2,533
Training and development		910	1,604
Other operating expenditure	5.7	798	646
<b>Total</b>		<b>73,108</b>	<b>76,779</b>

No significant increase on goods and services however the increase in the item of contractors was due to the Renewable energy event held during the year under review and the decrease under the item of municipal services was as a result of the department only covering the costs relating to the department and not for Mittah seperepere

#### 5.1 Minor assets

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
<b>Tangible assets</b>	5	<b>122</b>	<b>236</b>
Machinery and equipment		122	236
<b>Software and other intangible assets</b>		<b>94</b>	<b>74</b>
Software		94	74
<b>Total</b>		<b>216</b>	<b>310</b>

#### 5.2 Computer services

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
SITA computer services	5	1,522	1,279
External computer service providers		25	-
<b>Total</b>		<b>1,547</b>	<b>1,279</b>

#### 5.3 Audit cost – External

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
Regularity audits	5	2,483	2,316
<b>Total</b>		<b>2,483</b>	<b>2,316</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

#### 5.4 Consumables

	Note	2018/19	2017/18
	5	R'000	R'000
Consumable supplies		465	389
Uniform and clothing		77	30
IT consumables		41	237
Other consumables		347	122
Stationery, printing and office supplies		674	1,392
<b>Total</b>		<b>1,139</b>	<b>1,781</b>

#### 5.5 Property payments

	Note	2018/19	2017/18
	5	R'000	R'000
Municipal services		3,560	15,369
Property maintenance and repairs		399	2,110
Other		5,757	4,781
<b>Total</b>		<b>9,716</b>	<b>22,260</b>

#### 5.6 Travel and subsistence

	Note	2018/19	2017/18
	5	R'000	R'000
Local		14,651	12,170
Foreign		2,968	4,598
<b>Total</b>		<b>17,619</b>	<b>16,768</b>

#### 5.7 Other operating expenditure

	Note	2018/19	2017/18
	5	R'000	R'000
Professional bodies, membership and subscription fees		-	4
Resettlement costs		118	37
Other		680	605
<b>Total</b>		<b>798</b>	<b>646</b>

#### 6. Transfers and subsidies

		2018/19	2017/18
		R'000	R'000
Provinces and municipalities	Note 48, 49	4,507	2,500
Departmental agencies and accounts	Annex 1B	91,958	73,174
Higher education institutions	Annex 1C	2,100	1,916
Public corporations and private enterprises	Annex 1D	34,796	31,946
Households	Annex 1G	75	115
<b>Total</b>		<b>133,436</b>	<b>109,651</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

The increase was due to the item of departmental agencies and accounts under NCEDA for receiving the extra allocation on the maintenance of Mittah Seperepere Convention Centre.

#### 7. Expenditure for capital assets

	Note	2018/19 R'000	2017/18 R'000
<b>Tangible assets</b>		<b>3,385</b>	<b>1,989</b>
Machinery and equipment	7.1	3,385	1,989
<b>Software and other intangible assets</b>		<b>17</b>	<b>-</b>
Software	7.1	17	-
<b>Total</b>		<b>3,402</b>	<b>1,989</b>

#### 7.1 Analysis of funds utilised to acquire capital assets – 2018/19

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>3,385</b>	<b>-</b>	<b>3,385</b>
Machinery and equipment	3,385	-	3,385
<b>Software and other intangible assets</b>	<b>17</b>	<b>-</b>	<b>17</b>
Software	17	-	17
<b>Total</b>	<b>3,402</b>	<b>-</b>	<b>3,402</b>

#### 7.2 Analysis of funds utilised to acquire capital assets – 2017/18

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>1,989</b>	<b>-</b>	<b>1,989</b>
Machinery and equipment	1,989	-	1,989
<b>Total</b>	<b>1,989</b>	<b>-</b>	<b>1,989</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

#### 7.3 Finance lease expenditure included in Expenditure for capital assets

	<i>Note</i>	2018/19	2017/18
		R'000	R'000
<b>Tangible assets</b>			
Machinery and equipment		1,789	951
<b>Total</b>		<b>1,789</b>	<b>951</b>

#### 8. Cash and cash equivalents

	<i>Note</i>	2018/19	2017/18
		R'000	R'000
Consolidated Paymaster General Account		14,081	20,358
Cash on hand		2	1
<b>Total</b>		<b>14,083</b>	<b>20,359</b>

Included in the PMG account is the Departmental Revenue collected in March 2019 amounting to R1, 883 million to be paid to Provincial Treasury, unspent funds to be surrendered to the revenue fund of R12, 569 million as well as R2, 000 (two thousand rand) of petty cash.

#### 9. Prepayments and advances

	<i>Note</i>	2018/19	2017/18
		R'000	R'000
Travel and subsistence		64	64
Prepayments (Not Expensed)	9.2	4,565	-
Advances paid (Not expensed)	9.1	151	151
<b>Total</b>		<b>4,780</b>	<b>215</b>

The advances paid (not expensed) of R151 000 is the refundable deposits relating to lease agreements and municipal services (see Annexure 8A). Furthermore, the balance on Travel and Subsistence is not more than 30 days and were cleared in the month of April 2019 The prepayment of R4, 565 million was for the skate boarding project.

#### 9.1 Advances paid (Not expensed)

	<i>Note</i>	Balance as at 1 April 2018	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2019
		R'000	R'000	R'000	R'000	R'000
Other entities	9	151	-	-	-	151
<b>Total</b>		<b>151</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>151</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

	Note	Balance as at 1 April 2017	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2018
	9	R'000	R'000	R'000	R'000	R'000
Other entities		151	-	-	-	151
<b>Total</b>		<b>151</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>151</b>

#### 9.2 Prepayments (Not expensed)

	Note	Balance as at 1 April 2018	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2019
	9	R'000	R'000	R'000	R'000	R'000
Capital Assets		-	-	-	4,565	4,565
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>4,565</b>	<b>4,565</b>

	Note	Balance as at 1 April 2017	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2018
	9	R'000	R'000	R'000	R'000	R'000
Capital Assets		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 10. Receivables

		2018/19			2017/18		
		Current	Non- current	Total	Current	Non- current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	Note 10.1	-	6,796	6,796	-	6,796	6,796
Other receivables	10.2	213	-	213	111	-	111
<b>Total</b>		<b>213</b>	<b>6,796</b>	<b>7,009</b>	<b>111</b>	<b>6,796</b>	<b>6,907</b>

##### 10.1 Claims recoverable

	Note	2018/19	2017/18
	15 and Annex 4	R'000	R'000
Private enterprises		6,796	6,796
<b>Total</b>		<b>6,796</b>	<b>6,796</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

The non-movement on claims receivable of R6,796 is due to the pending and ongoing court case against the private company relating to the loss of precious stones for training at KIDJA.

#### 10.2 Other receivables

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
	<i>10</i>	<b>R'000</b>	<b>R'000</b>
(Group major categories, but list material items)			
Sal: Reversal Control		10	12
Sal: Tax Debt		9	9
Sal: Income Tax		5	8
Sal: GEHS Refund Control Acc: CL		14	2
Disallowance with a debit balance		175	80
<b>Total</b>		<b>213</b>	<b>111</b>

#### 11. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		18,153	11,890
As restated		18,153	11,890
Transfer from statement of financial performance (as restated)		17,134	18,153
Paid during the year		(18,153)	(11,890)
<b>Closing balance</b>		<b>17,134</b>	<b>18,153</b>

The closing balance of voted funds to be surrendered to the revenue fund amounting to R17, 134 million will be surrendered after the final audit of the annual financial statements is completed.

#### 12. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		2,362	2,175
As restated		2,362	2,175
Own revenue included in appropriation		30,403	31,069
Paid during the year		(30,882)	(30,882)
<b>Closing balance</b>		<b>1,883</b>	<b>2,362</b>

The closing balance of departmental revenue and NRF receipts to be surrendered to the revenue fund amounting to R1, 883 million will be paid over to Provincial Treasury after year-end book closure.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

#### 13. Payables – current

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
Other payables	13.1	59	170
<b>Total</b>		<b>59</b>	<b>170</b>

#### 13.1 Other payables

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
Disallowance Miscellaneous – Bidvest	13	59	170
<b>Total</b>		<b>59</b>	<b>170</b>

#### 14. Net cash flow available from operating activities

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
Net surplus/(deficit) as per Statement of Financial Performance		17,134	18,153
Add back non cash/cash movements not deemed operating activities		(20,008)	(9,684)
(Increase)/decrease in receivables		(102)	221
(Increase)/decrease in prepayments and advances		(4,565)	83
Increase/(decrease) in payables – current		(111)	169
Expenditure on capital assets		3,402	1,989
Surrenders to Revenue Fund		(49,035)	(42,772)
Surrenders to RDP Fund/Donor		-	(443)
Own revenue included in appropriation		30,403	31,069
<b>Net cash flow generated by operating activities</b>		<b>(2,874)</b>	<b>8,469</b>

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

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
Consolidated Paymaster General account		14,081	20,358
Cash on hand		2	1
<b>Total</b>		<b>14,083</b>	<b>20,359</b>

#### 16. Contingent liabilities and contingent assets

##### 16.1 Contingent liabilities

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
<b>Liable to</b>			
<b>Nature</b>			
Claims against the department	<i>Annex 3B</i>	178	178
<b>Total</b>		<b>178</b>	<b>178</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

Included in the claims against the department is fleet damages repairs of R 163 000 and the R15 000 for Pemberley

#### 16.2 Contingent assets

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
<b>Nature of contingent asset</b>			
Claims against the department		-	7,599
<b>Total</b>		<b>-</b>	<b>7,599</b>

The case against Mittah Seperepere Convention Centre was resolved and it was found that the tenant was not liable to pay for the municipal services.

#### 17. Commitments

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
<b>Current expenditure</b>			
Approved and contracted		100,174	12,068
		<b>100,174</b>	<b>12,068</b>
<b>Total Commitments</b>		<b>100,174</b>	<b>12,068</b>

Increase in commitments is due to the of finalisation of new contracts ( cleaning and security services, SITA as well as Kimberley Diamond Cup). The departmental contracts exceeds one year except for the security service contract which was nullified in April 2019. Please refer to the subsequent event in the accounting officers report.

#### 18. Accruals and payables not recognised

##### 18.1 Accruals

			<b>2018/19</b>	<b>2017/18</b>
			<b>R'000</b>	<b>R'000</b>
<b>Listed by economic classification</b>				
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	2,532	-	2,532	2,313
Capital assets	80	-	80	105
<b>Total</b>	<b>2,612</b>	<b>-</b>	<b>2,612</b>	<b>2,418</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
<b>Listed by programme level</b>			
Administration		1,685	1,227
Integrated Economic Development Services		174	101
Trade and Sector Development		272	331
Business Regulation and Governance		107	56
Economic Planning		114	119
Tourism		260	584
<b>Total</b>		<b>2,612</b>	<b>2,418</b>

#### 18.2 Payables not recognised

		<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
<b>Listed by economic classification</b>			
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>
Goods and services	133	-	133
Capital assets	26	-	26
<b>Total</b>	<b>159</b>	<b>-</b>	<b>159</b>

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
<b>Listed by programme level</b>			
Administration		108	7
Economic Planning		3	1
Trade and Sector Development		-	16
Business Regulation and Governance		26	-
Tourism		22	-
<b>Total</b>		<b>159</b>	<b>24</b>

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
<b>Included in the above totals are the following:</b>			
Confirmed balances with other departments	<i>Annex 5</i>	179	-
<b>Total</b>		<b>179</b>	<b>-</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

#### 19. Employee benefits

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
Leave entitlement		3,794	3,827
Service bonus		2,808	2,635
Performance awards		1,618	1,525
Capped leave commitments		1,866	1,829
Other		62	56
<b>Total</b>		<b>10,148</b>	<b>9,872</b>

R1 618 428 of performance award calculated at 1.5% of the total compensation of employees amounting to R107 895 000 as per the adjusted estimates expenditure for 2018/19. Other refers to the 20 yrs and 30 yrs long service award of R62 000 to officials calculated at rate approved in April 2018. Included in the 2018/19 disclosure for leave entitlement is a negative amount of R305, 939.58 for leave owed to the department.

#### 20. Lease commitments

##### 20.1 Operating leases

<b>2018/19</b>	<b>Specialised military equipment R'000</b>	<b>Land R'000</b>	<b>Buildings and other fixed structures R'000</b>	<b>Machinery and equipment R'000</b>	<b>Total R'000</b>
Not later than 1 year	-	-	4,288	-	4,288
Later than 1 year and not later than 5 years	-	-	2,226	-	2,226
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>6,514</b>	<b>-</b>	<b>6,514</b>

<b>2017/18</b>	<b>Specialised military equipment R'000</b>	<b>Land R'000</b>	<b>Buildings and other fixed structures R'000</b>	<b>Machinery and equipment R'000</b>	<b>Total R'000</b>
Not later than 1 year	-	-	5,294	-	5,294
Later than 1 year and not later than 5 years	-	-	6,514	-	6,514
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>11,808</b>	<b>-</b>	<b>11,808</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

The department has leased the following buildings as per the table below:

Company	Location	Period of the contract
Ocean Echo Properties	Khaya la Bantu	30 September 2021
Columbia Falls Properties	Metlife Towers	Expired
Afriland Property Solutions	Consumer	Expired
Ocean Echo Properties	Umzi Mkhulu	Expired
ERA Rental	Tourism, Upington office	Expired
Double Ring Trading 456	Asset Storage	Expired

The contracts for the expired buildings will be renewed during the 2019/20 financial year.

#### 20.2 Finance leases \*\*

2018/19	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	-	-	-	2,868	2,868
Later than 1 year and not later than 5 years	-	-	-	1,831	1,831
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,699</b>	<b>4,699</b>

2017/18	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	-	-	-	372	372
Later than 1 year and not later than 5 years	-	-	-	860	860
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,232</b>	<b>1,232</b>

The department has leased the following machinery and equipment with the following service providers:

Company	Location	Period of the contract
Konica Minolta – copy machine	Metlife Towers	1 October 2019
Konica Minolta – copy machine	Mzimkhulu	1 October 2019
Konica Minolta – copy machine	Khaya La Bantu	1 October 2019
Konica Minolta – copy machine	Anlar Building	1 October 2019
Konica Minolta – copy machine	Upington Office	1 October 2019
Konica Minolta – copy machine	Kim Diamond	1 October 2019
Fleet Services	Khaya La Bantu	

Fleet services is an entity under the department of Roads and Public Works



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

## 21. Irregular expenditure

### 21.1 Reconciliation of irregular expenditure

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		-	214
As restated		-	214
Add: Irregular expenditure – relating to current year		7,473	-
Less: Amounts not condoned and not recoverable		-	(214)
<b>Closing balance</b>		<b>7,473</b>	<b>-</b>
<b>Analysis of awaiting condonation per age classification</b>			
Current year		7,473	-
<b>Total</b>		<b>7,473</b>	<b>-</b>

The irregular expenditure of R276 000.00 is due to the expired lease contracts for office buildings and R7,197 for contravention of the SCM prescripts (Kimberley Diamond Cup)

### 21.2 Details of irregular expenditure – added current year (relating to current and prior years)

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2018/19</b>
		<b>R'000</b>
Non-compliance with paragraph 9 of the Treasury Instruction 3 of 2016/17	Under investigation	276
Contravention with the SCM prescripts (Kimberley Diamond Cup)	Under investigation	7,197
<b>Total</b>		<b>7,473</b>

## 22. Fruitless and wasteful expenditure

### 22.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
Fruitless and wasteful expenditure – relating to current year		25	-
Less: Amounts resolved		(25)	-
<b>Closing balance</b>		<b>-</b>	<b>-</b>

### 22.2 Analysis of Current year's (relating to current and prior years) fruitless and wasteful expenditure

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2018/19</b>
		<b>R'000</b>
Contravention of NEMA 107 of 1988	The Head of Department approved the recommendation since no party was found liable to repay any amounts.	25
<b>Total</b>		<b>25</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

#### 23. Related party transactions

Payments made	Note	2018/19 R'000	2017/18 R'000
Goods and services		525	65
Expenditure for capital assets		72	27
<b>Total</b>		<b>597</b>	<b>92</b>

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.

- 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.

#### 24. Key management personnel

	No. of Individuals	2018/19 R'000	2017/18 R'000
Political office bearers (provide detail below)			
Officials:			
Level 15	2	3,143	2,750
Level 14 (incl CFO if at lower level)	7	8,794	7,721
<b>Total</b>		<b>11,937</b>	<b>10,471</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

## 25. Provisions

	<i>Note</i>	<b>2018/19</b>	<b>2017/18</b>
		<b>R'000</b>	<b>R'000</b>
NCEDA vs Umfana and ICS (MSCC)		-	200
World Skateboarding Grand Prix (WSGP)		500	-
<b>Total</b>		<b>500</b>	<b>200</b>

### 25.1 Reconciliation of movement in provisions – 2018/19

	<b>Provision 1</b>	<b>Provision 2</b>	<b>Provision 3</b>	<b>Total provisions</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Opening balance	500	-	-	500
<b>Closing balance</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>500</b>

### Reconciliation of movement in provisions – 2017/18

	<b>Provision 1</b>	<b>Provision 2</b>	<b>Provision 3</b>	<b>Total provisions</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Opening balance	200	-	-	200
<b>Closing balance</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>200</b>

Provision of R500 000 is an estimated legal cost in the case between the department and World Skateboarding Grand Prix (WSGP)

## 26. Movable Tangible Capital Assets

### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	<b>Opening balance</b>	<b>Value adjustments</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing Balance</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>MACHINERY AND EQUIPMENT</b>	<b>15,566</b>	<b>-</b>	<b>1,596</b>	<b>1,194</b>	<b>15,968</b>
Computer equipment	7,433	-	576	1,106	6,903
Furniture and office equipment	4,917	-	677	68	5,526
Other machinery and equipment	3,216	-	343	20	3,539
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>15,566</b>	<b>-</b>	<b>1,596</b>	<b>1,194</b>	<b>15,968</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

#### 26.1 Additions

##### ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	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
<b>MACHINERY AND EQUIPMENT</b>	<b>3,385</b>	<b>-</b>	<b>(1,789)</b>	<b>-</b>	<b>1,596</b>
Transport assets	1,284	-	(1,284)	-	-
Computer equipment	576	-	-	-	576
Furniture and office equipment	677	-	-	-	677
Other machinery and equipment	848	-	(505)	-	343
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>3,385</b>	<b>-</b>	<b>(1,789)</b>	<b>-</b>	<b>1,596</b>

#### 26.2 Disposals

##### DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>-</b>	<b>1,194</b>	<b>1,194</b>	<b>-</b>
Computer equipment	-	1,106	1,106	-
Furniture and office equipment	-	68	68	-
Other machinery and equipment	-	20	20	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>1,194</b>	<b>1,194</b>	<b>-</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

#### 26.3 Movement for 2017/18

##### MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>14,757</b>	<b>(219)</b>	<b>1,039</b>	<b>11</b>	<b>15,566</b>
Computer equipment	7,242	(111)	313	11	7,433
Furniture and office equipment	4,638	(106)	385	-	4,917
Other machinery and equipment	2,877	(2)	341	-	3,216
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>14,757</b>	<b>(219)</b>	<b>1,039</b>	<b>11</b>	<b>15,566</b>

#### 26.3.1 Prior period error

	Note	2017/18 R'000
<b>Nature of prior period error</b>		<b>(219)</b>
Relating to 2017/18 <i>[affecting the opening balance]</i>		(219)
<b>Total prior period errors</b>		<b>(219)</b>

#### 26.4 Minor assets

##### MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2019

	Specialised military assets	Software and other intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	1,838	-	4,881	-	6,719
Additions	-	94	-	122	-	216
Disposals	-	11	-	662	-	673
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>1,921</b>	<b>-</b>	<b>4,341</b>	<b>-</b>	<b>6,262</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

	Specialised military assets	Software and other intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	227	-	227
Number of minor assets at cost	-	394	-	3,284	-	3,678
<b>TOTAL NUMBER OF MINOR ASSETS</b>	-	394	-	3,511	-	3,905

#### MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2018

	Specialised military assets	Software and other intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Opening balance	-	1,762	-	4,427	-	6,189
Prior period error	-	-	-	219	-	219
Additions	-	76	-	235	-	311
<b>TOTAL NUMBER OF MINOR ASSETS</b>	-	1,838	-	4,881	-	6,719

	Specialised military assets	Software and other intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	8	-	8
Number of minor assets at cost	-	369	-	3,246	-	3,615
<b>TOTAL NUMBER OF MINOR ASSETS</b>	-	369	-	3,254	-	3,623

#### 26.4.1 Prior period error

	Note	2017/18 R'000
Nature of prior period error		219
Relating to 2017/18		219
<b>Total prior period errors</b>		<b>219</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

#### 27. Intangible Capital Assets

##### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	492	-	17	5	504
SERVICES AND OPERATING RIGHTS	51	-	-	-	51
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>543</b>	<b>-</b>	<b>17</b>	<b>5</b>	<b>555</b>

#### 27.1 Additions

##### ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	17	-	-	-	17
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17</b>

#### 27.2 Disposals

##### DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
SOFTWARE	-	5	5	-
<b>TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>5</b>	<b>5</b>	<b>-</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

#### 27.3 Movement for 2017/18

##### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	492	-	-	-	492
SERVICES AND OPERATING RIGHTS	51	-	-	-	51
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>543</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>543</b>

#### 28. Immovable Tangible Capital Assets

##### MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000		R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	5,513	-	-	-	5,513
Other fixed structures	5,513	-	-	-	5,513
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>5,513</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,513</b>

There were no additions or disposals for the 2018/19 financial year.

#### 28.1 Movement for 2017/18

##### MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	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	-	-	-	5,513
Other fixed structures	5,513	-	-	-	5,513
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>5,513</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,513</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

**28.2 S42 Immovable assets****Assets to be transferred in terms of S42 of the PFMA – 2018/19**

	Number of assets	Value of assets R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>3</b>	<b>5,513</b>
Other fixed structures	3	5,513
<b>TOTAL</b>	<b>3</b>	<b>5,513</b>

**Assets to be transferred in terms of S42 of the PFMA – 2017/18**

	Number of assets	Value of assets R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>3</b>	<b>5,513</b>
Other fixed structures	3	5,513
<b>TOTAL</b>	<b>3</b>	<b>5,513</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

#### 29. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT				2017/18	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by department	Amount spent by department	Under / (Over-spend-ing)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
EPWP Integrated Grant for Provinces	2,012	-	-	-	2,012	2,012	2,012	-	100%	2,000	2,000
	<b>2,012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,012</b>	<b>2,012</b>	<b>2,012</b>	<b>-</b>	<b>100%</b>	<b>2,000</b>	<b>2,000</b>

*Conditional grants were used for EPWP Projects.*



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

### 30. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other trans- fers	Roll Overs	Adjust- ments	Total Availa- ble	Actual Transfer	Funds With- held	Re-alloca- tions by National Treasury or Nation- al Depart- ment
	R'000	R'000	R'000	R'000	R'000	R'000	%
Rates & Taxes (Eris Property Group) – Metlife Towers	54	-	-	54	54		
Rates % Taxes (Columbia Falls) – Metlife Towers	123	-	-	123	123		
Sol Plaatje Municipality - EPWP	655	-	-	655	655		
Frances Baard District Municipality - EPWP	900	-	-	900	900		
Dawid Kruiper Municipality	1,800	-	-	1,800	1,800		
Kamiesberg Municipality	150	-	-	150	150		
Richtersveld Municipality	800	-	-	800	800		
Environment and Nature Cons	25	-	-	25	25		
<b>TOTAL</b>	<b>4,507</b>	<b>-</b>	<b>-</b>	<b>4,507</b>	<b>4,507</b>		

*National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.*

*Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the department to provide an explanation for the variance*

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

## For the year ended the 31 March 2019

**ANNEXURE 1A****STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2017/18	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds With-held	Re-allocations by National Treasury or National Department	Amount re-ceived 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 (Eris Property Group) – Metlife Towers	54	-	-	54	54	-	-	54	54	-	100%	146	
Rates % Taxes (Columbia Falls) – Metlife Towers	123	-	-	123	123	-	-	123	123	-	100%	-	
Richtersveld - EPWP	800	-	-	800	800	-	-	800	800	-	100%	750	
Sol Plaatje Municipality - EPWP	655	-	-	655	655	-	-	655	655	-	100%	539	
Karoo Hoogland Local Municipality	-	-	-	-	-	-	-	-	-	-	-	367	
Kamiesberg Municipality	150	-	-	150	150	-	-	150	150	-	100%	20	
Pixley Ka Seme	-	-	-	-	-	-	-	-	-	-	-	514	
Frances Baard District Municipality	900	-	-	900	900	-	-	900	900	-	100%	164	
Environment and Nature Conservation	25	-	-	25	25	-	-	25	25	-	100%	-	
Dawid Kruiper Municipality	1,800	-	-	1,800	1,800	-	-	1,800	1,800	-	100%	-	
<b>TOTAL</b>	<b>4,507</b>	<b>-</b>	<b>-</b>	<b>4,507</b>	<b>4,507</b>	<b>-</b>	<b>-</b>	<b>4,507</b>	<b>4,507</b>	<b>-</b>	<b>-</b>	<b>2,500</b>	

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the department to provide an explanation for the variance

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

**ANNEXURE 1B****STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2017/18
	Adjusted Appropriation	Roll Overs	Adjust- ments	Total Availa- ble	Actual Transfer	% of Available funds Trans- ferred	Final Appro- priation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Northern Cape Gambling Board	14,704	-	-	14,704	14,704	100%	13,915
NCEDA	27,329	-	-	27,329	22,329	82%	10,664
Northern Cape Liquor Board	12,595	-	-	12,595	12,595	100%	11,755
NCTA Tourism Promotion Dev	23,634	-	-	23,634	23,634	100%	21,899
SEDA Northern Cape Diamond	2,745	-	-	2,745	2,745	100%	1,700
Kimberley International Diamond	2,355	-	(30)	2,325	750	32%	1,700
NCMIC NPC	3,800	-	-	3,800	3,800	100%	1,800
Northern Cape SMME Trust	4,882	-	(117)	4,765	4,765	100%	6,741
Northern Cape Clothing Cluster	2,000	-	-	2,000	2,000	100%	1,700
South African National Parks	200	-	-	200	-	0%	1,200
South African San Council	-	-	-	-	-	-	100
McGregor Museum	1,146	-	-	1,146	1,146	100%	-
Department of Roads & Public Works	2,453	-	-	2,453	2,453	100%	-
National Empowerment Fund Trust	37	-	-	37	37	100%	-
Small Enterprise Development Agency	1,000	-	-	1,000	1,000	100%	-
<b>TOTAL</b>	<b>98,880</b>	<b>-</b>	<b>(147)</b>	<b>98,733</b>	<b>91,958</b>	<b>-</b>	<b>73,174</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

#### ANNEXURE 1C

#### STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2017/18
	Adjust- ed Appro- pria- tion	Roll Overs	Adjust- ments	Total Availa- ble	Actual Trans- fer	Amount not trans- ferred	% of Available funds Trans- ferred	Final Appro- pria- tion
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Northern Cape Rural FET College	600	-	-	600	600	-	0%	416
Northern Cape Community Education	1,500	-	-	1,500	1,500	-	0%	1,500
<b>TOTAL</b>	<b>2,100</b>	<b>-</b>	<b>-</b>	<b>2,100</b>	<b>2,100</b>	<b>-</b>	<b>-</b>	<b>1,916</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

**ANNEXURE 1D****STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2017/18
	Adjust- ed Appro- pria- tion Act	Roll Overs	Adjust- ments	Total Availa- ble	Actual Trans- fer	% of Avail- able funds Trans- ferred	Capi- tal	Cur- rent	Final Appro- priation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000

**Private Enterprises**

<b>Transfers</b>	<b>36,551</b>	<b>-</b>	<b>-</b>	<b>36,551</b>	<b>34,796</b>	<b>95.2%</b>	<b>-</b>	<b>-</b>	<b>31,946</b>
Bosco Sports Event	-	-	-	-	-	-	-	-	3,000
Delva Georges Civil and General	-	-	-	-	-	-	-	-	630
Gariep Kunstefees	-	-	-	-	-	-	-	-	200
Mafaratlha Technical Networks	-	-	-	-	-	-	-	-	1,000
Proprint	-	-	-	-	-	-	-	-	1,050
183 Omeida Trading (Pty) Ltd	-	-	-	-	-	-	-	-	105
4 TKR Trading (Pty) Ltd	-	-	-	-	-	-	-	-	30
ABC Laboratories	-	-	-	-	-	-	-	-	1,000
Advanced Med Care	-	-	-	-	-	-	-	-	710
Anvor Engineering Work and Trading	-	-	-	-	-	-	-	-	750
Ark Gastehuis	75	-	-	75	75	100.0%	-	-	20
Atom Agric and Training	-	-	-	-	-	-	-	-	850
Bedect (Pty)	-	-	-	-	-	-	-	-	525
Bongle Tota Trading Enterprise	-	-	-	-	-	-	-	-	450
Botong Steel Works	-	-	-	-	-	-	-	-	100
Brazars General Trading (Pty) Ltd	-	-	-	-	-	-	-	-	300
Butterfly Enterprise	-	-	-	-	-	-	-	-	560
Concordia One Stop Trading (Pty)	-	-	-	-	-	-	-	-	520
CTA Foundation	-	-	-	-	-	-	-	-	130
E Fashion Hats Designs (Pty) Ltd	-	-	-	-	-	-	-	-	260
Ekhamamga Trading	-	-	-	-	-	-	-	-	450
Enviro Charge	-	-	-	-	-	-	-	-	100
Faniki's Auto Electrical	-	-	-	-	-	-	-	-	246
Fritz Business Enterprise	-	-	-	-	-	-	-	-	100



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

## For the year ended the 31 March 2019

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2017/18
	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
Fusion Gardens	-	-	-	-	-	-	-	-	100
Ghaap Riverxtreme	100	-	-	100	100	100.0%	-	-	20
Giotay Digital	-	-	-	-	-	-	-	-	200
Green Plan Coop	-	-	-	-	-	-	-	-	300
Gudsbo Enterprise (Pty) Ltd	-	-	-	-	-	-	-	-	350
Human Capital Maximisers	-	-	-	-	-	-	-	-	70
Ingelosi Citadel	-	-	-	-	-	-	-	-	800
Isolimo Panel Beaters and General	-	-	-	-	-	-	-	-	350
Jomecason Tours Unlimited (Pty)	-	-	-	-	-	-	-	-	20
JRK Auto Repairs (Pty) Ltd	-	-	-	-	-	-	-	-	155
Kandiguru	-	-	-	-	-	-	-	-	206
Karoo Travel Dimensions	-	-	-	-	-	-	-	-	25
Kgatelo Pele Sewing Primary Co-Op	-	-	-	-	-	-	-	-	55
Kokerboom Koppie Werke	-	-	-	-	-	-	-	-	145
Kura Events and Marketing	-	-	-	-	-	-	-	-	100
La-Pempa Multipurpose Co-Operat	-	-	-	-	-	-	-	-	500
Lewis September Trading	-	-	-	-	-	-	-	-	110
Lorato and Baaname General Trad	-	-	-	-	-	-	-	-	110
Louvaun 1603 (Pty) Ltd	-	-	-	-	-	-	-	-	300
Mabenaki-JR Projects (Pty) Ltd	-	-	-	-	-	-	-	-	280
Makheiez General Trading Training	-	-	-	-	-	-	-	-	314
Mangaliso Funeral Services	-	-	-	-	-	-	-	-	205
Mark in KBY Trading 1008 (Pty)	-	-	-	-	-	-	-	-	350
Masigcobe Enterprise	-	-	-	-	-	-	-	-	150

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2017/18
	Adjust- ed Appro- pria- tion Act	Roll Overs	Adjust- ments	Total Availa- ble	Actual Trans- fer	% of Avail- able funds Trans- ferred	Capi- tal	Cur- rent	Final Appro- pria- tion
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Maweza Business Trading (Pty) Ltd	-	-	-	-	-	-	-	-	325
Mbovana Rad Trading Enterprise	-	-	-	-	-	-	-	-	350
Mini African Restaurant	-	-	-	-	-	-	-	-	67
Modiakgotla's Creations	-	-	-	-	-	-	-	-	230
Monicas Curtain Boutique	-	-	-	-	-	-	-	-	50
MSG Designs (Pty) Ltd	-	-	-	-	-	-	-	-	300
MVP Inprint	-	-	-	-	-	-	-	-	33
Nam Petroleum CC	-	-	-	-	-	-	-	-	1,000
Nativah Energy Group	-	-	-	-	-	-	-	-	318
New Dimension Skills Training So	-	-	-	-	-	-	-	-	130
Northern Cape Motor Sport Ass	-	-	-	-	-	-	-	-	400
Olerile Malera General Trading	-	-	-	-	-	-	-	-	45
Olifantshoek Trading Enterprise	-	-	-	-	-	-	-	-	690
Orange River Hotel & Conference	-	-	-	-	-	-	-	-	130
Otsile Trading Service (Pty) Ltd	-	-	-	-	-	-	-	-	200
PEK Business Solutions (Pty)	-	-	-	-	-	-	-	-	50
Pino Tau Outdoor Media (Pty) Ltd	-	-	-	-	-	-	-	-	298
PMD Absolute (Pty) Ltd	-	-	-	-	-	-	-	-	140
Prort Glass and Aluminium	-	-	-	-	-	-	-	-	250
Ratosiya	-	-	-	-	-	-	-	-	200
Remotlotlo Catering and Events	-	-	-	-	-	-	-	-	113
Resaipela	-	-	-	-	-	-	-	-	450
Richtersveld Boekwinkel & Kooper	-	-	-	-	-	-	-	-	390
Riski Boy Events and Supply	-	-	-	-	-	-	-	-	154
Rooiduim Guestfarm	-	-	-	-	-	-	-	-	27

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS****For the year ended the 31 March 2019**

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2017/18
	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
RST Plumbers (Pty) Ltd	-	-	-	-	-	-	-	-	315
Ruth's House	-	-	-	-	-	-	-	-	75
Saam Staen Vroue (Pty) Ltd	-	-	-	-	-	-	-	-	20
Sastas Trading	-	-	-	-	-	-	-	-	250
Sharp Move Trading 305 (Pty)	-	-	-	-	-	-	-	-	100
Shellmat Project Services	-	-	-	-	-	-	-	-	260
SMK Productions	-	-	-	-	-	-	-	-	70
Solarshop – SA	-	-	-	-	-	-	-	-	518
Sound and Look Better for Photo	-	-	-	-	-	-	-	-	123
Suntracia Trading Enterprise	-	-	-	-	-	-	-	-	50
Tata Ma Tata Tours	-	-	-	-	-	-	-	-	20
TCB Engineering	-	-	-	-	-	-	-	-	1,500
Tebogo Le Tlhompho Trading	-	-	-	-	-	-	-	-	200
Termo Construction (Pty) Ltd	-	-	-	-	-	-	-	-	50
Thabiso 785 Trading (Pty) Ltd	-	-	-	-	-	-	-	-	50
The Print Zone Holdings (Pty) Ltd	-	-	-	-	-	-	-	-	200
The Workshop Ko Kasi	-	-	-	-	-	-	-	-	214
Tholo Mobile Cleaning Services	-	-	-	-	-	-	-	-	45
TJ Hot Food Cafee	-	-	-	-	-	-	-	-	165
Tlotliso Holdings	-	-	-	-	-	-	-	-	175
Touch Let's Go Travel and Tour Agency	-	-	-	-	-	-	-	-	26
TP Mathe Dominion Construction A	-	-	-	-	-	-	-	-	23
Trans Augrabies MTB	100	-	-	100	100	100.0%	-	-	50
Tricam's Till Rolls and Office's	-	-	-	-	-	-	-	-	200
Tumi's Adventurous Traveling Tours	150	-	-	150	150	100.0%	-	-	30
Ubuntu Forum	-	-	-	-	-	-	-	-	25

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

## For the year ended the 31 March 2019

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2017/18
	Adjust- ed Appro- pria- tion Act	Roll Overs	Adjust- ments	Total Availa- ble	Actual Trans- fer	% of Avail- able funds Trans- ferred	Capi- tal	Cur- rent	Final Appro- pria- tion
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Umsobomvu Tyre Centre Co-operat	-	-	-	-	-	-	-	-	400
Uniting Reformed Church in South Africa	-	-	-	-	-	-	-	-	25
Uppington Funeral Services	-	-	-	-	-	-	-	-	552
V4 – Energy Solutions	-	-	-	-	-	-	-	-	480
Wezi Health and Wellness Centre	-	-	-	-	-	-	-	-	100
Wilderklawer (Pty) Ltd	200	-	-	200	200	100.0%	-	-	750
Wydex	-	-	-	-	-	-	-	-	144
Creative Solutions	-	-	-	-	-	-	-	-	100
Annelien Baai Enterprise (Pty)	50	-	-	50	50	100.0%	-	-	-
Ano Kagi Trading Enterprise	100	-	-	100	100	100.0%	-	-	-
Avuvile Abafazi Trading	167	-	-	167	167	100.0%	-	-	-
B.B.X Diamonds (Pty) Ltd	240	-	-	240	240	100.0%	-	-	-
Ba-Hlakwaneng Trading (Pty)	186	-	-	186	186	100.0%	-	-	-
Baratiba Katlego	160	-	-	160	160	100.0%	-	-	-
Batsumi Lodge and Pub	1,300	-	-	1,300	1,300	100.0%	-	-	-
Benguela Fish (Pty) Ltd	445	-	-	445	445	100.0%	-	-	-
BLB Beleggings	300	-	-	300	300	100.0%	-	-	-
Boet Gammie Musiek Akademie	100	-	-	100	100	100.0%	-	-	-
Boitsweletso	220	-	-	220	220	100.0%	-	-	-
Bojosi Security	275	-	-	275	275	100.0%	-	-	-
Brandtrix	600	-	-	600	600	100.0%	-	-	-
Bright Mind Enterprise (Pty)	240	-	-	240	240	100.0%	-	-	-
BVL Empire (Pty) Ltd	200	-	-	200	200	100.0%	-	-	-
Cammasfonteyn Guest House	150	-	-	150	150	100.0%	-	-	-
Charles Welding and Hydrau	500	-	-	500	500	100.0%	-	-	-
Conterbury General Services (Pty)	250	-	-	250	250	100.0%	-	-	-

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

## For the year ended the 31 March 2019

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2017/18
	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
DC Namakwa									
Konstruksie Dienste	344	-	-	344	344	100.0%	-	-	-
Diamon Dutch 501 Trading (Pty)	480	-	-	480	480	100.0%	-	-	-
Ditsuanyana	200	-	-	200	200	100.0%	-	-	-
Dkgoshi Trading and Projects	380	-	-	380	380	100.0%	-	-	-
Donai Trading (Pty) Ltd	100	-	-	100	100	100.0%	-	-	-
Ein Gedi Premier Lodge (Pty) Ltd	120	-	-	120	120	100.0%	-	-	-
Eyethu Laundry and Trading (Pty)	180	-	-	180	180	100.0%	-	-	-
Ezy Mok General Trading	204	-	-	204	204	100.0%	-	-	-
Freedom and Company Trading (Pty)	450	-	-	450	450	100.0%	-	-	-
Gillians Take Aways	150	-	-	150	150	100.0%	-	-	-
Ginger Gold Promotions	162	-	-	162	162	100.0%	-	-	-
Global Travel and Tourism Partner	50	-	-	50	50	100.0%	-	-	-
Hal Civils	481	-	-	481	481	100.0%	-	-	-
Health Revival Clinic and Trading	200	-	-	200	200	100.0%	-	-	-
Heavenly Dine General Trading CC	176	-	-	176	176	100.0%	-	-	-
Ikomkhulu Integrated Resources	100	-	-	100	100	100.0%	-	-	-
Intact Agencies (Pty) Ltd	500	-	-	500	500	100.0%	-	-	-
Irvys Events and Services	293	-	-	293	293	100.0%	-	-	-
Isaka Transport and Supply	148	-	-	148	148	100.0%	-	-	-
Isiphethweni Sewing Manufac	372	-	-	372	372	100.0%	-	-	-
J Mmudis Small Projects (Pty) Ltd	160	-	-	160	160	100.0%	-	-	-
JBM Sisterz	320	-	-	320	320	100.0%	-	-	-
Jennifers Joint (Pty) Ltd	60	-	-	60	60	100.0%	-	-	-
Joda Marine (Pty) Ltd	300	-	-	300	300	100.0%	-	-	-



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

## For the year ended the 31 March 2019

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2017/18
	Adjust- ed Appro- pria- tion Act	Roll Overs	Adjust- ments	Total Availa- ble	Actual Trans- fer	% of Avail- able funds Trans- ferred	Capi- tal	Cur- rent	Final Appro- priation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Josmel General Trading	200	-	-	200	200	100.0%	-	-	-
Junkay Trading (Pty) Ltd	300	-	-	300	300	100.0%	-	-	-
Jupiter Construction and Enterpr	350	-	-	350	350	100.0%	-	-	-
Kalahri Info Centre and Tented	100	-	-	100	100	100.0%	-	-	-
Kalom Creations Projects	230	-	-	230	230	100.0%	-	-	-
Karoo Tuis Catering	86	-	-	86	86	99.5%	-	-	-
Katro Constructions and Business	120	-	-	120	120	100.0%	-	-	-
Ke Kgatoentle	450	-	-	450	450	100.0%	-	-	-
Kenhardt Recycling Works	250	-	-	250	250	100.0%	-	-	-
Kgarabo Trading and Projects	50	-	-	50	50	100.0%	-	-	-
Kgosi ITU	162	-	-	162	162	100.0%	-	-	-
Khai Risk Solutions	50	-	-	50	50	100.0%	-	-	-
Khaya's Construction	775	-	-	775	775	100.0%	-	-	-
Kleinbooi Transport	157	-	-	157	157	100.0%	-	-	-
Koopman Independetn Contra	150	-	-	150	150	100.0%	-	-	-
KT Jacobs T/A Sunrise	150	-	-	150	150	100.0%	-	-	-
Kuyasa Ghetto	154	-	-	154	154	100.0%	-	-	-
Kwa-Jambase Guesthouse	250	-	-	250	250	100.0%	-	-	-
La-Guna Guest House	250	-	-	250	250	100.0%	-	-	-
Litt Holding (Pty) Ltd	350	-	-	350	350	100.0%	-	-	-
Maboko Consultancy	558	-	-	558	558	100.0%	-	-	-
Maita Guesthouse and Hydrospa	150	-	-	150	150	100.0%	-	-	-
Mamfene Construction an Enterpr	185	-	-	185	185	100.0%	-	-	-
Marvanos	200	-	-	200	200	100.0%	-	-	-
Masego Maintenance and Project	300	-	-	300	300	100.0%	-	-	-
Mat Tyre (Pty) Ltd	580	-	-	580	580	100.0%	-	-	-

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

## For the year ended the 31 March 2019

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2017/18
	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
Maz Volstruis Boerdery Co-Operat	376	-	-	376	376	100.0%	-	-	-
Mazwag Cyber Café (Pty) Ltd	200	-	-	200	200	100.0%	-	-	-
MC Vigar Construction & Trading	400	-	-	400	400	100.0%	-	-	-
MDK N Enterprises	250	-	-	250	250	100.0%	-	-	-
Melvin Taxis and Transport Services	360	-	-	360	360	100.0%	-	-	-
Micotha General Trading	260	-	-	260	260	100.0%	-	-	-
Mogamats Spice City (Pty) Ltd	200	-	-	200	200	100.0%	-	-	-
Molehane B Enterprise (Pty) Ltd	290	-	-	290	290	100.0%	-	-	-
Morwamorwe General Trading (Pty) Ltd	255	-	-	255	255	100.0%	-	-	-
Namaqua Pride	475	-	-	475	475	100.0%	-	-	-
Namekhottha Trading	161	-	-	161	161	100.0%	-	-	-
Ndlela Tyres and Services (Pty) Ltd	350	-	-	350	350	100.0%	-	-	-
Njingane Trading and Project	150	-	-	150	150	100.0%	-	-	-
Northern Cape Cricket NPC	260	-	-	260	260	100.0%	-	-	-
Ntombhana Holdings	46	-	-	46	46	100.0%	-	-	-
Orange River Hotel & Conference	135	-	-	135	135	100.0%	-	-	-
Paprenax Trading	358	-	-	358	358	100.0%	-	-	-
Pats Computer Trading Academy	230	-	-	230	230	100.0%	-	-	-
Plan B Toerusting BK	20	-	-	20	20	100.0%	-	-	-
POJK Mining Solutions	280	-	-	280	280	100.0%	-	-	-
Premier Attraction	1,000	-	-	1,000	1,000	100.0%	-	-	-
PSB Creative Network (Pty) Ltd	373	-	-	373	373	100.0%	-	-	-
Pulethu	110	-	-	110	110	100.0%	-	-	-
Ramzo Mining and Construction CC	420	-	-	420	420	100.0%	-	-	-
Rekgarathhile Other Projects	125	-	-	125	125	100.0%	-	-	-

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2017/18
	Adjust- ed Appropriation Act	Roll Overs	Adjust- ments	Total Availa- ble	Actual Trans- fer	% of Avail- able funds Trans- ferred	Capi- tal	Cur- rent	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Re-Mmogo Recycling and Cleaning	370	-	-	370	370	100.0%	-	-	-
Riemvasmaak Gemenskap	649	-	-	649	649	100.0%	-	-	-
Rmond Services	80	-	-	80	80	100.0%	-	-	-
Roodepan Laundry (Pty) Ltd	230	-	-	230	230	100.0%	-	-	-
Ruarks Management	82	-	-	82	82	100.0%	-	-	-
Rulbar Enterprise (Pty) Ltd	180	-	-	180	180	100.0%	-	-	-
Sebomia Construction and Projects	335	-	-	335	335	100.0%	-	-	-
Sellmon Waste Recycling Co-Op	490	-	-	490	490	100.0%	-	-	-
Seserjo Funeral Services	300	-	-	300	300	100.0%	-	-	-
Shama Guesthouse (Pty) Ltd	119	-	-	119	119	100.0%	-	-	-
Siyanda ZF Mcawu Tours Opera	250	-	-	250	250	100.0%	-	-	-
Sizamile Guest House	170	-	-	170	170	100.0%	-	-	-
SKBM Umusa Trading	150	-	-	150	150	100.0%	-	-	-
Slakes Enterprises	541	-	-	541	541	100.0%	-	-	-
Sol Plaatje Local Football Association	200	-	-	200	200	100.0%	-	-	-
St Williams Funeral Parlour	156	-	-	156	156	100.0%	-	-	-
Street Outlaws NC	50	-	-	50	50	100.0%	-	-	-
Sumeya General Trading (Pty) Ltd	950	-	-	950	950	100.0%	-	-	-
Tebonngwe Enterprise	90	-	-	90	90	100.0%	-	-	-
Thapelo TJ Transport (Pty) Ltd	220	-	-	220	220	100.0%	-	-	-
The DKO Local Wood Cabinet	300	-	-	300	300	100.0%	-	-	-
The Hive Entertainment	345	-	-	345	345	100.0%	-	-	-
Thingos General Trading (Pty) Ltd	300	-	-	300	300	100.0%	-	-	-
Top 2 Bottom Cleaning (Pty) Ltd	320	-	-	320	320	100.0%	-	-	-

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

## For the year ended the 31 March 2019

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2017/18
	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
Ubunele Primary Co-Operative	150	-	-	150	150	100.0%	-	-	-
Walla Enterprises and Cleaning	350	-	-	350	350	100.0%	-	-	-
Wil and Su Corporation	342	-	-	342	342	100.0%	-	-	-
Workwell Health Consulting	208	-	-	208	208	100.0%	-	-	-
Xhukaibe Construction and General	490	-	-	490	490	100.0%	-	-	-
Y2K Driving School CC	350	-	-	350	350	100.0%	-	-	-
Zecha Trading	200	-	-	200	200	100.0%	-	-	-
ZRose Ventures	150	-	-	150	150	100.0%	-	-	-
EGDF	777	-	-	777	-	-	-	-	-
SMME Grants-Tourism	548	-	-	548	-	-	-	-	-
Event/Festival	430	-	-	430	-	-	-	-	-
<b>Subtotal</b>	<b>36,551</b>	<b>-</b>	<b>-</b>	<b>36,551</b>	<b>34,796</b>	<b>95.2%</b>	<b>-</b>	<b>-</b>	<b>31,946</b>
<b>TOTAL</b>	<b>36,551</b>	<b>-</b>	<b>-</b>	<b>36,551</b>	<b>34,796</b>	<b>95.2%</b>	<b>-</b>	<b>-</b>	<b>31,946</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

## For the year ended the 31 March 2019

### ANNEXURE 1G

#### STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2017/18
	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
<b>HOUSEHOLDS</b>							
<b>Transfers</b>							
Maasdorp G	-	-	-	-	-	-	40
Mathetsa RB	-	-	-	-	-	-	29
Smith T	-	-	-	-	-	-	6
Lebogang Kenneth Motsagi	-	-	-	-	-	-	40
LM Solomon	1	-	-	1	1	100%	-
LR Jonas	2	-	-	2	2	100%	-
AD Thekisho	3	-	-	3	3	100%	-
African Methodist Episcopal Church	69	-	-	69	69	100%	-
	<b>75</b>	-	-	<b>75</b>	<b>75</b>	-	<b>115</b>
<b>TOTAL</b>	<b>75</b>	-	-	<b>75</b>	<b>75</b>	-	<b>115</b>



## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

**ANNEXURE 3B****STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2019**

Nature of Liability	Opening Balance  1 April 2018 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recoverable (Provide de- tails here- under) R'000	Closing Balance  31 March 2019 R'000
<b>Claims against the department</b>					
Fleet Services (Accident Claims)	163	-	-	-	163
Pemberley Investments (Pty)	15	-	-	-	15
<b>Subtotal</b>	<b>178</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178</b>
<b>TOTAL</b>	<b>178</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

#### ANNEXURE 4 CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2018/19 *	
							Receipt date up to six (6) working days after year end	Amount
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018		
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>Department</b>								
Provincial Treasury	-	94	-	-	-	94	-	-
<b>Subtotal</b>	-	<b>94</b>	-	-	-	<b>94</b>	-	-
<b>TOTAL</b>	-	<b>94</b>	-	-	-	<b>94</b>	-	-

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

#### ANNEXURE 5 INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2018/19 *	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000

#### DEPARTMENTS

##### Current

Northern Cape Fleet Management Trading Entity	175	-	450	563	625	563	-	-
Dept. Of Justice & Constitutional Development	-	294	-	-	-	294	-	-
Government Printing	-	-	-	1	-	1	-	-
Provincial Treasury	-	145	-	-	-	145	-	-
National School of Government	-	-	-	36	-	36	-	-
Office of the Premier	4	-	-	-	4	-	-	-
<b>Subtotal</b>	<b>179</b>	<b>439</b>	<b>450</b>	<b>600</b>	<b>629</b>	<b>1,039</b>		
<b>TOTAL</b>	<b>179</b>	<b>439</b>	<b>450</b>	<b>600</b>	<b>629</b>	<b>1,039</b>	-	-

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2019

#### ANNEXURE 8A INTER-ENTITY ADVANCES PAID (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	R'000	R'000	R'000	R'000	R'000	R'000
<b>OTHER ENTITIES</b>						
Anlar Belleging (Refundable Rental Deposit)	75	75	-	-	75	75
Sol Plaatje (Refundable Deposit Electricity)	56	56	-	-	56	56
Upington Building (Refundable Rental Deposit)	20	20	-	-	20	20
<b>Subtotal</b>	<b>151</b>	<b>151</b>	<b>-</b>	<b>-</b>	<b>151</b>	<b>151</b>
<b>TOTAL</b>	<b>151</b>	<b>151</b>	<b>-</b>	<b>-</b>	<b>151</b>	<b>151</b>







**Published by the  
Department of Economic  
Development and Tourism**

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](mailto:tpalm@ncpg.co.za)  
Website: <http://www.northern-cape.gov.za/dedat>