

Economic Development & Tourism

Department:
Economic Development & Tourism
NORTHERN CAPE PROVINCE

Annual Report

For the Year Ended 31 March 2023

Vote 6

ANNUAL REPORT

For the year ended the 31 March 2023



Mr Abraham Vosloo
MEC for Finance, Economic
Development and Tourism



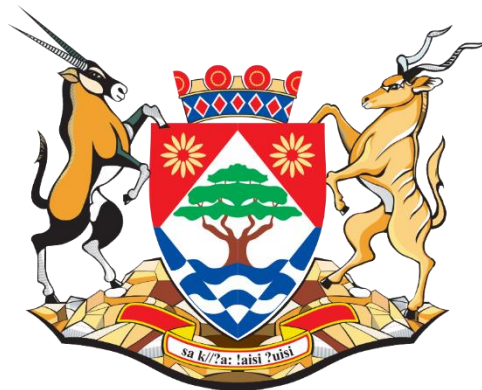
T Mabija
Head of Department
Economic Development and Tourism



Z Cader
Acting Chief Financial Officer



L Wyngaard
Executive Manager
Economic Technical Cluster Secretariat



T Ngamole
Acting Chief Operations Officer



Adv. P Olivier
Executive Manager
Business Regulation and Governance



D Christians
Executive Manager
Integrated Economic Development
Services



G S Mabilo
Executive Manager
Policy, Research and Innovation



Ms J Wilson
Executive Manager
Tourism



R Warie
Acting Executive Manager
Trade and Sector Development

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PART A

GENERAL INFORMATION

1.1 DEPARTMENT GENERAL INFORMATION

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

PHYSICAL ADDRESS:	MetLife Towers (13 th Floor) Corner Stead and Knight Streets Kimberley South Africa
POSTAL ADDRESS:	Private Bag X6108 KIMBERLEY 8300
TELEPHONE NUMBER/S	053 839 4000
FAX NUMBER	053 831 3668
EMAIL ADDRESS	tpalm@ncpg.gov.za
WEBSITE ADDRESS	http://www.northern-cape.gov.za/dedat/

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1.2 LIST OF ABBREVIATIONS/ ACRONYMS

ABBREVIATION	MEANING
AGSA	Auditor-General of South Africa
BBBEE	Broad-Based Black Economic Empowerment
BRICS	Brazil, Russia, India, China and South Africa
CAD	Computer Aided Design
CAM	Computer Aided Manufacturing
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
CSD	Central Supplier Database
CSIR	Council for Scientific and Industrial Research
CSP	Concentrating Solar Power
DGDS	District Growth and Development Strategy
DIRCO	The Department of International Relations and Cooperation
DORA	Division of Revenue Act
DSDF	District Spatial Development Framework
DTI	Department of Trade and Industry
EIA	Enterprise Information Architecture
EHW	Employee Health and Wellness.
ETAC	Economic Technical Advisory Committee
EXCO	Executive Committee
EPWP	Extended Public Works Programme
FABCOS	Foundation for African Business and Consumer Services
GDE	Gross Domestic Expenditure
GDP-R	Gross Domestic Product per Region
GIA	Gemological Institution Authority
HIPCC	High Impact Project Coordinating Committee
HRA&D	Human Resource Accounting and Development
HS	Harmonized System (HS) Codes
ICT	Information and Communication Technology
IDC	Industrial Development Cooperation
IDP	Integrated Development Plan
IDT	Independent Development Trust
IMEDP	Informal Micro Enterprise Development Programme
IYM	In-Year Monitoring
KIDJA	Kimberley International Diamond and Jewellery Academy
KIP	Kathu Industrial Park
KD & JC	Kimberley Diamond & Jewellery Centre
LED	Local Economic Development

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ABBREVIATION	MEANING
LFPR	Labour Force Participation Rate
mLAB	Mobile Solutions Laboratory
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MIS	Management Information System
M & E	Monitoring and Evaluation
MQA	Mining Qualification Authority
NCYCC	Northern Cape Youth Chamber of Commerce
NDP	National Development Plan
NEF	National Empowerment Fund
NEMISA	National Electronic Media Institute of South Africa
NIMBUS	National Informal Business Upliftment Strategy
NIP	National Infrastructure Plan
NVC	New Venture Creations
OECD	Organisation for Economic Co-operation and Development
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administrative Justice Act
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy
PPP	Public Private Partnership
PSA	Public Service Act
PSDF	Provincial Spatial Development Framework
PSET	Post School Education and Training
PSR	Public Service Regulations
PV	Photovoltaic
RaLED	Regional and Local Economic Development
R&D	Research & Development
REIPPPP	Renewable Energy Independent Power Producer Procurement Programme
RWOPS	Remuneration for Work Outside the Public Service
SABIC	South African Business Incubation Conference
SADPMR	South African Diamond and Precious Metals Regulator
SALT	Southern Africa Large Telescope
SAT	South African Tourism
SA-TIED	Southern Africa- Towards Inclusive Economic Development
SAWIC	South African Women in Construction
SEDA	Small Enterprise Development Agency
SEIF	Shared Economic Infrastructure Facility
SEZ	Special Economic Zone

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ABBREVIATION	MEANING
SOE	State Owned Enterprise
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
SPLUMA	The Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA).
SPU	Sol Plaatje University
TSA	Tourism Satellite Account
TVET	Northern Cape Technical Vocational Education and Training
TWIB	Technology for Women in Business
UNWTO	United Nations World Tourism Organisation
WEMI	Women Empowerment Movement International
WiLAT	Women in Logistics and Transport
WTTC	World Travel and Tourism Council

1.3 FOREWORD BY THE MEC

On 05 May 2023, the World Health Organisation's Director-General, Dr Tedros Adhanom Ghebreyesus, declared, "It is therefore with great hope that I declare COVID-19 over as a global health emergency." Although there is cause to celebrate this announcement, the economic fallout from the pandemic continues to frustrate our efforts to address the triple challenge of inequality, poverty, and unemployment.

The impact of the pandemic is reflected in the GDP of the Northern Cape which registered a growth of only 0,7% in the period under review. Although this is outside the MTSF 2019-2024 target of achieving a growth trajectory of 2%-3%, it thwarts the projections that the GDP of the country, and that of the province, would enter a technical recession.

In terms of the Human Development Index (HDI), it is clear that the province has made significant strides in developing its people. Currently, the HDI in the province is at 0.65 (in 2021), which increased from 0.58 (1996). This demonstrates our people's ability to actively participate in their own development and thus the achieve a long and healthy life. The Namakwa district has the highest HDI in the province, recorded at 0.67 (2021), which points to a good quality of life of the people of the district. The Hantam area has an HDI is recorded at 0.68. This elevated HDI for the District and Hantam Municipality suggests that we are on the right path but need to address the increasing income inequality in the province where the wealthiest ten percent are controlling around 61 percent of the provincial economy.

Notwithstanding the economic turmoil of both the pandemic, the Russia-Ukraine conflict, and the slowing down of the Chinese economy, the province managed to increase the level of employment by 72 000 when compared to the same period (in this instance Q4:2021). As a consequence, the Northern Cape has an unemployment rate of 24.3%. This is a marked improvement on the baseline of 29,4% registered at the onset of the MTSF 2019-2014 period.

As the development of SMMEs is key to addressing the triple challenge, the department is proactively involved in Township and Rural Empowerment Programmes (TREP) in order to support informal, micro, and small enterprises and cooperatives in the rural and township economies. The programme includes support to existing SMMEs around the Northern Cape with Stock, Material and Equipment to the maximum value of R100 000.00. To date, the department has received more than 1500 applications from SMMEs for funding. The shortlisting of applicants for three districts has been completed and on-site verification process has commenced in the Pixley Ka Seme and Francis Baard District.

Financial support to SMMEs is also provided through the blended finance model. The department has, to date, transferred R 57.225 million to the National Empowerment Fund (NEF). After a slow start the process has gained traction, resulting in nine enterprises being funded. A sum of R 72 056 911 has been disbursed, with the grant portion being R 22 680 000. This has led to the creation of 580 jobs.

The department has also proactively to promote both foreign and domestic investment. Through the NC Business Publication, the province was also marketed as an ideal trade & investment location highlighting the competitive and comparative advantages of the province, investment and trade opportunities and projects, cost of doing business and financial and economic infrastructure of the province.

In collaboration with NCEDA, four investment projects were realized through confirmation of interest. Agri-Ment Pty Ltd expressed their interest to invest in an R1 billion solar farm project in the Namakwa SEZ. RRS Trade and Investment confirmed their intent to invest in the Namakwa SEZ with a green hydrogen/ammonia fuelling, engine conversion and servicing facility. Quiver Green Group (Pty) Ltd expressed their interest to invest in a biomass production facility in the Namakwa SEZ. Kamal Group expressed their interest to invest in a Sponge Iron Beneficiation Plant in the Northern Cape. These investors came to know of the investment opportunities and locations due to the marketing of the high impact projects in the Northern Cape Business publication and the Trade Invest Africa e-newsletter. Nine investment projects were marketed through the NC Business publication, Trade Invest Africa e-newsletter and the Africa Decisions Magazine. In addition, 40 companies were granted exposure on national, international and media platforms enabling them to market and promote their products.

In his address to the nation in July 2022, His Excellency President Cyril Ramaphosa mentioned the five key actions where the investment in rooftop solar PV installation was announced as one of the activities to resolve the energy challenge in South Africa. Department has developed a renewable energy strategy with an emphasis on rooftop solar PV installation. The strategy seeks to address the limited participation of small, medium, and micro-scale enterprises in the renewable energy value chain. The NC SMME Trust is the implementing agency for the rooftop solar programme with the emphasis on PV Green Card training. The renewable energy incubator, Northern Cape Solar Business Incubator (NOCSOBI) has been established in Kimberley. Twenty SMMEs have received their PV GreenCard certificates. This empowers them to apply for funding and set up solar rooftop installations.

The province will continue to pursue its interventions aimed at creating more job opportunities for new entrants through the roll-out of the mega projects. These include the Kathu Industrial Park (KIP), the Upington Industrial Park (UIP), the Namakwa SEZ, the Green Hydrogen initiatives, the Boegoebaai se Port development and the De Aar Logistics hub. These projects, together with the proposed infrastructure projects will provide opportunities for the uptake of unemployed graduates in the province.

The border closures, flight suspensions, entry requirements and travel prohibitions synonymous with the regulations of the Disaster Management Act of 2002 decimated the tourism sector. Consequently, many tourism entrepreneurs, black and white, opted out of the tourism sector by, for example, converting their accommodation establishments as long stays, selling their properties as office space, or even converting them into facilities such as day hospitals and drug rehabilitation centres. This is exacerbated in that many tourism enterprises are not compliant with the Central Supplier Database prerequisites.

Tourism does have a plan to transform the sector in the province. It includes proactively engaging with stakeholders in the sector, financial support, the training of enterprises in the management of grants, training in business management skills, increasing market access and tourism infrastructure development where it promotes tourism industry transformation. Hence, tourism infrastructure development projects were completed successfully during the financial year i.e., the construction of two luxury campsites in Witsand provincial nature reserve, waterproofing the roof of the Northern Cape Theatre and related electrical works, as well as doing a significant upgrade of the kitchen at Magersfontein Battlefield Museum.

A stakeholder consultative session was convened in Pixley ka Seme, ZFM and Namakwa Districts to create a platform for municipal tourism stakeholders to discuss the finalisation, and establishment of the local tourism forum as part of the provincial tourism recovery process.

Progress was made in the development of the Visitor Tracking System that will be able to quantify the economic contribution of tourism to the provincial, district and local levels. The system was presented to the National Tourism Statistics Committee, National Tourism Research Committee and the Provincial Policy, Planning and Research Forum.

The department, through the entity, the Northern Cape Economic Development Trade and Investment Promotion Agency (NCEDA) advancing the Northern Cape Industrial Development Corridor. Included in this industrial development initiative is the Boegoebaai Port and Green Hydrogen Cluster Project, the Namakwa SEZ, the Upington Industrial Park, the Kathu Industrial Park.

Progress on the Boegoebaai Port and Green Hydrogen Cluster Project includes continued alignment sessions between NCEDA and Sasol are progressing through the working group meetings which aim to have an integrated implementation framework plan to address constraints and areas to support between the various stakeholders. The Boegoebaai Project has been gazetted as SIP on the 6th of December 2022, namely the Boegoebaai Green Hydrogen Development Programme in the Northern Cape. The Land Access agreement between NCEDA and CPA has also been developed. The Transfer of provincial road R382 from NC province to SANRAL was approved by SANRAL board and gazetted.

The Namakwa SEZ designation project has concluded the application phase of the project with submission of final business case which has been submitted to the dtic technical committee. The dtic approved an application for financial support in the year under review. The development of the Namakwa SEZ precinct plans and the Aggeneys Municipal area has been advanced. The plans include an Inception report, Policy Context and Vision Directives, Context Role and

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Issues and Priorities, Draft Precinct Plan Spatial Proposals and Final Precinct Plan & Implementation Plan. The precinct plan will subsequently be submitted to council for approval and will give credence to the submission of comprehensive Township establishment application for Namakwa SEZ in the 2023/24 financial year. The purpose of the precinct plan is to guide spatial, social, economic, environmental, and infrastructural input, as well as to provide a consolidated document that records and establishes the vision and development plan for the precinct for both Aggeneys and Namakwa SEZ.

The project transition, for the Upington Industrial Park, has gone out on tender. Early indications project that the project will soon enter the construction phase, with the intention of completing construction before the end of the new financial year. The Kathu Industrial Park has submitted a registration application with Infrastructure South Africa for project preparation funding. The progress on project has been lagging due to challenges with stakeholders and a lack of funding for bulk infrastructure. ISA subsequently assigned project leads to the project to assist with project coordination and project preparation.

The rationalisation of entities is forging ahead. The Department drafted a Bill for the rationalisation for the Liquor and Gambling Board, per the EXCO resolution. The EXCO has now approved the merger of the NCLB and the NCGB. There is need to have the Liquor and the Gambling Act repealed. The new act has been gazetted and the objective is to finalise the rationalisation process before the end of the second quarter of the new financial year.

I would like to echo the sentiment of our president, the Honourable Cyril Ramaphosa, who, in his State of the Nation address paid homage to our beloved Madiba and urged us to, “stay the course” and develop a society, “that will reinforce humanity’s belief in justice, strengthen its confidence in the nobility of the human soul and sustain all our hopes for a glorious life for all.”



Mr Abraham Vosloo

MEC for Finance, Economic Development and Tourism

31 May 2023

1.4 REPORT OF THE ACCOUNTING OFFICER

1.4.1 Overview of the operations of the department

The interventions to stimulate the market to absorb new entrants to the employment sector has not been unsuccessful. The province recorded the lowest unemployment rate in the country of 22,1% in the fourth quarter of 2022. The province will continue to pursue its interventions aimed at creating more job opportunities for new entrants through the roll-out of the mega projects.

These projects form part of the industrial agenda that seeks to diversify the economy and form part of the Northern Cape Industrial Development Corridor, also referred to as the N14 Development Corridor. These projects are comprised of the Kathu Industrial Park (KIP), the Upington Industrial Park (UIP), the Namakwa SEZ, the Green Hydrogen initiatives, the Boegoebaai Port and Green Hydrogen Cluster development, and the De Aar Logistics hub. These projects, together with the proposed infrastructure projects will provide opportunities for the uptake of unemployed graduates in the province.

The Boegoebaai Port is being developed on a Build-operate- transfer (BOT) form of project delivery method. BOT is a contractual relationship in which Transnet will appoint a service provider to set-up, fund, construct and operate the port with the contractually stipulated intent of transferring the port to Transnet after a specified time period.

The Transnet National Port Authority (TNPA) have advertised the Request for Quotation (RFQ) for the development of the Port and Rail Network. The TNPA will commence the RFP process in July 2023 and will transition towards FEL 3 and October 2024. Progress with the Green Hydrogen Cluster includes the appointment of both service providers and capacity.

The plans forward include continuing with Planning for the Special Economic Zone (SEZ) and localization. The Land Access agreement between NCEDA and the Community Property Association (CPA) has been developed, with input from Sasol. The initial 3-year access offering agreed in principle between NCEDA and the CPA. The access agreement is to be presented to the CPA AGM for approval and signature. In terms of providing access, the transfer of provincial road R382 from the NC province to SANRAL was approved by the SANRAL board and gazetted 02 November 2022.

The South African Renewable Energy Masterplan (SAREM) is one of 14 industry-specific Master Plans that form part of a national process led by the Department of Trade, Industry and Competition (DTIC) to inform industrial strategy. The ongoing process to establish the SAREM is an opportunity to help change existing industrial policy to ensure maximum benefit while working towards a just energy transition. Hydrogen will play a significant role in the transition to a net-zero energy system. It will establish SA, and indeed the province, as a future energy market global trader, securing foreign direct investment, earning foreign income, and creating economic growth and development.

The just energy transition focuses on the transition of South Africa's energy sector as the country navigates the shift away from coal towards cleaner sources of energy. GH2 will be the global clean fuel of the future and critical to SA decarbonising our economy and ensuring the competitiveness and sustainability of our industries. The Green Hydrogen Cluster is a mega project and the first phase of the 5GW electrolyser is well under way, with plans to eventually extend the investment to develop a 40 GW electrolyser.

A Steering Committee meeting was held with Minister Gordan, Premier and the Group CEO of Transnet to inform us about the outcome of the RFQ and report that 3 strong consortiums will be taken to the next round for the building of the Port and Rail. We also participated in the Berlin Energy Dialogues, coordinated by ISA to promote our green hydrogen ambition, attract grand funding, and visit and attract technology partners from Germany. The province is busy extending our Memorandum of Understanding with Western Cape to include Eastern Cape as well as part of the piping solution. The department is also consulting on the Master Plan to be concluded before the Green Hydrogen Summit scheduled for October 2023.

The Kathu Industrial Park (KIP) project has progress with Anglo American having appointed a resource that will assist the municipality to build the requisite internal capacity to developing the project in terms of bulk infrastructure. There has

also been submission for project preparation that will enable the submission for BFI which will not only address the Bulk Infrastructure needs relative to KIP but also compensate to have an ideal social compact and enable the municipality's capacity for future developments. The investment will accrue to R 450 000 000 for establishment, and is to be dispensed through the IDC for execution of key design perimeters and implementation philosophy. The submission will be completed by the end of June 2023. The first, of the three phases, is projected to cost R150 million. It will include the appointment of a construction company to erect fences to enclose the park, the construction of access roads and the preparation of vacant plots. Phase 2 will seek to extend the park to link up with the property that belongs to the Airports Company South Africa (ACSA) with the aim of the upkeep of the property.

The next steps will be to conduct an infrastructure gap analysis and to complete the CIP application process to establish BBBEE compliance. In addition, the department, with the assistance of Infrastructure South Africa (ISA), will lobby to register the project and as a free-standing Strategic Infrastructure Project (SIP) and, with the support of the Industrial Development Corporation (IDC) Project Management Unit (PMU) to apply for an industrial park fund.

The Namakwa SEZ is in the final stages of accreditation. The designation application for the Namakwa SEZ has been submitted. Once it is gazetted and comments have been submitted the expectation is that the Minister will announce the designation in May of this year. In the interim we are sourcing funding to address the bulk infrastructure requirements. We have approached provincial treasury to assist with the funding to the tune of R600 million. Upon approval, the intention is to extend the SEZ to the Boegoeberg area to support the development of the port and the GH2 project. The initiation of the Namakwa SEZ PTY LTD is to be supported in order to institutionalise the execution of the project that will be advanced in the 2023/24 financial year. With the intervention of DTIC, we have been engaging Vedanta, our anchor investor at the SEZ, to agree on what is possible to assist the smelter. The BIF application has been concluded and have begun consulting on the application, including meeting the Minister of Finance. The final date for the submission has been set for the end of June 2023.

In terms of the development of the Upington Industrial Park, the council has approved the development and an agreement has been reached. The land has subsequently been allocated. We have successfully submitted R 50 000 000 CIG application to DBSA and DTIC for Phase 1. An amount of R 49 000 000 has been approved by dtic from the CIG.

The implementation of phase 1 is in progress with the dtic as the funder and the DBSA as implementing agents. The contractors have been appointed and took site in Feb 2023. The ordering of materials has been initiated and the transitioning of work packaged that will be allocated to local SMMEs is being developed. The construction phase with be facilitated over a period of 12 months.

The Township, Rural Enterprise Support programme (TRES) is a dedicated programme aimed at transforming small businesses in townships and rural areas into productive business ventures. The programme includes support to existing SMMEs in the province with stock, material, and equipment to the maximum of R100 000.00. The recruitment processes to encourage qualifying enterprises to apply for funding opened on 7/11/2022 and closed 30/11/2022. In this period, in excess of 1600 applications were received. The shortlisting for three districts has been completed. On site verifications have commenced in the Pixley Ka Seme and Frances Baard districts. A Service Level Agreement (SLA) has been entered into with the Northern Cape SMME Trust to undertake the Procurement of material on behalf of the DEDaT. An amount of R12 150 000.00 has been transferred to the Trust for undertaking the procurement process (inclusive of administration costs, logistics, material, and equipment), part of which will be distributed in Richmond and Victoria West in the first quarter of the new financial year.

Financial support to SMMEs is also provided through the blended funding model in collaboration with the National Empowerment Fund (NEF). Since its inception, nine (9) transactions have been approved for grant funding from inception to date. Currently, there are eight transactions undergoing the due diligence process, while thirty-five (35) deals are at screening stage.

The department proactively seeks to implement interventions aimed at transforming the Tourism Sector. The efforts to transform this sector was dealt a severe blow by the COVID-19 pandemic. As a survival strategy, many tourism enterprises opted out of the tourism sector. Some converted their accommodation establishments to long stays; selling

their properties as office space or even converting them into facilities such as day hospitals and drug rehabilitation centres.

The department and the Northern Cape Tourism Authority (NCTA) are working in a dedicated manner to support tourism industry transformation and long-term viability of black-owned tourism enterprises. Approximately R6 million per financial year is spent to provide direct support for tourism industry transformation. This amount excludes money spent on services procured from black-owned service providers and direct spending on government-owned (provincial and municipal) tourism infrastructure. The department continued its collaboration with other stakeholders to respond to the national and provincial tourism recovery strategies. These included the development of the SKA Exploratorium and the Richtersveld World Heritage Site.

In addition, an internet-based research tool called the “Visitor Tracking Survey” is being developed to provide timeous and relevant tourism data for all five districts to determine the economic impact, value, and growth of tourism in the province. The system requirement specifications have been completed and the user functionality of the system will be tested before the system is implemented for use by the public.

In terms of progress on the process of the rationalisation of entities, the Executive Council of the Northern Cape (EXCO) has approved the merger of the NCLB and the NCGB; the merger of the NCTA into NCEDA, including the fleet trading account, Mme Re ka Thusa Trust and the Kalahari Kid Entity. Consultations with staff were held with NCEDA, NCTA, NCLB and the NCLB. Draft structures have been finalised and consultations with Labour and other relevant organisations are set to take place between May and June 2023.

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1.4.2 Overview of the financial results of the Department**1.4.2.1 Departmental receipts**

Departmental receipts	2022/2023			2021/2022		
	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	33 603	27 971	5 632	21 461	23 733	(2 272)
Casino taxes	25 607	19 312	6 295	15 350	16 384	(1 034)
Horse racing taxes	3 186	4 540	(1 354)	1 793	3 406	(1 613)
Liquor licences	4 810	4 119	691	4 318	3 943	375
Motor vehicle licences	-	-	-	-	-	-
Sale of goods and services other than capital assets	123	174	(51)	109	115	(6)
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	17	176	(159)	14	175	(161)
Interest, dividends and rent on land	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Financial transactions in assets and liabilities	733	41	692	688	485	203
Total	34 476	28 362	6 114	22 272	24 508	(2 236)

1.4.2.2 Programme Expenditure

Programme Name	2022/2023			2021/2022		
	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	70 721	70 359	362	58 802	55 637	3 165
Integrated Economic Development Services	51 738	49 896	1 842	61 496	60 600	896
Trade and Sector Development	92 261	80 182	12 079	70 562	70 458	104
Business Regulation and Governance	44 641	44 641	-	43 726	43 634	92
Economic Planning	18 846	18 216	630	21 492	20 907	585
Tourism	66 837	66 837	-	77 428	77 257	171
Total	345 044	330 131	14 913	333 506	328 493	5 013

In the 2022/23 financial year the department underspent by R14 913 000 (R5 013 000 in 2021/22).

However, the Department did request a roll-over of R13 669 000 and if the roll-over is deducted from the underspending the real underspending of the Department amounts to R1 244 000 or 0.36% of the allocated budget.

Compensation of Employees breakeven for the period ending 31 March 2023.

An under spending, amounting to R323 000 was realised on Goods & Services. Orders amounting to R121 000 were issued to several service providers. Goods were received prior to year-end, but payment could not be effect since the closure of the BAS system. These commitments were active on LOGIS as at 31 March 2023 which obligates the DEDaT to process the payment. A roll-over request was submitted to Provincial Treasury for the unspent funds amounting to R 121 000.

An under spending, amounting to R13 321 000 was realised on Transfers & Subsidies in Trade and Sector Development and Integrated Economic Development Services. A roll-over request was submitted to Provincial Treasury for the unspent funds amounting to R13 321 000.

An under spending, amounting to R 1 269 000 was realised on Payments for Capital Assets. Orders amounting to R 226 000 was issued to several service providers. These Capital Goods were received prior to year-end, but payment could not be effect since the closure of the BAS system. These commitments were active on LOGIS as at 31 March 2023 which obligates the DEDaT to process the payment. A roll-over request was submitted to Provincial Treasury for the unspent funds amounting to R 226 000.

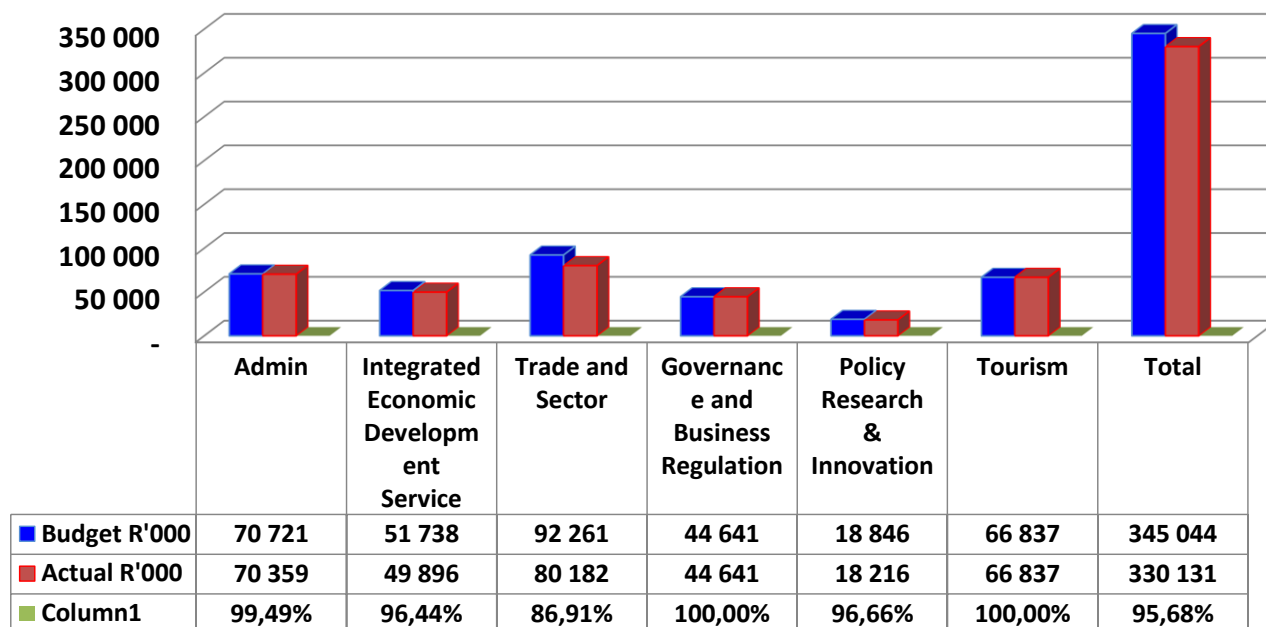
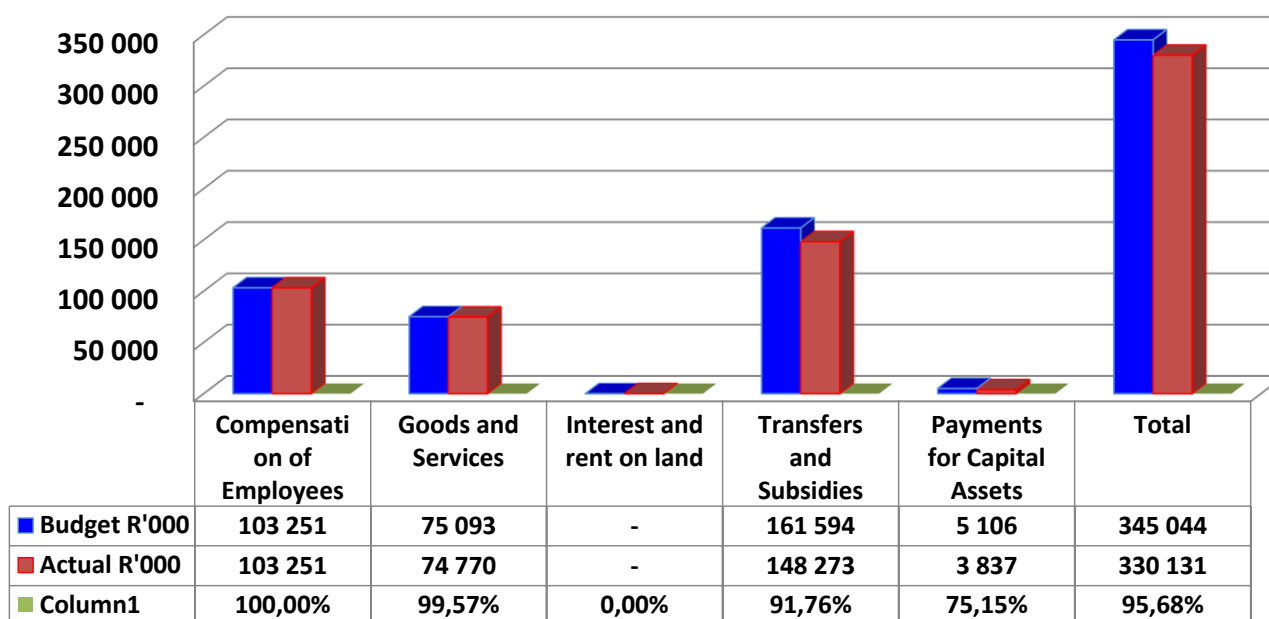
The financial year 2022/23 under spending as per economic classification are:

- Compensation of employees was RNIL (R1 438 000 in 2021/22);
- Goods and Services was R323 000 (R2 259 000 in 2021/22). A roll-over request was registered in the 2022/23 financial year amounting to R121 000. A roll-over request was registered amounting to R1 421 000 for Goods and Services for the 2021/22 financial year.
- Transfers and Subsidies was R13 321 000 (R89 000 in 2021/22). A roll-over request was registered amounting to R13 321 000 for Transfers and Subsidies in the 2022/23 financial year. No roll-over request was registered for Transfers and Subsidies for the 2021/22 financial year.
- Payments for Capital Assets was R1 269 000 (R1 227 000 in 2021/22). A roll-over request was registered amounting to R226 000 for the 2022/23 financial year. A roll-over request was registered amounting to R681 000 for Payments for Capital Assets in the 2021/22 financial year.

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

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GRAPH 1: Budget versus Expenditure per Programme for 2022/2023**Budget vs Expenditure per Programme****GRAPH 2: Budget versus Expenditure per Economic Classification for 2022/2023****Budget vs Expenditure per Economic Classification**

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1.4.2.3 Virements/roll overs**Virements**

After the Adjusted Appropriation Act of the 2021/22 financial year, the following virement on savings, according to section 43 of the Public Finance Management Act, Act No.1 of 1999 (PFMA), have been applied by the department.

Per Programme:

FROM	TO	Amount R'000
Administration	Trade and Sector Development	2 085
Administration	Business Regulation and Governance	5
Administration	Economic Planning	4
Administration	Tourism	10
Integrated Economic Development Services	Administration	336
Integrated Economic Development Services	Trade and Sector Development	3 765
Integrated Economic Development Services	Business Regulation and Governance	648
Integrated Economic Development Services	Economic Planning	38
Integrated Economic Development Services	Tourism	714
Business Regulation and Governance	Trade and Sector Development	20
Economic Planning	Trade and Sector Development	1 173
Economic Planning	Business Regulation and Governance	122
Economic Planning	Tourism	28
Tourism	Trade and Sector Development	3 109

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

Per Economic Classification:

FROM	TO	Amount R'000
Compensation of Employees	Transfers and Subsidies	2 674
Goods and Services	Goods and Services	832
Goods and Services	Transfers and Subsidies	6 212
Machinery and Equipment	Machinery and Equipment	307
Transfers and Subsidies	Transfers and Subsidies	2 000

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

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Roll-Overs

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

After completion of the 2022/23 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 20 April 2023.

The submission for roll-over submitted to Provincial Treasury for the Department of Economic Development and Tourism was R13 669 000 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	362	347	15
Integrated Economic Development Services	1 842	1 338	504
Trade and Sector Development	12 079	11 984	95
Business Regulation and Governance	-	-	-
Economic Planning	630	-	630
Tourism	-	-	-
Total	14 913	13 669	1 244

1.4.3 Strategic Focus over the short to medium term period**FUTURE PLANS OF THE DEPARTMENT 2023/2024**

In May 2022, the QLFS conducted by StatsSA, for Q1 2022, indicated that the unemployment rate for the Northern Cape Province stood at 24,9% (the Expanded Unemployment Rate was 44,4%). This was the lowest in the country. In August 2022, the QLFS indicated that the unemployment rate had declined to 23,7%, again the lowest in the country.

Hence the department has identified several catalytic projects designed to keep the unemployment trajectory in the province moving along the current downward trajectory. The energy sector has been identified as a critical sector to improve employment while simultaneously addressing the energy challenge that the country is facing. The department seeks to encourage investment in Rooftop Solar PV installation. To facilitate the acquisition, the department has developed a Renewable Energy Strategy emphasising the installation of Rooftop Solar PV. The strategy seeks to address the limited participation of SMMEs in the renewable energy value chain. The NCSMME Trust has issued an advertisement calling on SMMEs in the renewable space to express interest. Of the respondents, seventeen SMMEs underwent training (in PV Green Card) in Q1 in Frances Baard, while a second intake of an additional 34 SMMEs underwent training in quarter Q2(SMMEs from all districts). So far 20 SMMEs have obtained their PV Green Card certificates. Furthermore, 15 SMMEs have undergone retraining and are scheduled to undergo re-assessment in Quarter 1 of 2023/24. The PV Green Card has been developed to promote safe and high-quality Solar PV installations. The PV Green Card Programme focuses on education, skills development, and training to build installer capacity as well as improve standards development and compliance in line with international best practices.

The SMMEs in possession of the PV Green Card certificates will be admitted to the Northern Cape Solar Energy Business Incubator (NOCSOBI). NOCSOBI is in Kimberley and will be administered in hybrid form (physically and on virtual platforms) to reach all districts in the province. This, together with the qualification, will allow SMMEs to enter into power purchase agreements with the departments and use that as one of the requirements to acquire loan funding from banks to procure the PV systems.

The promotion of trade and investment is also a key economic driver. The investment promotion initiative is driven by the Northern Cape Investment Booklet which is digitally marketed via the Global Africa Network Website, as well as those of NCEDA and the department. The marketing of investment projects are important and hence key partnerships are actuated to this effect. They include the Trade Invest Africa e-newsletter, African Decisions magazine, the Enlit Africa Conference, SAITEX, the Fancy Food Show in the USA, SAITEX 2022, the Keetmanshoop Agricultural Industrial and Tourism Expo (Namibia), as well as the South African Green Hydrogen Summit (SAGHS) 2022 in Cape Town.

Investment is also crowded in through catalytic projects which include the Kathu Industrial Park. This forms part of the Catalytic Infrastructure Projects within Infrastructure South Africa (ISA). The development phase is projected to produce 1200 construction jobs and 800 permanent jobs when fully operational. The investment will accrue R450 000 000 for the establishment.

The development of the Upington Industrial Park has seen a total of R34 million in studies and salaries to date when the SEZ costs are associated with the UIP. It is envisaged that 600 construction jobs and 1200 permanent jobs will be created in the project.

The designation of the Namakwa SEZ has been escalated to the Technical Working Committee within the dtic for ratification against the submission. A total of R7 million in studies and salaries have been invested already. The future expenditure in terms of CAPEX is expected to be R1.8 billion and the indications are that it will create 5000 construction jobs and 2000 permanent jobs. In terms of the plans going forward the department will seek to initiate the engineering masterplan for services and infrastructure. It is imperative to reprioritise the budget with the assistance of the IDC SEZ PMU.

A major catalytic project is the Boegoebaai Port and the Green Hydrogen Cluster. The project consists of three elements. These are the Deep Port Harbour, the SEZ and Renewable Energy. This is a mega investment that includes a 40GW electrolyser plan. Progress has already been made in terms of the harbour and the first 5GW. Ten million rands have been committed to the project and the pre-feasibility studies are expected to be completed before the end of the year.

The District Development Model (DDM) is designed to improve the current planning paradigm (vertically and horizontally) through a spatialized approach. It is an integral part of government's One Plan which sets out the long-term strategic framework to guide investment and service delivery relative to a specific district. The department plays a supportive role in all six transformation areas in the DDM with a leading role in Transformation Area 2. These include transformation demographics/people, economic positioning, spatial restructuring & environmental stability, infrastructure engineering, service provisioning and governance.

In Pixley Ka Seme (PKS) the projects are the De Aar Warehouse, Square Kilometre Array (SKA) and broadband roll-out. In Namakwa the projects are the Boegoebaai Sea Port, the Green Hydrogen Project, the Namakwa SEZ, Marine tourism initiatives and the development of tourism routes. The projects in Frances Baard (FB) are the Redirile State of the Art School, the Kimberley Diamond Cup (KDC), the Kimberley International Diamond and Jewellery Academy (KIDJA) and the Kimberley Diamond Jewellery Incubator (KDJI). In ZFM the projects are the UIP, Mier Tourism Enterprise Incubator, Mier Security Guard Training, Dawid Kruiper Municipality Visitor Information Office Support and the Riemvasmaak Day Spa Recreation area. The Kathu Industrial Park (KIP) and the Community Network Programme (CNP) are the projects in JTG. Common to all the districts in the province are the Digitalise Black-owned Conference centres, export readiness interventions and the provision of financial and non-financial support to enterprises.

The Department moved away from the Economic Growth and Development Fund (EGDF) and adopted new strategy to fund SMME, in that regard partnered with the National Empowerment Fund (NEF). As of 31 January 2023, a total of 158 applications have been received from various business sectors in the province. Eight have been approved for funding to the value of R57 056 911. Seven have been approved to receive a grant to the value of R18 680 000. Five deals are in the due-diligence phase. Thirty-one applications were withdrawn, while 75 applications were declined. Thirty-two applications are currently being screened and have been requested to supply additional information. The approved deals are envisaged to create 475 jobs. The five deals in the pipeline are expected to help to secure 131 existing jobs and create 118 new jobs.

The department is embarking on the development of a Township and Rural Economy Strategy which rests of 3 pillars. These are the development of a strategic document (the Northern Cape Township and Rural Strategy – TRES); the establishment of a rapid response financial support initiative to SMMEs who remained resilient during the pandemic lockdowns; and the development of a provincial database for SMMEs.

In his address to the nation, His Excellency President Cyril Ramaphosa mentioned the five key actions where the investment in rooftop solar PV installation was announced as one of the activities to resolve the energy challenge in South Africa. In the main, the Integrated Resource Plan 2019 play a central role in the country's energy mix, where the Northern Cape is regarded as the lead contributor to the renewable energy targets. In theory, this document aims to identify the requisite investment in the electricity sector that maximises the national interest. The target on the current document that will be updated before the end of the current financial year will be implemented as planned, whereas the time horizon extended beyond 2030.

Four years before the president's speech, the Northern Cape Provincial Government had already identified "investment in rooftop solar PV installation" as one of the 18 conference resolutions. The department has developed a renewable energy strategy emphasising rooftop solar PV installation. The strategy seeks to create a rooftop solar PV installation programme as an entry point for SMMEs. The objective is to assist the SMMEs in entering into power purchase agreements with the departments and acquire loan funding from banks to procure the PV systems. The Trust has issued an advertisement calling on SMMEs in renewable energy to submit an expression of interest. 119 SMMEs submitted their applications, and 51 were shortlisted to participate in the programme. The 51 SMMEs were trained and assessed in the PV Green Card programme, where 20 successfully obtained their certificates. The 20 SMMEs will be admitted to the Incubation centre (Northern Cape Solar Business Incubator). The objectives of the incubation are:

- First, to help SMMEs to identify and create sustainable business opportunities with the consumers.
- Last, to ensure that the SMMEs adhere to good administrative processes when running their businesses.

The Department is working with the Northern Cape Provincial Treasury to create the transversal contract. The objective of the transversal contract is to encourage the Departments to appoint the Northern Cape SMMEs from the database.

In 2021/22 the Colesburg feedlot was constructed and initiated and has been performing very well. In 2022/2023 the De Aar feedlot was constructed and operationalised and is also performing very well. The Upington site is currently being secured and prepared and will be an operational feedlot in due time. The model has provision for a local and national market off take and in essence provide HDI small scale sheep farmers the benefit of sheering, fetching market related prices for their sheep and lastly genetic enhancement of their flocks seen as rental prime rams are availed to the small-scale farmers.

The Provincial Research priorities are the New Integrated Resource Plan and its implications for the Northern Cape Province; a Youth Entrepreneurship Strategy; the research on mining and mining activities within the mining sector to determine the actual contribution to the provincial economy.

In the tourism sector, an internet-based research tool called the “Visitor Tracking Survey” is being developed to provide timeous and relevant tourism data for all five districts to determine the economic impact, value, and growth of tourism in the province. The system requirement specifications have been completed and the user functionality of the system will be tested before the system is implemented for use by the public.

Tourism is one of the key pillars that supports economic transformation, growth, and development in the province. Hence, Tourism Market development is driven through stakeholder relationship development. The stakeholders currently include NCTA, NDT, SANParks Khomani Visitor interpretation centre & Market tree development, the SKA Carnarvon Exploratorium (the plans of which have been submitted to a museum design specialist to combine the functionality of the centre in terms of education, Astro-tourism, and heritage), Richtersveld World Heritage Site and DSAC.

In terms of the development of tourism enterprises, 7 beneficiaries were supported to attend the annual Africa's Tourism Indaba (Durban); 4 enterprises received financial support for the Upington-26 tourism precinct. In order to underpin tourism in the province infrastructure development is undertaken. These include the Witsand Nature Reserve and the Northern Cape Theatre. Maintenance is also undertaken at Goegap, Rolfontein and Doringkloof nature reserves. The development of the Star-gazing corridor (Sutherland/Carnarvon) will continue.

The development of marine and coastal tourism is also important in expanding the tourism market share for the province. The following projects are being implemented, the Tourism Hondeklipbaai-Port Nolloth Masterplan; the Orange River Mouth Masterplan; the Hondeklipbaai- MacDougall's Bay campsites; the NC Coastal Aviation infrastructure initiative and the Kleinsee Beach Precinct project. The department will continue with consultation with stakeholders for implementation of these projects in 2023/2024.

The department plays an oversight role for the 4 Schedule 3C public entities i.e., the NCLB, the NCGB, NCEDA and the NCTA. The process of rationalisation of these entities is spearheaded by the Office of the Premier. To fast track the process EXCO resolved to allow for the incorporation of the Tourism Authority, White Fleet Trading Entity into NCEDA and for the merger of Gambling and Liquor Authority from the 1st of April 2023. The Department is facilitating the process and consulting with the Legislature and all the affected stakeholders for a smooth transition

The department is currently implementing fully the financial disclosures for SMS members and designated officials. Given the uncertainty regarding the implementation of lifestyle audits and the challenges occasioned thereby, the province has undertaken a transversal approach in this regard. In this regard, agencies such as the SIU have been engaged to assist the province, and indeed the department, with the implementation of the lifestyle audits.

1.4.4 Public Private Partnerships

The department does 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 New or proposed key activities

The Department started the Township Revitalization supporting SMMEs benefitting by means of procuring capital goods for the SMMEs. This initiative is conducted in collaboration with the NC SMME Trust. It is driven by Programme 2: Integrated Economic Development

1.4.7 Supply chain management

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

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

No gifts and/or donations were received in kind from any non-related parties.

1.4.9 Exemptions and deviations received from the National Treasury

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

1.4.10 Events after the reporting date

None

1.4.11 Other

National Treasury has granted approval to the department "to deviate from the sector-agreed uniform budget programme structure to be aligned with its new organisational structure as requested."

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For the year ended the 31 March 2023

1.4.12 Acknowledgement/s or Appreciation

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

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

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

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

I hereby approve the Annual Report for the financial year ending 31 March 2023.



Mr T Mabija
Accounting Officer
Department of Economic Development and Tourism

Date: 31 May 2023

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 2023.

Yours faithfully



Accounting Officer
Mr T Mabija
Department of Economic Development and Tourism
Date: 31 May 2023

1.6 STRATEGIC OVERVIEW

VISION

A radically transformed economy in the Northern Cape.

MISSION

Accelerating the inclusive economic growth of the Northern Cape Province through modernisation, diversification and empowerment.

VALUES AND PRINCIPLES

In delivering a service to its diverse clients the Northern Cape Department of Economic Development and Tourism has laid particular emphasis on the following values and principles:

- Transparency
- Responsiveness
- Accountability
- Professionalism
- Integrity
- Diligence
- Innovation, and
- Accessibility

1.7 LEGISLATIVE AND OTHER MANDATES

Direct Mandates

1.7.1 Constitutional mandates

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

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

1.7.2 Legislative mandates

The following directive commands the mandate of the Department;

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

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

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

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

Indirect Mandates

1.7.3 National and Provincial Government policies

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

1.7.4 Economic Policy Mandates**a) National Development Plan**

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

This is proposed to be achieved by:

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

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

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

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

The five sub-outcomes are:

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

b) Industrial Policy Action Plan

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

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

c) National Infrastructure Plan

The South African Government adopted a National Infrastructure Plan in 2012 that intends to transform the economic landscape while simultaneously creating significant numbers of new jobs and to strengthen the delivery of basic services.

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

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

A list of 50 strategic infrastructure projects and 12 special projects were gazetted in July 2020, to be prioritised.

The following are gazetted projects from the Northern Cape:

SIP 19	water and sanitation
SIP 21	Transport
SIP 24	Human Settlements

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

1.7.5 Bi-lateral agreements

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

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

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

1.7.6 Medium Term Strategic Framework 2019 - 2024

The Medium-Term Strategic Framework (MTSF) 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.

The MTSF 2019 – 2024 is developed in line with electoral mandate identifies and the Priorities to be undertaken during 2019-2024 to put the country on a positive trajectory towards the achievement of the 2030 vision. It sets targets for implementation of the priorities and interventions for the 5-year period, and states the Outcomes and Indicators to be monitored.

The new MTSF is now defined as the combination of a NDP Five Year Implementation Plan for the Priorities outlined in the Electoral Mandate and an Integrated Monitoring Framework that:

Is more focused on a limited set of priorities.

- Allows for a clear line of site for the President and the country.
- Outlines the required delivery, resources, and delivery timelines.
- Defines the proposed targets, interventions, outcomes, and indicators.

The MTSF outlines the following set of priorities derived from the electoral mandate and the State of the Nation Address:

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

The priorities and subsequent impact and outcomes that resonate with the mandate of the Department of Economic Development and Tourism are:

- Priority 2: Economic Transformation and Job Creation, and •
- Priority 7: A better Africa and World.

1.7.7 CHANGES IN THE POLICY ENVIRONMENT

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

Special emphasis is placed on ensuring development at local government level, as well as coordinating and implementation of all three spheres of government priorities and plans through the District Development Model.

1.7.8 UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES**Economic Transformation, Inclusive Growth and Competitiveness: A contribution towards a growth agenda for the South African Economy**

The Economic Policy Division of National Treasury produced the document in 2020 in response to the slow economic growth, rising unemployment rate and lack of investment faced by South Africa at large.

The document is intentionally focused on economic growth and job creation and it acknowledges that a country becomes competitive when it is cost effective, innovative and provides adequate return on investment. The document highlights five fundamental building blocks to achieve long term sustainable growth, namely:

- Improving educational outcomes, with a strong emphasis on early childhood development and a comprehensive reading plan for primary school learners;
- Implementation of youth interventions, including training and apprenticeships;
- Creation of sustainable cities and inclusive transport systems;
- Address the skills gap through a combination of short term (easing immigration regulations for qualified individuals from accredited institutions) and long-term educational reforms; and
- A capable state with functional public-private partnerships.

District Development Model

The District Development Model will be pursued through the “One District, One Plan” model, whereby single and integrated plans from all three spheres of government are implemented in each district with the aim of providing regulatory and policy certainty to local stakeholders.

All planning and budgeting across the state will be based on a shared understanding of District challenges, employing District-level Integrated Development Plans (IDPs) and Spatial Development Frameworks (SDFs) as a base for planning and resource allocation.

These plans will consider issues such:

- Land release and development,
- Infrastructure investment,
- The provision of basic services and
- Support for local economic drivers.

Provincial Growth and Development Plan

The Northern Cape PGDP has been developed with the purpose to provide strategic direction in placing the province on a growth trajectory build on four drivers, namely Economic Growth, Development and Prosperity; Social Equity and Human Welfare; Environmental Sustainability and Resilience and Governance.

The document identifies the sectors with high labour intensity and development potential as follows:

- Construction,
- Community, Social and Personal Services,
- Manufacturing,
- Agriculture, Forestry and Fishing,
- Wholesale and Retail Trade, Catering and Accommodation.

1.7.9 RELEVANT COURT RULINGS

The matter of Imperial Group (Pty) Ltd t/a Cargo Motors Klerksdorp v Dipico and Others (1260/2015) [2016] ZANCHC 1 (1 April 2016), had a direct impact on the NC Consumer Court, as it related to jurisdiction, by providing clarity as to

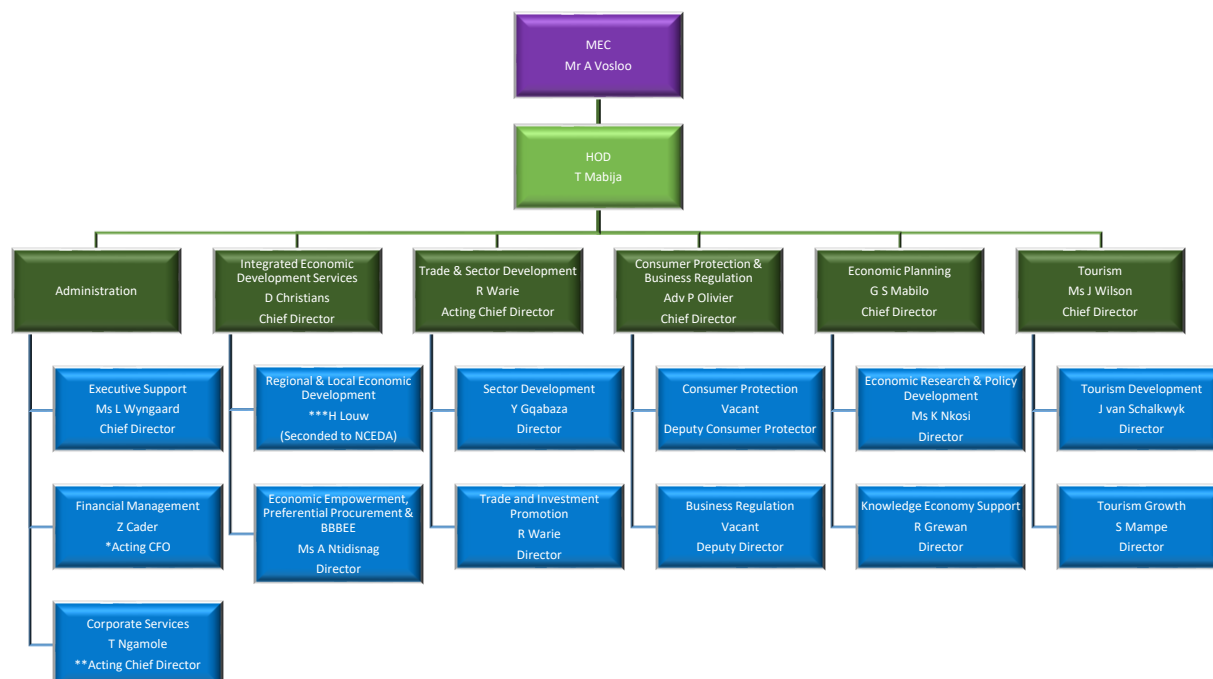
whether a consumer is bound to a specific regulator based on the area of expertise or whether a consumer has the right to refer its matter to a Consumer Court where the consumer resides. This directly impacts us as it dictates when matters can be referred to our courts. The Court stipulated that:

"Section 70 puts paid to any doubt on whether the CPA seeks to introduce the hierarchical system of dispute resolution in s 69. It makes plain that a consumer may seek to resolve any dispute in respect of a transaction or agreement with a supplier by referring the matter to an alternative dispute resolution agent who may be any of the institutions listed in the section."

"Therefore, if a consumer resides in a province where there is a consumer court, such consumer is not barred from approaching the consumer court even if an ombud with jurisdiction exists."

"More pertinently, s 75 (1) of the CPA put an end to any uncertainty on the jurisdiction of the NCCC. It provides that if the NCC issues a Notice of non-referral in response to a complaint, other than on the grounds contemplated in section 116, the complainant concerned may refer the matter directly to, inter alia, the consumer court, if any, in the province within which the complainant resides, or in which the respondent has its principal place of business in the Republic, subject to the provincial legislation governing the operation of that consumer court."

1.8 ORGANISATIONAL STRUCTURE



- *The position of the Chief Financial Officer is currently being filled by Mr Z Cader in an acting capacity.
- **The position of Chief Director for the sub-programme Corporate Services is currently being filled by Mr T Ngamole in an acting capacity.
- ***H Louw, the Director for RaLED, has been seconded to NCEDA.

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 (NCEA)	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.	Managing, planning and directing of destination marketing and promotions of all sectors in the provincial tourism industry – meetings, incentives, conventions, exhibitions, events, leisure marketing and visitor and support services. Facilitation of the development of new tourism experiences and travel packages. Co-operate with other bodies to market the province as trade and investment destination. Facilitation of co-operation and participation between public and tourism private sector in pursuit of tourism growth for the benefit of all people of the province. Facilitate the pursuit of transformation and empowerment goals within the provincial tourism industry. 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 limited 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

In delivering his Speech at the Central Bank Conference Dr. Rashad Cassim¹, noted that these are some of the most remarkable years in the history of the South African economy. Unfortunately, they are remarkable for the wrong reasons. Acknowledging that domestically, the country is experiencing the lowest growth episode in modern South African history. In illuminating this point, Cassim (2023) remarked that the marked low growth, is mostly in recent times precipitated by the widespread failure of basic infrastructure, more so, the energy crisis (i.e., electricity supply).

Exogenous factors continued unabated, as the country has been buffeted by a series of extraordinary shocks: the COVID-19 pandemic, the war in Ukraine, and a global inflation surge. These circumstances have profoundly affected the lives of all South Africans. They have also confronted policymakers with difficult choices. Today, I want to outline how monetary policy has responded, and share with you the main uncertainties and debates we are grappling with today (*ibid*).

South Africa's economic and social challenges are mounting, risking stagnation amid an unprecedented energy crisis, increasingly binding infrastructure and logistics bottlenecks, a less favourable external environment, and climate shocks. A recovery in the services sector supported job creation in 2022; however, employment remains below pre-pandemic levels and unemployment close to record highs, on the back of already high poverty and inequality.

In addition, the economy remains exposed to external shocks and capital flow volatility, in the context of tighter global financial conditions, and volatile commodity prices related to Russia's war in Ukraine. The elevated public debt significantly limits the fiscal space available to respond to economic and climate shocks and meet social and developmental needs.

In the last quarter of 2022, the Northern Cape had the lowest provincial unemployment rate in the country. The provincial unemployment rate is estimated at 22.1%, as reported by Statistics South Africa (StatsSA) in its latest Quarterly Labour Force Survey (QLFS). This is a notable improvement when compared to the previous quarter, declining by 4.3 percentage point, when our unemployment was at 26.4%. A positive outcome for the provincial labour market, is the decreases in the unemployment levels in the province. StatsSA, estimates the provincial unemployment level to hover around 95 000. A marked improvement when compared to the previous quarter, when it was recorded at 116 000, detailing a decline of over 20 000 unemployed persons.

¹ Dr Rashad Cassim is a Deputy Governor of the South African Reserve Bank (SARB).

Global Economic Perspectives

Global growth is expected to slow in 2023 to 2.9 per cent, with significant risks to the outlook tilted largely to the downside. Growth in some of the world's largest economies is set to slow in 2023, with Europe and the United States showing signs of weakening activity (International Monetary Fund IMF), (2023). Similarly, in its World Economic Prospects report, the World Bank (2023) asserts that given fragile economic conditions, any new adverse development—such as higher-than-expected inflation, abrupt rises in interest rates to contain it, a resurgence of the COVID-19 pandemic, or escalating geopolitical tensions—could push the global economy into recession. This would mark the first time in more than 80 years that two global recessions have occurred within the same decade (World Bank, 2023).

Table 1: World Economic Outlook (WEO) - IMF

Region/country	2021	2022	2023	2024
Percentage	Actual	Estimate	Forecast	
World	6,2	3,4	2,9	3,1
Advanced economies	5,4	2,7	1,2	1,4
United States	5,9	2,0	1,4	1,0
Euro area	5,3	3,5	0,7	1,6
United Kingdom	7,6	4,1	-0,6	0,9
Japan	2,1	1,4	1,8	0,9
Emerging and developing countries	6,7	3,9	4,0	4,2
Brazil	5,0	3,1	1,2	1,5
Russia	4,7	-2,2	0,3	2,1
India	8,7	6,8	6,1	6,8
China	8,4	3,0	5,2	4,5
Sub-Saharan Africa	4,7	3,8	3,8	4,1
Nigeria	3,6	3,0	3,2	2,9
South Africa¹	4,9	2,5	0,9	1,5
World trade volumes	10,4	5,4	2,4	3,4

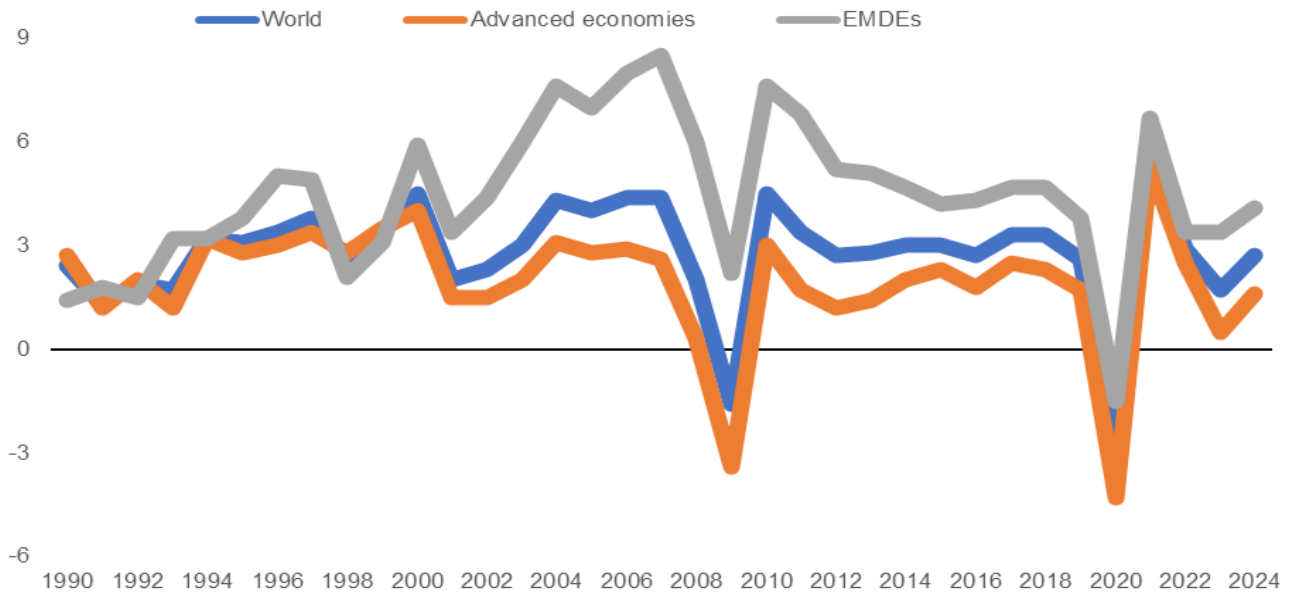
Source: (National Treasury (NT), 2023) (International Monetary Fund (IMF), 2023)

Despite declining economic growth, labour markets in advanced economies remain resilient. Manufacturing purchasing managers' indices in major advanced economies and some emerging market economies contracted in the second half of 2022. China's manufacturing activity was adversely affected by its zero-COVID policy and troubled real estate sector. The removal of China's zero-COVID policy in December 2022 is expected to support a gradual rebound in economic activity this year.

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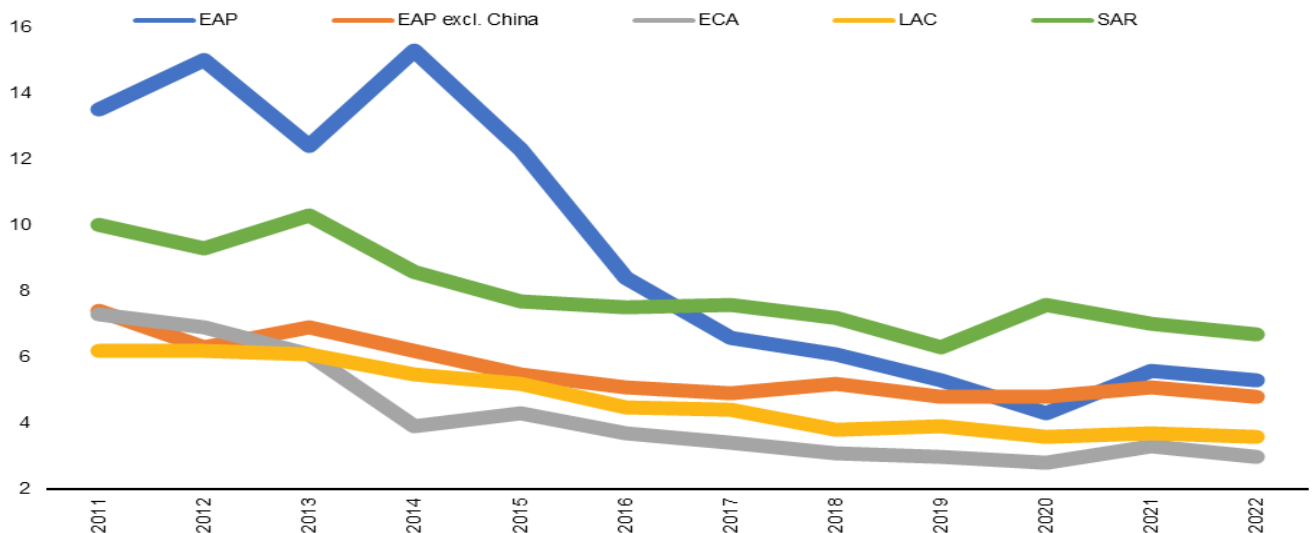
Figure 1: World Economic Growth Outlook



Source: World Bank, 2023

According to the World Bank (2023), nearly all the economic forces that drove economic progress are in retreat. In the decade before COVID-19, a global slowdown in productivity—which is essential for income growth and higher wages—was already adding to concerns about long-term economic prospects. In this decade, total factor productivity is expected to grow at its slowest clip since 2000.

Figure 2: Five-year ahead investment growth forecasts



Source: World Bank, 2023

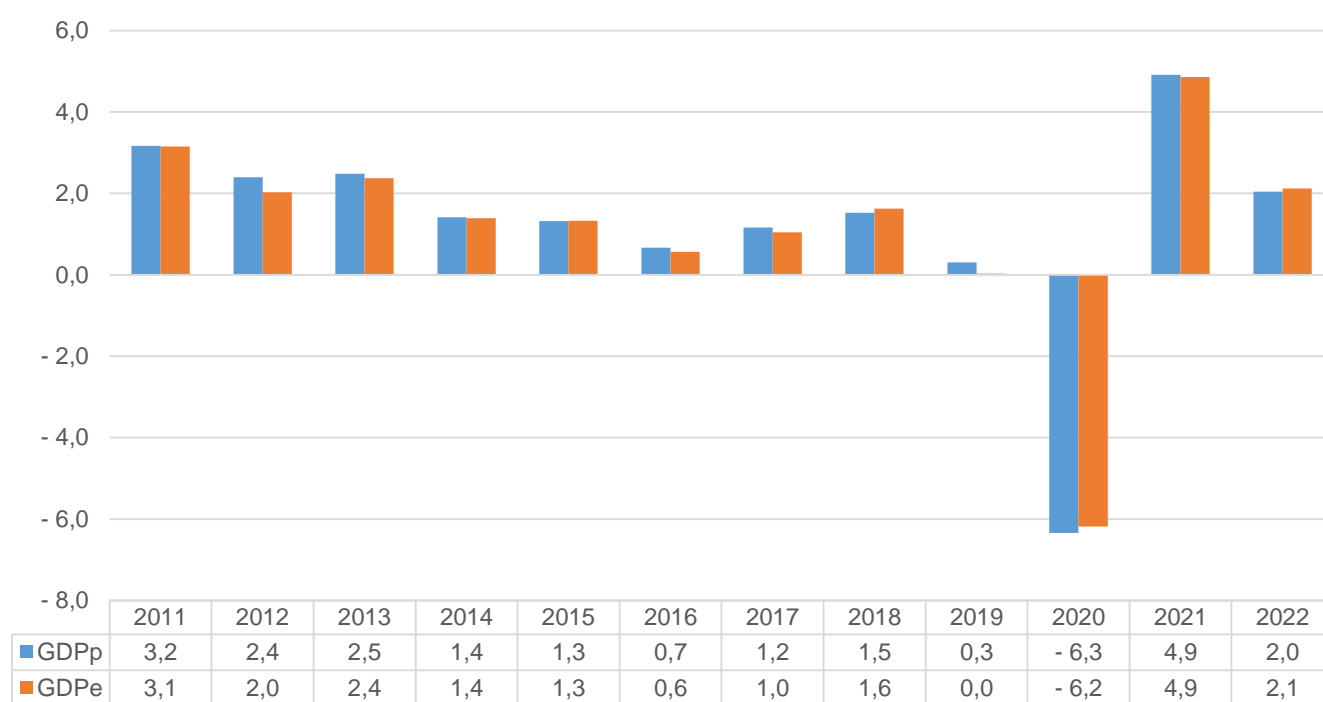
Investment growth is weakening: the 2022-24 average will be half that of the previous two decades. The global labour force is also growing sluggishly as populations age in advanced economies and many emerging-market and developing economies (EMDEs). In addition, reversals in human capital triggered by the health shock, school closures and learning losses will have long-lasting effects on the growth of potential output. International trade—which from the 1990s through 2011 grew twice as fast as GDP growth—is now barely matching it (World Bank, 2023).

South Africa's recent economic performance

South Africa suffered enormous damage over the decade of state capture. Soon thereafter, major shocks – the COVID-19 pandemic, an outbreak of public riots and the escalating electricity crisis – dealt additional blows to the economy, and put the already strained national budget under more pressure (National Treasury (NT), 2023). Deputy Governor Cassim concurred with the sentiment and noted that the COVID-19 pandemic produced an unusual mix of supply and demand effects, which included supply chain disruptions and abrupt shifts in the composition of demand. On top of this came the Ukraine war which pushed up food and energy costs around the globe.

The result for macroeconomic policymakers was that we had to pivot fast. In South Africa's case, as inflation rebounded, economic output recovered to pre-COVID levels, and global rates soared. At a minimum we needed to have interest rates near their normal or longer-run levels, not at long-term lows. In this context, the South African Reserve Bank's (SARB) Monetary Policy Committee (MPC) implemented a series of 75 basis point hikes, larger than those used in the previous hiking cycle, to get back to safety.

Figure 3: South Africa' GDP in terms of Expenditure and Production growth rates – Annual figures



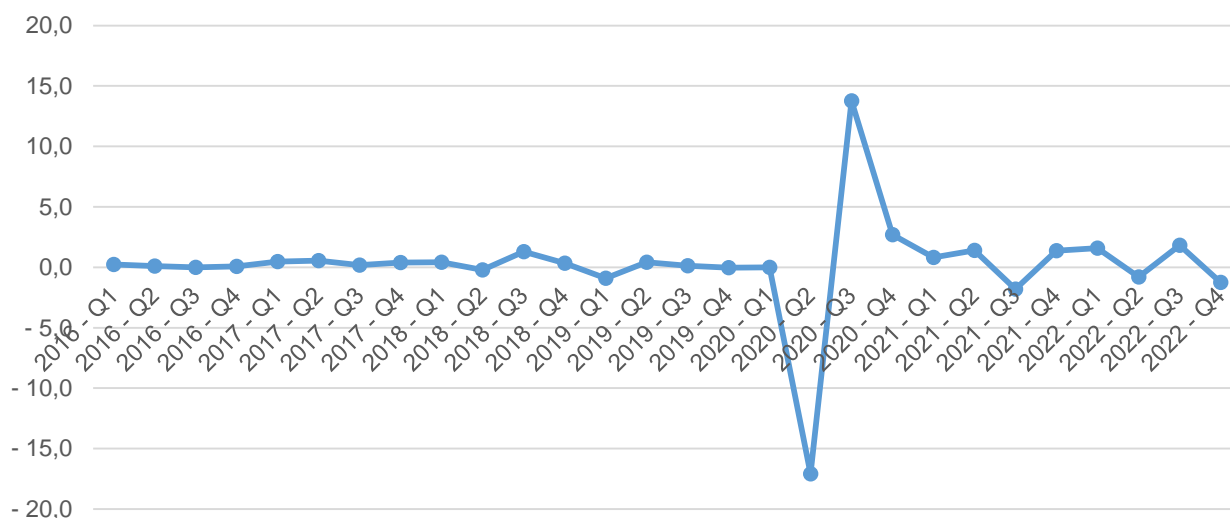
Source: StatsSA, 2023

According to the latest preliminary indicators, real GDP increased by 2.0% in 2022 following an increase of 4.9% in 2021. Expenditure on GDP increased by 2.1% in 2022, following an increase of 4.9% in 2021. Household final consumption expenditure increased by 2.6% and contributed 1.7 percentage points. In terms of the insight by Deputy Governor Cassim, as with potential growth, we cannot be sure that the neutral rate is exactly 7%. It is an unobservable concept – and the tools at the SARB's disposal for measuring it are imperfect. Nonetheless, a rate of around 7% is a reasonable place to start conversations about the policy stance. It suggests that current rates, at 7.25%, are in the region of the neutral rate, and it also illustrates how loose policy was back when we were at 3.5%.

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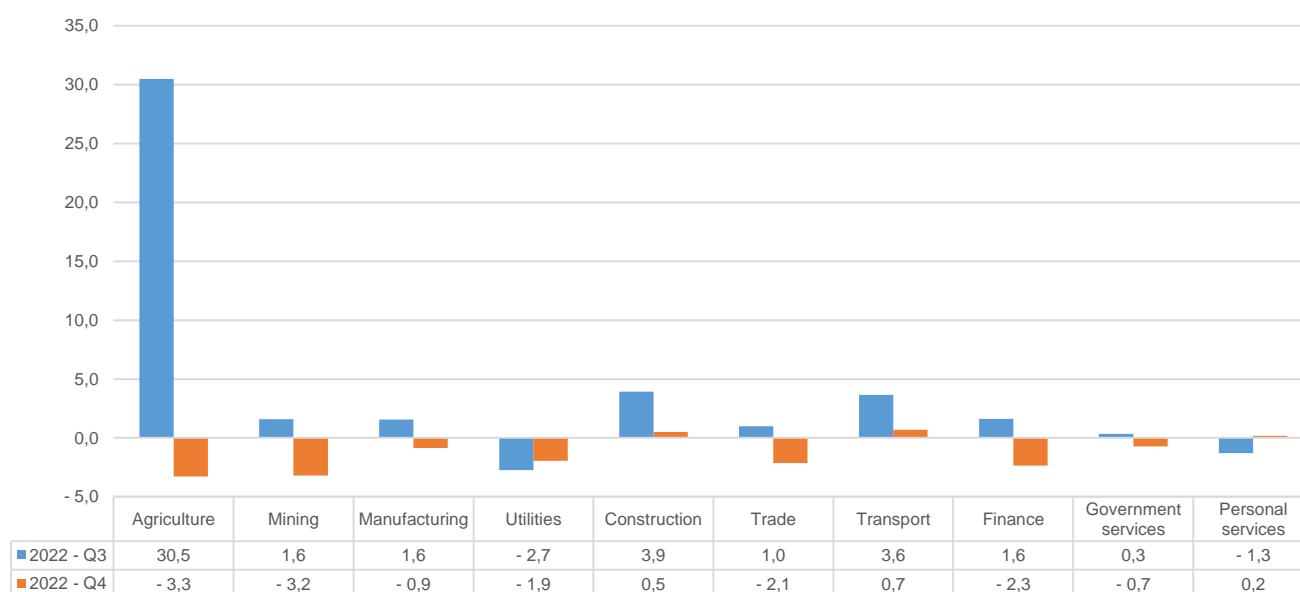
Figure 4: South Africa's GDP growth - Quarter 4, 2022



Source: StatsSA, 2023

On a quarterly basis, StatsSA (2023) reported that real gross domestic product (measured by production) decreased by 1.3% in the fourth quarter of 2022, following an increase of 1.8% in the third quarter of 2022.

Figure 5: South Africa's Sectoral GDP growth rates



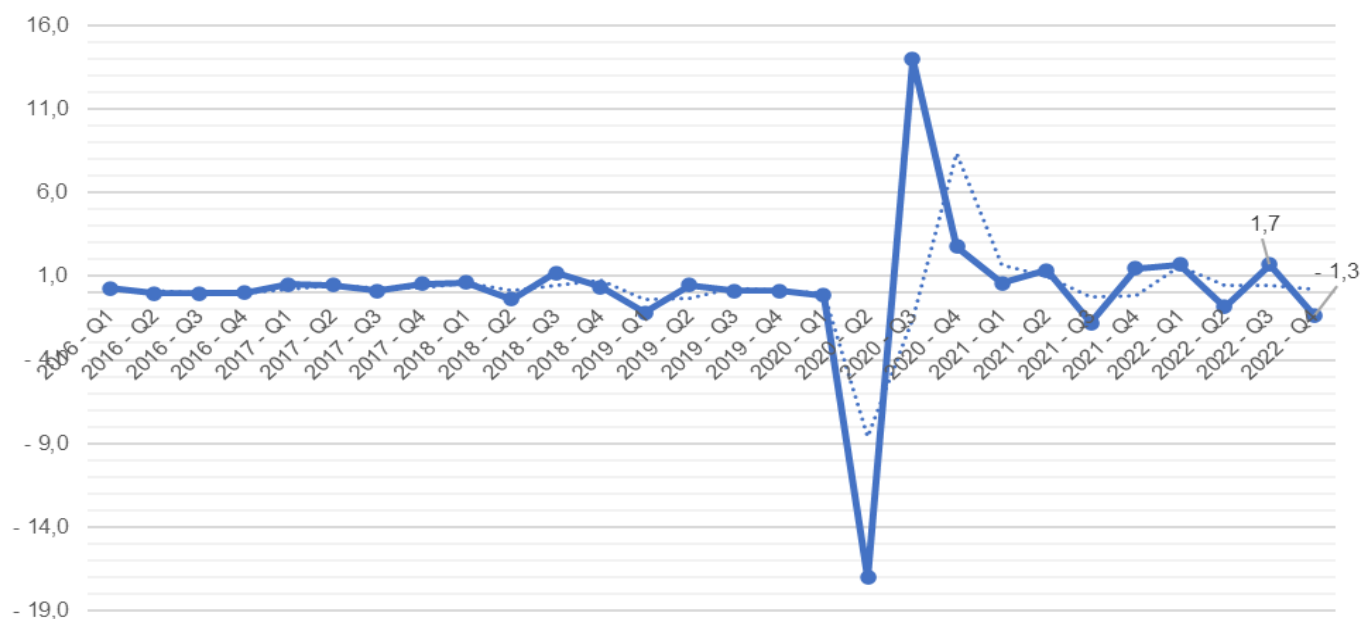
Source: StatsSA, 2023

According to StatsSA (2023), seven (7) of the ten (10) industries, recorded negative growth between the third and fourth quarters of 2022. Finance decreased by 2.3% and contributed -0.6 of a percentage point to GDP growth. The trade industry decreased by 2.1% and contributed -0.3 of a percentage point to GDP growth. The Mining industry declined in the last quarter of 2022, by -3.2% and thus contributed -0.1 of a percentage point to GDP growth. Contrary, to the seasonal effect, the agriculture industry decreased by -3.3% and contributed -0.1 of a percentage point to GDP growth.

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Figure 6: South Africa Expenditure growth on GDP



Source: StatsSA, 2023

Similarly, the expenditure on real gross domestic product declined by around -1.3% in the last quarter of 2022. The decline was following an increase of 1.7% in the third quarter of 2022.

Figure 7: South Africa Expenditure growth on GDP by Component



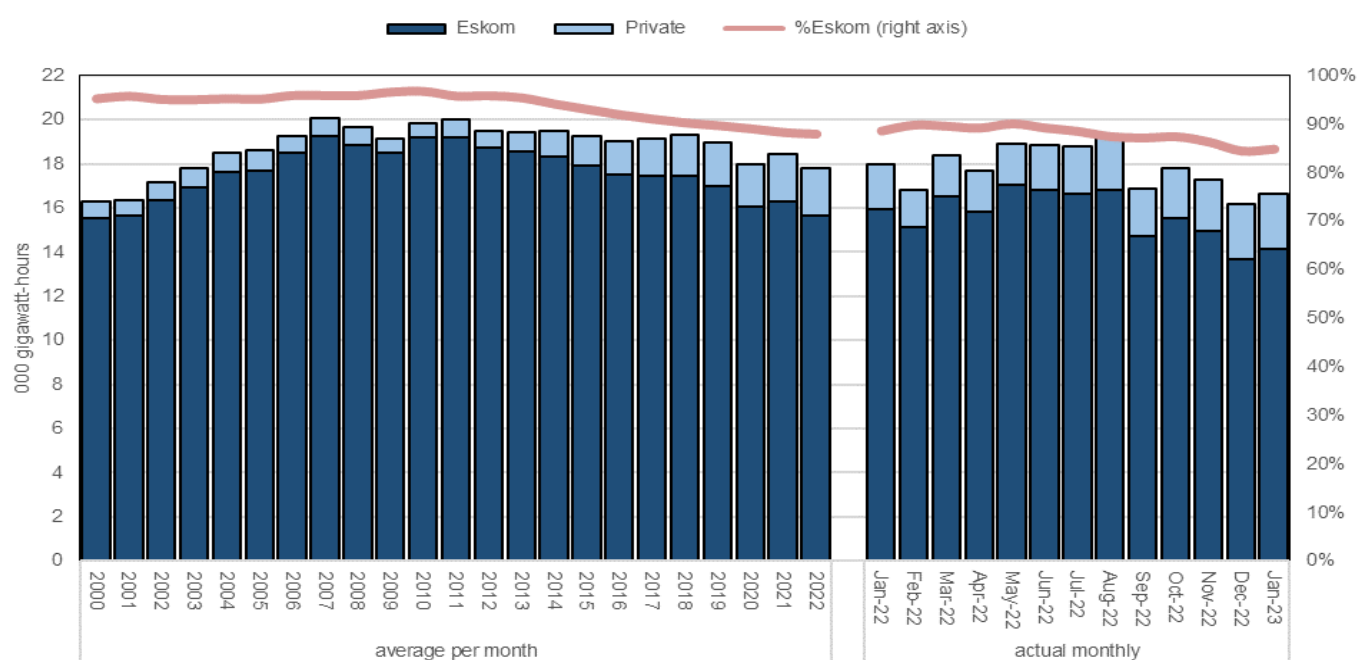
Source: StatsSA, 2023

The expenditure side of the GDP, was in the third quarter of 2022 cushioned by the growth in the Government consumption, as well as the exportation of goods and services, which positively grew by around 0.6% and 3.8%, respectively. Investment has for the two quarter's recorded positive growth rates, with a 0.3% in the third quarter and a 1 percentage point increase in the last quarter of 2022, to record 1.3% growth. Invariably, the picture would have been

starkly different had the Household consumption markedly grew², however, the tepid growth and elevated inflation rates have dwindled the consumption power of households thus the decline. According to StatsSA (2023a), the following occurred:

- Household final consumption expenditure increased by 0.9% in the fourth quarter of 2022, contributing 0.6 of a percentage point to total growth.
- Government final consumption expenditure decreased by 0.7%, contributing -0.1 of a percentage point.
- Gross fixed capital formation increased by 1.3%.
- Changes in inventories in the fourth quarter of 2022 contributed -0.9 of a percentage point to total growth.
- Net exports contributed -1.1 percentage point to total growth, following decreases of -4.8% and -0.8% in exports and imports respectively.

Figure 1: South Africa's Energy Production



Source: Trade and Industry Policy Strategies (TIPS), 2023

Inadequate electricity supply remains the most immediate and significant constraint to production, investment, and employment. This is compounded by disruptions to and underinvestment in freight and logistics networks, which erode competitiveness. Rising inflation has constrained household spending and raised the cost of living (National Treasury, 2023), (TIPS, 2023).

² More pronounced than the 0.9 percentage point growth recorded. This assertion is premised on the significance of households in the expenditure side of the country's GDP.

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Table 2: South Africa's Macroeconomic Outlook

Percentage change	2019	2020	2021	2022	2023	2024	2025
	Actual			Estimate	Forecast		
Final household consumption	1,2	-5,9	5,6	2,8	1,0	1,5	1,8
Final government consumption	2,1	0,8	0,6	0,3	-2,2	0,4	0,0
Gross fixed-capital formation	-2,1	-14,6	0,2	4,2	1,3	3,8	3,5
Gross domestic expenditure	1,4	-8,0	4,8	3,8	0,9	1,5	1,8
Exports	-3,4	-11,9	10,0	8,8	1,0	2,2	2,9
Imports	0,4	-17,4	9,5	14,0	1,1	2,3	2,9
Real GDP growth	0,3	-6,3	4,9	2,0 ³	0,9	1,5	1,8
GDP inflation	4,6	5,7	6,2	4,0	3,5	4,9	4,6
GDP at current prices (R billion)	5 613,7	5 556,9	6 192,5	6 597,6	6 894,8	7 338,3	7 814,5
CPI inflation	4,1	3,3	4,5	6,9	5,3	4,9	4,7
Current account balance (% of GDP)	-2,6	2,0	3,7	-0,4	-1,8	-2,0	-2,1

Source: (National Treasury (NT), 2023)

As shown by the table above, the country's GDP growth is projected to be 0.9% in 2023 and to average 1.4% through 2025. Disruptive power cuts are expected to continue for most of 2023 and energy constraints are likely to remain a drag on productive capacity for at least the next two years. The urgent implementation of energy reforms outlined in this chapter could materially improve growth over the medium term. Although output has recovered, the persistent scarring impact of the pandemic on employment and investment decisions continues to weigh on the recovery (National Treasury (NT), 2023).

Northern Cape Provincial Economic Outcomes

The macroeconomic fundamentals have generally improved, however considerable challenges remain in the medium term, due largely to the persistence of the pandemic effect and volatility induced by the impact of the Russia–Ukraine conflict. On the South African economy, the release of the GDP figures by StatsSA, allayed fears of a possible technical recession due to both the exogenous and endogenous factors. Most pundits had anticipated the country's GDP to reach a second quarter of negative growth, however, a positive outcome was realised.

Tracking the Human Development Index (HDI), it is clear that the province made significant strides to develop its people. As it stands the HDI in the province is at 0.65 (in 2021), which increased from 0.58 (1996), this alludes to our people's ability to actively participate in their own development and thus attainment a long and healthy life, knowledge, and a decent standard of living. Namakwa district has the highest HDI in the province, recorded at 0.67 (2021), which speaks to the good quality of life the people of the district. The Hantam area has an HDI is recorded at 0.68. This elevated HDI for the District and Hantam Municipality suggests that we are on the right path but more is still required.

The increasing income inequality is truly a democratic poser as it dents the road we have travelled and what still lies ahead. The provincial income inequality as measured using the Gini-coefficient measure is computed at around 0.61, whilst for the district is slightly lower at 0.58. In essence, the wealthiest ten percent are controlling around 61 percent of

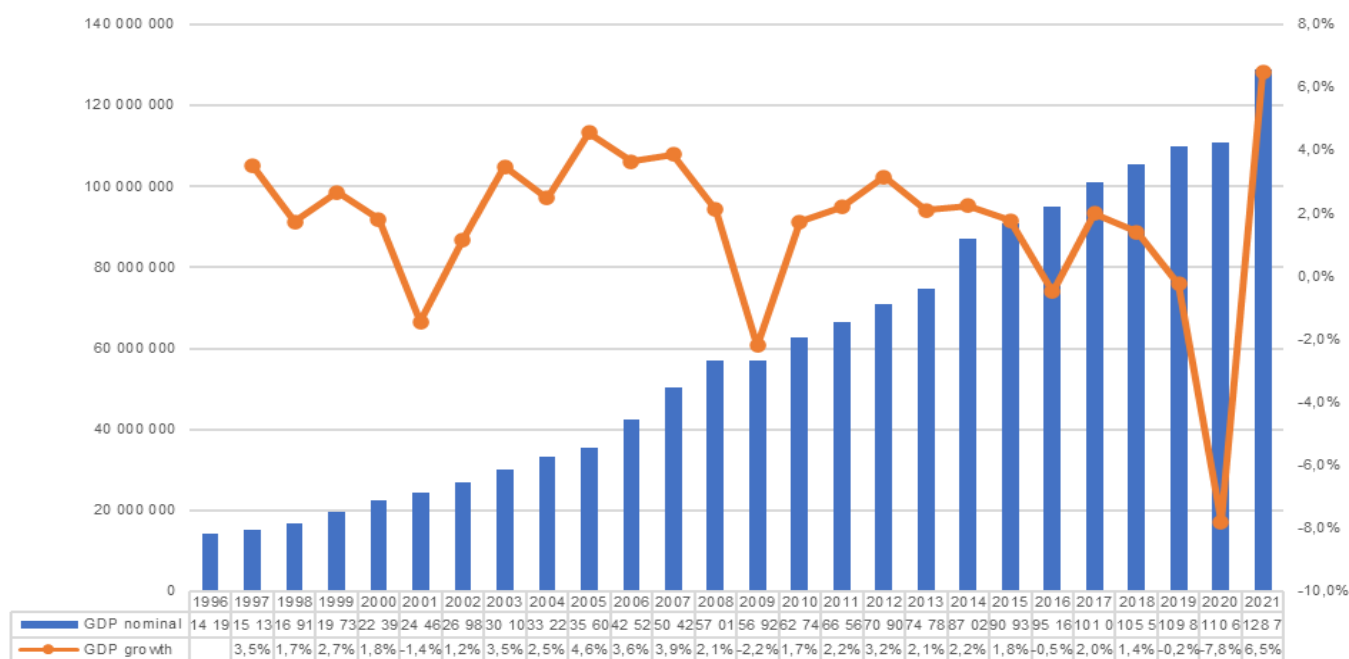
³ The 2.0% is the estimated figure by StatsSA (2023a), contrary to the earlier estimation by the National Treasury (2023).

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the provincial economy, this phenomenon needs to be reversed, as we cannot afford to have the majority of our people at the periphery of the economy.

Figure 9: Northern Cape Provincial Growth rate and GDP estimates



Source: IHS MarkIT, 2023

Similar to other provinces, the Northern Cape growth rate has declined consistently since 2011. In addition, in 2019, it experienced a negative growth rate of -0.1%. As noted, the Northern Cape growth rate was affected by the national lockdown measures, as it recorded a decrease of -7.8% in 2020, as estimated by IHS MarkIT (see figure above). In 2021, the provincial growth rate is estimated to have rebounded increasing by 6.5% (TIPS, 2023) (IHS MarkIT, 2023).

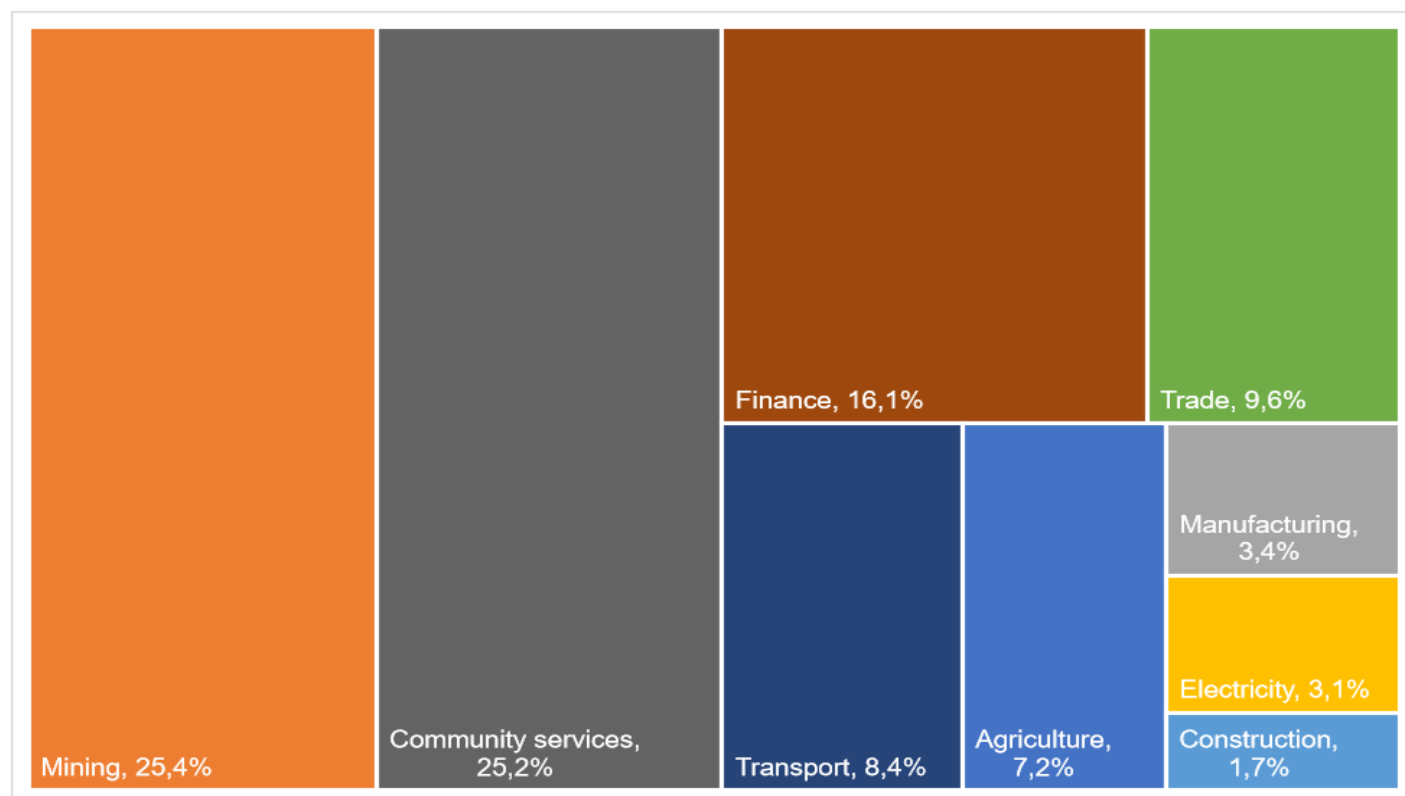
Table 3: Northern Cape Provincial GDP in Current Prices, Percentage Contribution and Percentage growth per sector

	2006			2011			2016			2021		
	Current	% Contr	% growth con	Current	% Contr	% growth con	Current	% Contr	% growth con	Current	% Contr	% growth con
Agriculture	2 544 322	6.0%	-1.0%	4 350 088	6.5%	-0.8%	7 098 521	7.5%	-0.1%	8 442 462	6.6%	0.6%
Mining	7 632 244	17.9%	1.3%	12 559 717	18.9%	0.1%	13 478 252	14.2%	-0.5%	29 954 796	23.3%	3.1%
Manufacturing	1 077 860	2.5%	0.2%	1 803 600	2.7%	0.0%	3 324 054	3.5%	0.0%	3 997 023	3.1%	0.3%
Electricity	554 461	1.3%	0.0%	1 764 843	2.7%	0.1%	2 828 394	3.0%	-0.1%	3 623 895	2.8%	0.2%
Construction	743 710	1.7%	0.1%	1 392 681	2.1%	0.0%	2 812 769	3.0%	0.0%	2 024 072	1.6%	-0.1%
Trade	5 191 902	12.2%	0.5%	7 101 510	10.7%	0.5%	10 038 557	10.5%	0.0%	11 278 217	8.8%	0.4%
Transport	4 568 853	10.7%	0.3%	6 183 301	9.3%	0.3%	9 719 527	10.2%	0.1%	9 925 337	7.7%	0.4%
Finance	6 672 559	15.7%	0.7%	9 788 701	14.7%	0.5%	13 991 080	14.7%	0.2%	18 994 718	14.7%	0.3%
Community services	9 247 373	21.7%	0.7%	15 284 821	23.0%	1.0%	22 208 826	23.3%	0.0%	29 773 172	23.1%	0.7%
Total Industries	38 233 285	89.9%	2.8%	60 229 263	90.5%	1.7%	85 499 980	89.8%	-0.4%	118 013 691	91.6%	5.9%
Taxes less Subsidies on products	4 295 762	10.1%	0.9%	6 337 156	9.5%	0.5%	9 662 808	10.2%	-0.1%	10 776 824	8.4%	0.6%
Total (Gross Domestic Product - GDP)	42 529 047	100.0%	3.6%	66 566 420	100.0%	2.2%	95 162 788	100.0%	-0.5%	128 790 515	100.0%	6.5%

Source: IHS Markit (2022)

Among the real economic sector, mining plays a dominant role in the province, accounting for 24.6% of the provincial GDP. Agriculture, manufacturing, and construction also have a significant presence in the province. The mining and manufacturing sectors experienced a decline in growth in 2020 but recovered in 2021, while agriculture had substantial growth (TIPS, 2023).

Figure 10: Northern Cape Sectoral Contribution to Gross Value Added - 2021 Estimates



Source: IHS MarkIT, 2023

The real sectors in Northern Cape accounted for 38% of the provincial GDP compared to 27% at the national level. Other real economic sectors with a significant presence in the province include agriculture, which accounts for 8.3% of the GDP, manufacturing, with 3.1%, and construction with 1.8%. Notably, in the past 10 years, mining output has declined in the province, with the sector's share of the provincial GDP declining from 27.6% in 2010 to 24.6% in 2021. Although manufacturing is relatively small in the Northern Cape, the sector is mainly dominated by the food and beverage industry, which has risen significantly over the years. Furniture also makes up a significant proportion of manufacturing output in the province, accounting for 20% in 2021, followed by metal industry with 16%.

Northern Cape Labour Market Analysis

The latest released results of the Quarterly Labour Force Survey (QLFS) depicted a promising employment scenario, at the end of 2022. According to StatsSA (2023), the country's employment figures indicated an increase in the employment levels, as employment increased by around 169 000 jobs. The gain between the third quarter of 2022 and the fourth quarter of 2022, shore-up the total number of persons employed to 15,9 million in the fourth quarter of 2022. This increase in the country's employment level, though marginal, highlighted a decline in the unemployment rate.

StatsSA (2023) estimates the country's unemployment rate to be around 32.7%, reflecting a 0.2 percentage point decline, using the official unemployment measure. The expanded unemployment rate decreased by -0.5 of a percentage point to 42.6%. Indicatively, the number of unemployed persons increased by 28 000 to 7,8 million in the fourth quarter of 2022. Those people who were not economically active for reasons other than discouragement increased by 95 000

to 13,4 million and, the discouraged work-seekers decreased by 151 000 in the fourth quarter of 2022 compared to the previous quarter, resulting in a net decrease of 57 000 in the not economically active population.

The Provincial labour market and its characteristics

The provincial labour force increased on a year-on-year basis by 78 497. As things stand, the provincial labour force, which combines those in employment and those unable to find employment (i.e., the unemployed) is estimated at 431 000. The employed figure has increased on both accounts. On a year-on-year comparison, the provincial employment level increased by around 72 000, meaning that 72 000 more people are in employment when compared to the same period the previous (in this instance Q4:2021). On a quarter-on-quarter basis those in employment increased by around 11 700.

The seasonal effect of the agricultural sector had a positive outcome as the sector increased its employment cohort by around 16 000 jobs at the end of 2022. The increase in the agricultural sector employment offsets the decline in the formal sector, the informal as well as the private households, having declined by around 1 900, 190 and 2 100, corresponding, on a quarterly comparison. This decline in the formal employment in the fourth quarter, should not overshadow the increases of over 55 000 jobs created by the sector, when analysed based on a year-on-year basis.

Table 4: Northern Cape Labour Market Characteristics

Northern Cape	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	quarter-on-quarter		year-on-year	
						% Change	Difference	% Change	Difference
Population 15-64 yrs.	821	823	825	827	829	0.2%	1 854	1%	7 757
Labour Force	352	428	417	440	431	-2.2%	-9 617	22%	78 497
Employed	264	321	318	324	336	3.6%	11 715	27%	71 298
Formal sector (Non-agricultural)	174	223	231	232	230	-0.9%	-1 994	32%	55 439
Informal sector (Non-agricultural)	24	30	28	33	33	-0.6%	-197	35%	8 423
Agriculture	41	49	35	36	52	45.1%	16 102	27%	11 098
Private households	25	20	25	24	21	-9.3%	-2 196	-15%	-3 662
Unemployed	88	107	99	116	95	-18.3%	-21 332	8%	7 199
Not economically active	469	395	408	387	398	3.0%	11 471	-15%	-70 740
Discouraged work-seekers	136	122	138	121	130	7.5%	9 000	-5%	-6 803
Other	333	273	270	266	269	0.9%	2 471	-19%	-63 937
Rates (%)									
Unemployment rate	25.0	24.9	23.7	26.4	22.1	-16.3%	-4.3	-11.6%	-2.9
Employed / population ratio (Absorption)	32.2	39.0	38.6	39.2	40.5	3.3%	1.3	25.8%	8.3
Labour force participation rate	42.9	52.0	50.5	53.2	51.9	-2.4%	-1.3	21.0%	9.0

Source: StatsSA, 2023

A positive outcome for the provincial labour market, is the decreases in the unemployment levels in the province. StatsSA, estimates the provincial unemployment level to hover around 95 000. A marked improvement when compared to the previous quarter, when it was recorded at 116 000, detailing a decline of over 20 000 unemployed persons. This decline in the unemployment levels, fail to highlight the increases in both the not-economically-active population, as well as the discouraged work-seekers, which increased by 11 000 and 9 000, correspondingly. The level of discouraged work-seekers is a cause for concern more so to the public policy makers, as per definition:

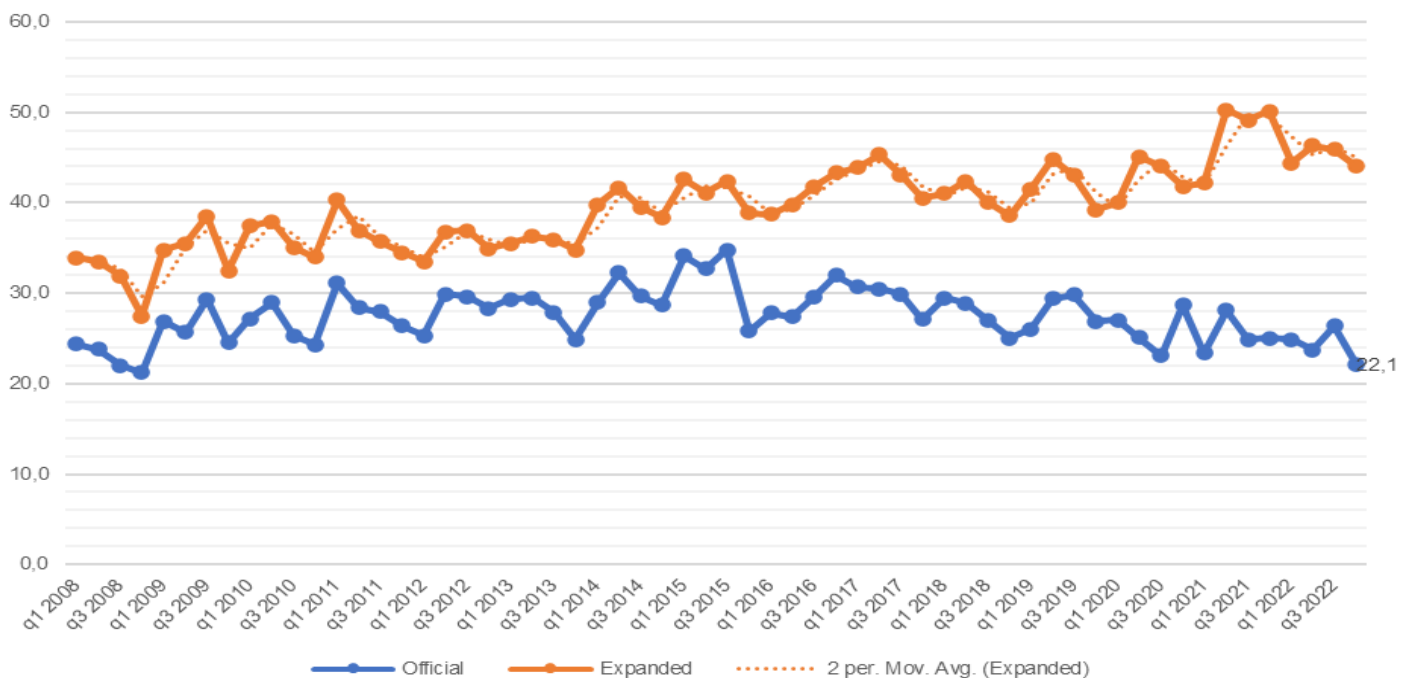
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Discouraged work-seeker is a person who was not employed during the reference period, wanted to work, was available to work/start a business but did not take active steps to find work during the last four weeks, provided that the main reason given for not seeking work was any of the following: no jobs available in the area; unable to find work requiring his/her skills; lost hope of finding any kind of work (StatsSA, 2023).

The estimated 130 000 discouraged work seekers suggests that those who had previously sought employment found it difficult to find employment for the period of the survey, however, the upshot would be that they still possess the hope of finding employment in the near term. As the Northern Cape is said to have the lowest unemployment rate, estimated 22.1% at the end of 2022. This is a notable improvement when compared to the previous quarter, declining by 4.3 percentage point, when our unemployment was at 26.4%.

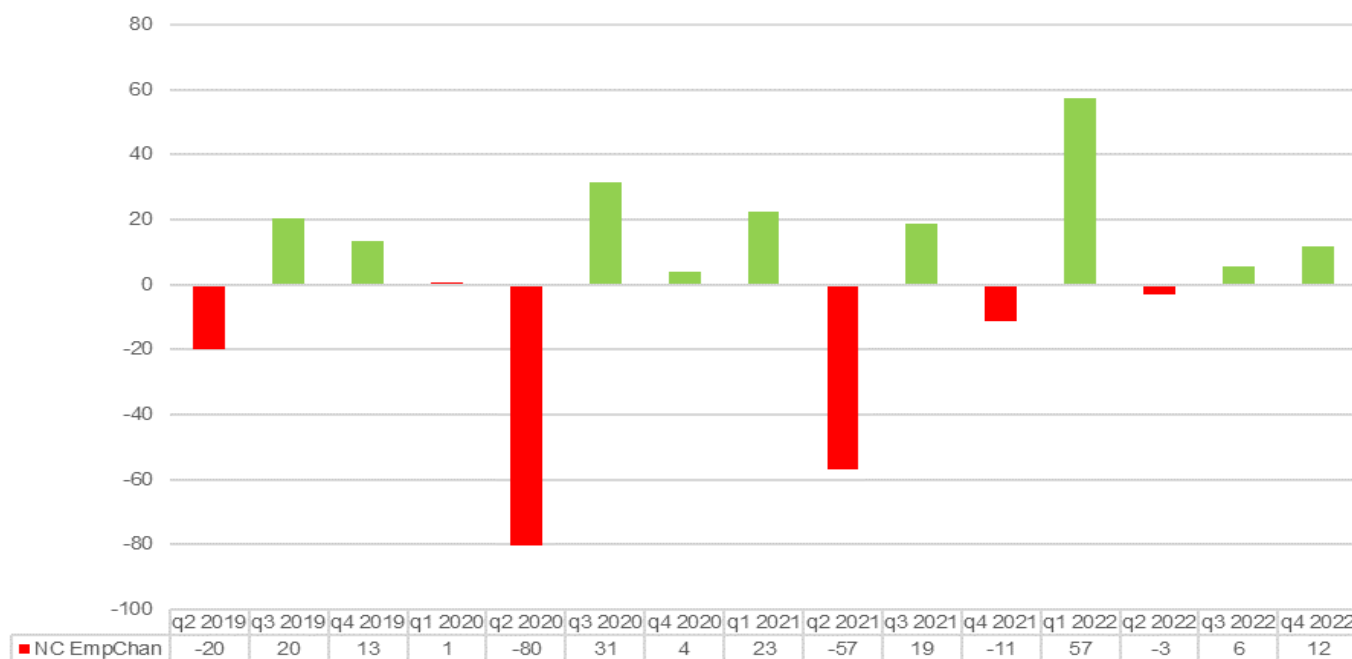
Figure 11: Northern Cape Provincial Unemployment rate



Source: StatsSA, 2023

Sectoral employment performance

Figure 12: Northern Cape Provincial Employment Change - Quarterly



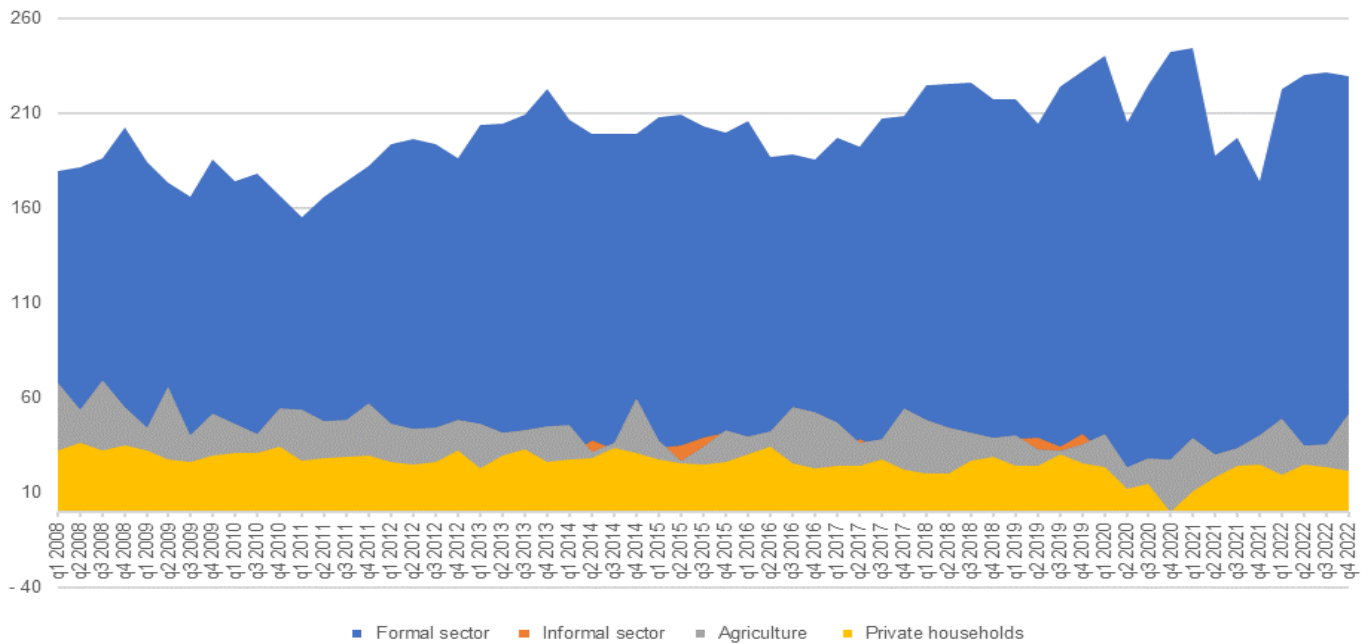
Source: StatsSA, 2023

Thus, the formal sector employment also increased in the same period, increasing by over 71 000, as well as the informal sector employment which increased by around 8 000. The year-on-year increases negates the decline in the level of employment for private households, which declined by 3 600 jobs for the year under review. This persistent decline in the employment levels for private households could be attributed to the increased cost of living, brought about by the elevated inflation rates recorded, the world over.

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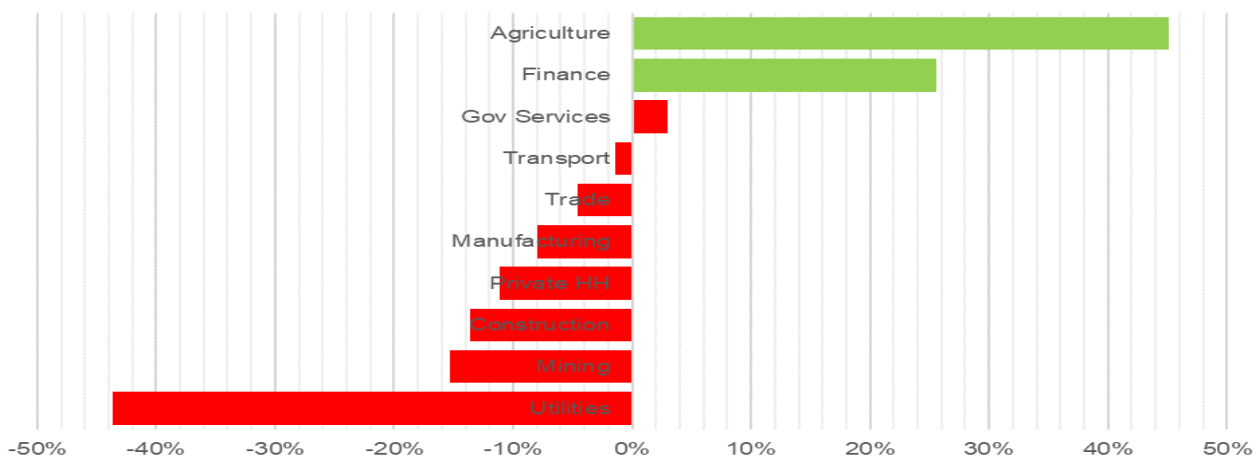
Figure 13: Northern Cape Provincial Employment - Formal vs Informal



Source: StatsSA, 2023

The agricultural sector's employment levels markedly increased by around 16 000, in the fourth quarter of 2022. This marked increase could largely be ascribed to the seasonal employment nature of the sector. On a yearly basis, the agricultural sector still recorded a marked increase in the level of employment, increasing by around 11 000 jobs created in the sector. Noteworthy, the formal sector has the biggest employment cohort – estimated around 230 000 persons employed in the sector.

Figure 14: Northern Cape Provincial Sectoral Employment Change - Quarter 4



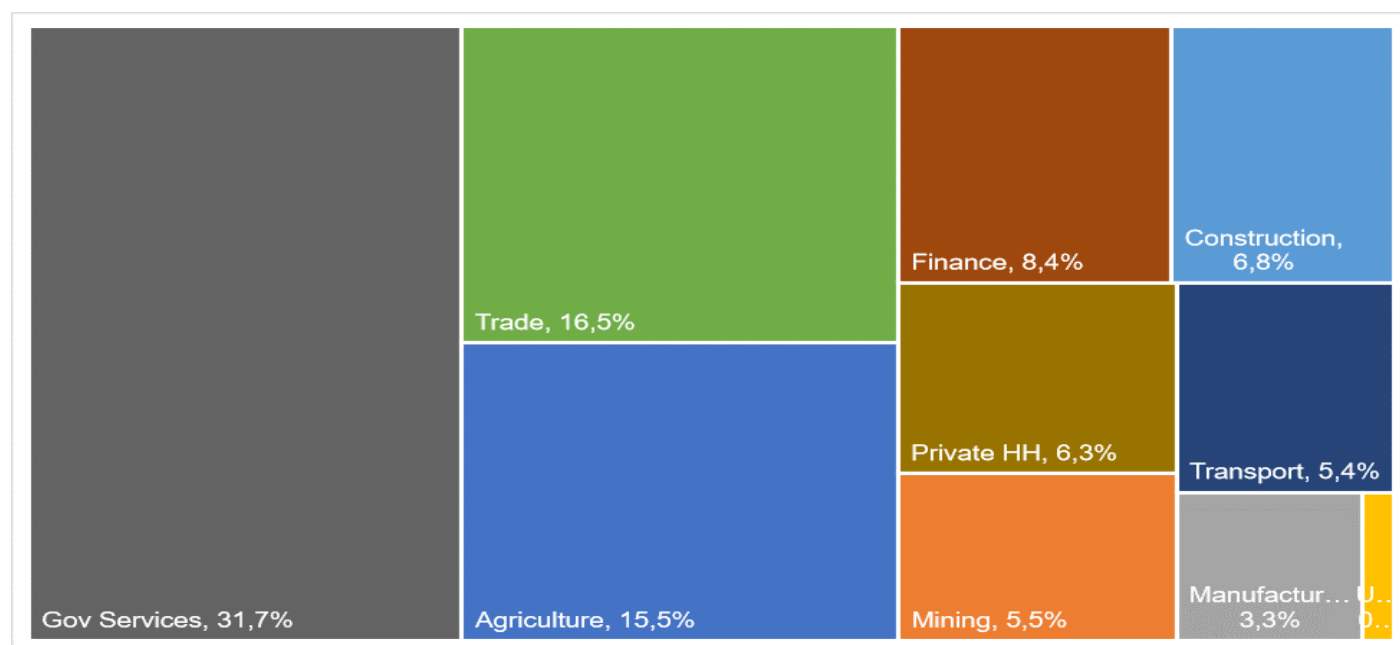
Source: StatsSA, 2023

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The largest employing industry in the province was the community and social services industry, employing 31.7% of the total, followed by trade at 16.5% (see Figure 15 below). The smallest employers were utilities and manufacturing at 0.6 and 3.3 percent respectively.

Figure 15: Northern Cape Provincial Employment Share by Sector



Source: (Statistics South Africa (StatsSA), 2023)

The biggest sector in terms of the number of persons in its employ is the government and related services (refer to Table 5 below), it also increased by around 3%, on a quarter-on-quarter basis suggesting over 3 000 new entrants to the sector. The financial services sector also noted a positive increase in its employment cohort, this sector recorded over 5 000 increases in its employment on a quarter-on-quarter basis, and over 6 500 when compared on a yearly basis.

Table 5: Northern Cape Sectoral Employment Performance

	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	quarter-on-quarter		year-on-year	
						% Change	Difference	% Change	Difference
Agriculture	41	49	35	36	52	45.1%	16 102	27%	11 098
Mining	10	30	27	22	19	-15.4%	-3 362	87%	8 612
Manufacturing	5	13	14	12	11	-7.9%	-947	110%	5 756
Utilities		5	2	3	2	-43.7%	-1 458		1 878
Construction	12	20	13	26	23	-13.6%	-3 577	85%	10 425
Trade	38	45	53	58	55	-4.6%	-2 629	44%	16 910
Transport	6	11	13	18	18	-1.5%	-266	217%	12 314
Finance	21	24	27	22	28	25.6%	5 707	30%	6 509
Gov Services	106	105	109	103	106	3.0%	3 117	0%	233
Private HH	25	20	25	24	21	-11.1%	-2 627	-16%	-4 094

Source: StatsSA, 2023

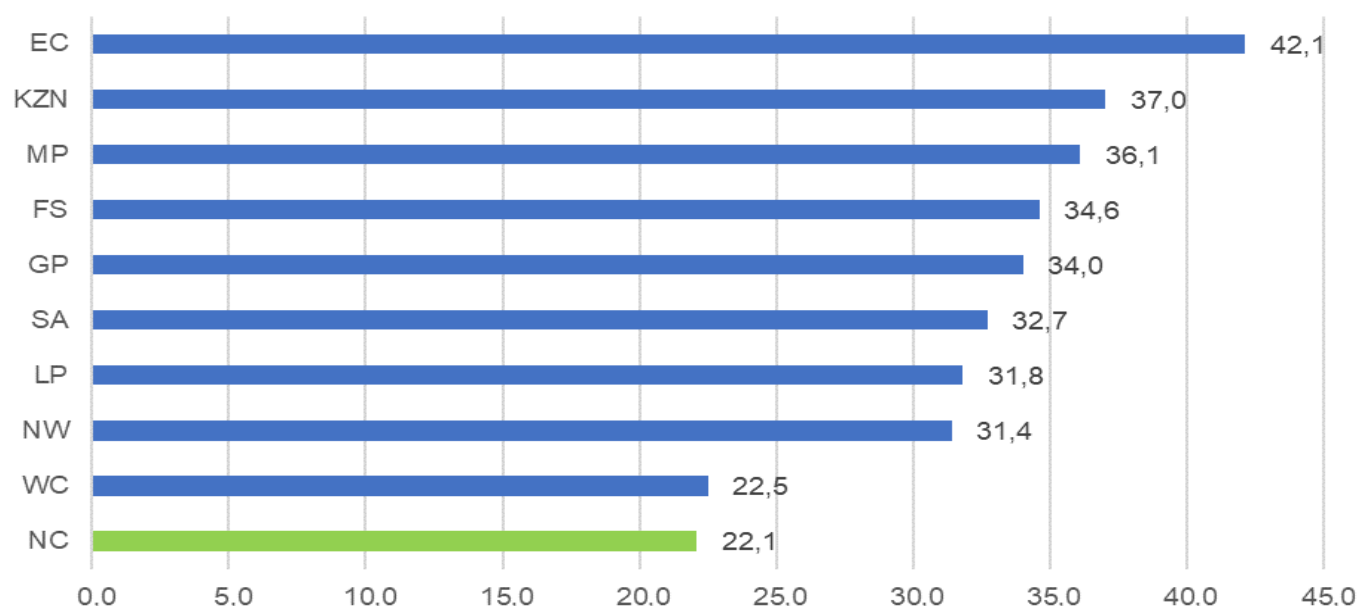
Indeed, the strong showing by the agriculture sector is dampened by the fact that seven (7) economic sectors shed employment in the period under review. The construction, mining and trade sectors experienced job shedding of 3 500, 3 300 and 2 600, respectively, when compared to the third quarter of 2022. On a yearly comparator, the agricultural sector still elevated its employment cohort by over 11 000 jobs created in the sector.

The trade and transport sector as well as the construction sector employment improved significantly, employing an averaged 13 000 for each sector. Correspondingly, the sectors employment increased by 17 000, 12 000 and 10 000, when compared to the previous year.

Provincial comparison – Northern Cape has the lowest unemployment rate

South Africa's unemployment rate remains highly elevated in world comparisons, and puts the spotlight on the analysis and understanding on the significance of such a high unemployment rate on key macroeconomic variables in the country. According to StatsSA (2023), the country's official unemployment rate improved by 0.2 of a percentage point to 32.7% during the last quarter of 2022.

Figure 6: South Africa and Provincial Unemployment Rates - Quarter 4, 2022



Source: StatsSA, 2023

The official unemployment rate decreased in four provinces, with the Northern Cape province recording the largest decrease, declining by 4.3 percentage point from the 26.4% recorded in the third quarter of 2022. The Northern Cape is then followed by Western Cape and North West province. Both provinces demonstrated a decrease of 2.0 percentage points, respectively.

The province of Mpumalanga recorded the largest increase of 1.0 percentage point in the official unemployment rate. The recent loadshedding and the disruptions in the value-chain of the coal industry could have precipitated the increase. Mpumalanga province is closely followed by the Free State, and KwaZulu-Natal as well as the Limpopo province, which increased (up by 0.8 of a percentage point each). Considered the economic hub of South, Gauteng province also saw its unemployment rate increasing by around 0.3 of a percentage point, estimated at 34.0%.

Youth employment remains a global challenge and a top policy concern worldwide. Youth are a key resource for the present and future of our society, accounting for over 18 per cent of the world's population and more than 15 per cent of the world's labour force. It is not only the quantity of jobs but also the quality of jobs that matters, as few youths have access to productive employment opportunities that provide them with a decent wage, job security and good working conditions (International Labour Organisation (ILO), 2017).

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Table 6: South Africa's and Provincial NEET

	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	quarter-on-quarter		year-on-year	
						% Change	Difference	% Change	Difference
South Africa	18 777	19 077	18 636	18 387	18 304	-0.5%	-83 093	-2.5%	-472 685
Western Cape	1 926	2 008	1 923	1 859	1 746	-6.1%	-113 622	-9.3%	-180 035
Eastern Cape	2 295	2 311	2 296	2 285	2 253	-1.4%	-31 943	-1.8%	-42 124
Northern Cape	446	407	420	411	397	-3.4%	-13 814	-11.0%	-48 922
Free State	876	843	843	833	805	-3.4%	-27 928	-8.1%	-70 911
KwaZulu Natal	3 639	3 783	3 748	3 623	3 654	0.8%	30 650	0.4%	14 730
North West	1 431	1 385	1 405	1 478	1 438	-2.7%	-40 054	0.4%	6 197
Gauteng	4 764	4 881	4 699	4 596	4 682	1.9%	85 781	-1.7%	-82 291
Mpumalanga	1 450	1 488	1 454	1 409	1 447	2.7%	38 074	-0.2%	-3 135
Limpopo	1 950	1 972	1 849	1 894	1 883	-0.5%	-10 237	-3.4%	-66 195

Source: StatsSA, 2023

A key cohort when analysing the provincial labour market, is those Not in Employment, Education and Training (NEET). It is crucial to understand the extend of this group as it truly paints a employment and employability picture. Given, that the more the cohort increases the more the potential for employment increases and thus disqualifying the majority to future employment opportunities. It is that comforting that on both accounts, the provincial NEET decreases, though notably at varied degrees of growth but growing nonetheless. As it stands the provincial NEET is estimated at over 397 000 persons not in employment, education, and training.

Youth unemployment is a concern for us in the province, as it steals the future of the youth and their potential to be active citizens contributing meaningfully to the development of the country. It is estimated youth unemployment rate in the province stood at around 49.2% at the end of the 2021 calendar year, whilst in the Namakwa district is a percentage point higher, at 50.2%. What this means is that for every ten youths – five are out of employment. Half of our youth cohort are unemployed. This is a significant blunt on our democratic gains – however, this implores on, us to develop a true roadmap that will ensure decisive action is taken, to bring our youth on board. Having said that the Hantam Local Municipality has one of the lowest youths (aged 15-24 years), estimated at 14.9%, by IHS MarkIT.

2.2.2 Service Delivery Improvement Plan**Annual Progress Report: 2022/2023**

During the 21/22 and 22/23 period, the Department of Public Service and Administration (DPSA) reviewed the Service Delivery Improvement Plan (SDIP) Directive (2008). This review was deemed necessary to align the SDIP to the Strategic Planning and Annual Performance Plans Framework of the Department of Planning, Monitoring and Evaluation (DPME).

The review also aimed to align the SDIP Directive with the Service Delivery Improvement Value Chain outlined in Chapter 3 Part 3 of the Public Service Regulation of 2016. As a result of this process, transitional arrangements were put in place and therefore, for this period, departments were participating in work sessions, workshops, and other consultations sessions with DPSA on the development of SDIPs according to the new directive.

A lot of preparatory work went into developing a SDIP for 2023- 2025. Part of this preparatory work, included the development of a Compliments and Complaints Management Strategy and the Review of Norms and Standards within the department.

A SDIP for 2023- 2025 has been developed for implementation in April 2023, which is currently awaiting the approval of the Accounting Officer and Executive Authority. More comprehensive reporting on the SDIP will take place during the next financial year.

SERVICE DELIVERY IMPROVEMENT PLAN

- Not applicable for the year under review.

The Key Service

- Not applicable for the year under review

Main Services and Standards

Main services	Beneficiaries	Current / Actual Standard of Service	Desired Standard of Service	Actual Achievement
Not applicable for the year under review.				-

Batho Pele Arrangements with beneficiaries

Current Arrangement	Desired Arrangement	Actual Achievement
Not applicable for the year under review.		

Service Delivery Information Tool

Current/actual information tools	Desired Information Tools	Actual Achievements
Not applicable for the year under review.		

Complaints Mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual Achievements
Not applicable for the year under review.		

2.2.3 Organisational environment**2.2.3.1 Administration**

Executive Support provides an administrative and strategic leadership function to the Provincial Economic Cluster. This is achieved by providing strategic and secretariat support to the economic cluster; managing monitoring, evaluation, and strategic management services; and the management and coordination of intergovernmental relations by providing technical support to the Economic Sectors, Investment, Employment, and Infrastructure Development Cluster. It is also responsible for coordinating the Economic Technical Advisory Committee (ETAC) or (Think Tank) which is research and planning component, analysing and coordination of the High Impact Projects within the department. The function of Governance is to provide administrative support to the public entities reporting to the MEC for Finance, Economic Development and Tourism. The Risk Management and Integrity Management unit ensures the support for the continuous implementation of enterprise risk management processes to adequately manage risks.

The Financial Management sub-programme facilitates governance and accountability by promoting and enforcing the transparent, economic, and effective management of revenue, expenditure, assets, liabilities, and supply chain processes.

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 (IEDS)

The purpose of IEDS is to promote economic and small business development through shared partnerships. This programme consists of two sub-programmes i.e., Regional and Local Economic Development (RaLED), and Economic Empowerment, Preferential Procurement and BBBEE.

The purpose of RaLed is to ensure that promotion of economic growth and development in local economies in partnership with key stakeholders.

The focus of the Economic Empowerment, Preferential Procurement and BBBEE sub-programme is to create an enabling environment that enhances entrepreneurship and the establishment, growth, and sustainability of small, medium, and micro enterprises.

2.2.3.3 Trade and Sector Development

This programme is divided into two 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. In addition, it also seeks to provide resources to the economic development, trade & investment promotion agency, NCEDA, to enable it to deliver on its mandate, as defined in the Northern Cape Economic Development, Trade & Investment Promotion Agency Act, 2008 (Act No.4 of 2008).

Sector Development aims 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. This is achieved through the pursuit of catalytic interventions in the manufacturing and renewable energy sectors that could trigger development initiatives in related industries.

2.2.3.4 Consumer Protection and Business Regulation

The main aim of the Programme is to remove barriers which inhibit business development and to ensure regulation of Consumer Protection in the Northern Cape Province. The Programme consist of two sub-programmes namely: Consumer Protection Authority and Business Regulation.

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.

Business Regulation has been included (although it is unfunded) because it is part of the generic structure for similar units in the country.

2.2.3.5 Economic Planning

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 Research and Policy Development sub-programme places greater emphasis on the alignment of provincial strategies to the National Economic Policy priorities. With the advent of Covid-19, the Northern Cape Economic Reconstruction and Recovery Plan was developed with the aim to resuscitate the Economy and create the much-needed jobs. Continuous monitoring and implementation of the plan remains the responsibility of the sub-programme. Stakeholder engagements are held to ensure alignment of municipal plans to National and Provincial economic priorities.

The sub-programme also seeks to conduct and facilitate socio-economic research that will inform planning to promote growth and development. The work of the sub-programme is also intended to assist policy makers to develop more effective policies and to direct as well as manage resources of the Department, in more focused and efficient way, that result in improved implementation. The ERRP as captured in the Presidential Employment Stimulus will largely inform the departmental Research Agenda in 2021-22 and over the MTSF period. This is important in order to improve the employment creation potential of all government interventions to contribute to the ERRP.

The Knowledge Economy and Innovation sub-programme focuses on the promotion of the Fourth Industrial Revolution (4IR) and Industry 4.0 as key tools in the promotion of a knowledge society and economy in order to promote initiatives that position entrepreneurs in the province to exploit the value chain afforded by the 4IR. In line with the Medium-Term Strategic Framework (MTSF) 2019-2024, KE&I is prioritising: (1) digital infrastructure as pronounced in the National Broadband Policy "SA Connect"; and (2) digital skills for activation of new jobs in the digital space, as outlined in the Department of Communications and Digital Technologies, "National Digital and Future Skills Strategy".

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 Development and Tourism Growth.

The Tourism Development unit in the department continued to respond to the national and provincial tourism recovery strategies as we partnered with other governmental entities and the private sector to deliver on a successful survival, recovery and once again thriving provincial tourism industry. Such partnerships included the Northern Cape Tourism Authority, Northern Cape Economic Development Agency, relevant provincial departments, national department of Tourism and national department of Forestry, Fishing, and the Environment. The Tourism Development unit will also continue to implement development initiatives flagged in the provincial tourism master plan as well as national tourism strategies.

The Tourism Growth unit is aimed at unlocking the economic potential of the provincial tourism industry through creating an enabling policy and planning environment.

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 PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

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

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

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

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

MTSF PRIORITY	Priority #2 Economic Transformation and Job Creation			
Outcome	Outcome Indicator	Baseline	Five-year Target 2020-2025	Achievement 2022 - 2023
Higher Economic Growth	Percentage growth of the provincial economy (GDP)	1.5%	2% - 3%	The Northern Cape recorded an average annual growth (Constant 2015 Prices) of 0.7% for 2022 *
Improved levels of employment	Unemployment rate reduced	29.4%	24% - 26%	The Northern Cape has an unemployment rate of 24.3% (2022) **

Source:

*HIS Global Insight

** StatsSA

Percentage growth of the provincial economy (GDP)

The macroeconomic fundamentals, for the Northern Cape Province, have generally improved, however considerable challenges remain in the medium term, due largely to the persistence of the pandemic effect and volatility induced by the impact of the Russia–Ukraine conflict. On the South African economy, the release of the GDP figures by StatsSA, allayed fears of a possible technical recession due to both the exogenous and endogenous factors⁴. Most pundits⁵ had anticipated the country’s GDP to reach a second quarter of negative growth, however, a positive outcome was realised.

Tracking the Human Development Index (HDI), it is clear that the province made significant strides to develop its people. As it stands the HDI in the province is at 0.65 (in 2021), which increased from 0.58 (1996), this alludes to our people’s ability to actively participate in their own development and thus attainment a long and healthy life, knowledge, and a decent standard of living. Namakwa district has the highest HDI in the province, recorded at 0.67 (2021), which speaks to the good quality of life the people of the district. Let me hasten to say that the Hantam area has an HDI is recorded at 0.68. This elevated HDI for the District and Hantam Municipality suggests that we are on the right path but more is still required of us.

The increasing income inequality is truly a democratic poser as it dents the road we have travelled and what still lies ahead. The provincial income inequality as measured using the Gini-coefficient measure is computed at around 0.61,

⁴ The exogenous factors would be those posed to the South African economy from the Russian-Ukrainian impasse, as well as the slowdown in the Chinese economy. Whilst, the endogenous factors would-be related to the on-going energy crisis, which is estimated to have cost the country’s economy well over R 560 billion (CSIR, 2022), as well as the continued flooding halting the supply value-chains.

⁵ Frequent load shedding is an impediment to conducting business in South Africa. Similarly, failures in the transportation system limit the gains from the commodity price boom.

whilst for the district is slightly lower at 0.58. In essence, the wealthiest ten percent are controlling around 61 percent of the provincial economy, this phenomenon needs to be reversed, as we cannot afford to have the majority of our people at the periphery of the economy.

Similar to other provinces, the Northern Cape growth rate has declined consistently since 2011. In addition, in 2019, it experienced a negative growth rate of -0.1%. As noted, the Northern Cape growth rate was affected by the national lockdown measures, as it recorded a decrease of -7.8% in 2020, as estimated by IHS MarkIT (see figure above). In 2021, the provincial growth rate is estimated to have rebounded increasing by 6.5% (TIPS, 2023) (IHS MarkIT, 2023).

Among the real economic sector, mining plays a dominant role in the province, accounting for 24.6% of the provincial GDP. Agriculture, manufacturing, and construction also have a significant presence in the province. The mining and manufacturing sectors experienced a decline in growth in 2020 but recovered in 2021, while agriculture had substantial growth (TIPS, 2023).

The real sectors in Northern Cape accounted for 38% of the provincial GDP compared to 27% at the national level. Other real economic sectors with a significant presence in the province include agriculture, which accounts for 8.3% of the GDP, manufacturing, with 3.1%, and construction with 1.8%. Notably, in the past 10 years, mining output has declined in the province, with the sector's share of the provincial GDP declining from 27.6% in 2010 to 24.6% in 2021. Although manufacturing is relatively small in the Northern Cape, the sector is mainly dominated by the food and beverage industry, which has risen significantly over the years. Furniture also makes up a significant proportion of manufacturing output in the province, accounting for 20% in 2021, followed by metal industry with 16%.

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

The latest released results of the Quarterly Labour Force Survey (QLFS) depicted a somewhat promising employment scenario, at the culmination of 2022. According to StatsSA (2023), the country's employment figures indicated an increase in the country's employment levels, as employment increased by around 169 000 jobs. The gain between the third quarter of 2022 and the fourth quarter of 2022, shore-up the total number of persons employed to 15,9 million in the fourth quarter of 2022.

StatsSA (2023) estimates the country's unemployment rate to be around 32.7%, spelling a 0.2 percentage point decline, using the official unemployment measure. Whilst the expanded unemployment rate decreased by -0.5 of a percentage point to 42.6%. Indicatively, the number of unemployed persons increased by 28 000 to 7,8 million in the fourth quarter of 2022.

The provincial labour force increased on a year-on-year basis by 78 497. As things stand, the provincial labour force, which combines those in employment and those unable to find employment (i.e., the unemployed) is estimated at 431 000. The employed figure has increased on both accounts. On a year-on-year comparison, the provincial employment level increased by around 72 000, meaning that 72 000 more people are in employment when compared to the same period the previous (in this instance Q4:2021). On a quarter-on-quarter basis those in employment increased by around 11 700.

The seasonal effect of the agricultural sector had a positive outcome as the sector increased its employment cohort by around 16 000 jobs at the end of 2022. The increase in the agricultural sector employment masks the decline in the formal sector, the informal as well as the private households, having declined by around 1 900, 190 and 2 100, corresponding, on a quarterly comparison. This decline in the formal employment in the fourth quarter, should not overshadow the increases of over 55 000 jobs created by the sector, when analysed based on a year-on-year basis.

A positive outcome for the provincial labour market, is the decreases in the unemployment levels in the province. StatsSA, estimates the provincial unemployment level to hover around 95 000. A marked improvement when compared to the previous quarter, when it was recorded at 116 000, detailing a decline of over 20 000 unemployed persons. This decline in the unemployment levels, fail to highlight the increases in both the not-economically-active population, as well as the discouraged work-seekers, which increased by 11 000 and 9 000, correspondingly.

2.4 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION**2.4.1 Programme 1: Administration****Purpose**

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

The sub-programmes are: Purpose of the sub-programme

Executive Support	To provide an administrative and strategic leadership function to the Provincial Economic Cluster. The Economic Cluster Secretariat and Intergovernmental Relations unit manages the departmental transversal administrative programmes and the provision of economic development leadership. The work includes providing strategic and secretariat support to the economic cluster and the management and coordination of intergovernmental relations by providing technical support to the Economic Sectors, Investment, Employment and Infrastructure Development Cluster. It is also responsible for coordinating the Economic Technical Advisory Committee (ETAC) or (Think Tank) which is research and planning component, analysing and coordination of the High Impact Projects within the department. The Strategic Planning, Monitoring and Evaluation unit facilitates the strategic planning, monitoring of departmental performance and reporting. In addition, the unit manages and conducts integrated monitoring and evaluation services. The Governance, Risk Management and Integrity Management unit manages and coordinates the provision of entity oversight and stakeholder relations services. The Risk Management and Integrity Management unit ensures the support for the continuous implementation of enterprise risk management processes to adequately reduce uncertainty.
Financial Management	Facilitates governance and accountability by promoting and enforcing the transparent, economic, and effective management of revenue, expenditure, assets, liabilities, and supply chain processes in the public sector.
Corporate Services	Provides strategic, leadership, management and support services to the department that include human resource management i.e., administration, recruitment and development, communications, ICT management, employee health and wellness and labour and legal services.

Institutional Outcome/s supported by the programme:

- Higher Economic Growth

2.4.1.1.1 Economic Cluster Secretariat and Inter-governmental Relations (IGR)**Outcomes, Outputs, Output Indicators, Targets, and actual achievements table**

Sub-Programme: Economic Cluster Secretariat and Inter-governmental Relations (IGR)								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
Higher Economic Growth	Economic Advice to the Economic Sectors Employment Investment and Infrastructure Development Cluster for informed decision-making.	1.1.1 % of recommendations accepted by the Economic Sectors Employment Investment and Infrastructure Development Cluster.	-	New	80%	82%	2%	19 of 23 recommendations accepted.

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2.4.1.1.2 Strategic Planning, and Monitoring and Evaluation**Outcomes, Outputs, Output Indicators, Targets, and actual achievements table**

Sub-Programme: Strategic Planning, and Monitoring and Evaluation								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
Higher Economic Growth	Unqualified non-financial audit opinion.	1.1.2 Percentage of departmental planning documents that subscribe to the Treasury Regulations as stipulated in the PFMA 1 of 1999.	-	New	100%	100%	0	None.
		1.1.3 Percentage of departmental reporting documents that subscribe to the Treasury Regulations as stipulated in the PFMA 1 of 1999.	-	New	100%	100%	0	None.
	Economic Development Initiatives monitored.	1.1.4 Number of Monitoring reports on the impact of economic development initiatives in the Province.	2	4	4	4	0	None.
	Economic Development Initiatives evaluated.	1.1.5 Number of evaluation reports.	1	2	2	2	0	None.

2.4.1.1.3 Governance, Risk Management and Integrity Management**Outcomes, Outputs, Output Indicators, Targets, and actual achievements table**

Sub-Programme: Governance, Risk Management and Integrity Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
Higher Economic Growth	Legislatively compliant entities	1.1.6 Percentage of legislatively compliant entities reporting to the MEC for Economic Development and Tourism	4	100%	100%	100%	0	None.
	Risk and integrity Management Maturity Reports.	1.1.7 Number of Risk and Integrity Management Committee reports compiled.	-	New	4	4	0	None.

Office of the MEC

The department achieved 49/58 of the targets as set. This translates to a performance of 84,45%. The department spent 95,7% of the allocated budget.

Administration spent 99,5% of its budget and achieved 75% of its targets (15/20). Integrated Economic Development Services spent 96,4% of its budget and achieved 70% of its targets (7/10). Trade and Sector Development spent 86,9% of its budget and achieved 100% of its targets (5/5). Business Regulation and Governance spent 100% of its budget and achieved 100% of its targets (2/2). Economic Planning spent 96,7% of its budget and achieved 100% of its targets (11/11). Tourism spent 100% of its budget and achieved 90% (9/10) of its targets.

All activities undertaken by the Office of the MEC that required goods and services were subjected to the standard operating procedures as per the internal control mechanisms of the department. Memoranda were submitted using the departmental outlook indicators as per tabled annual performance plan.

National Treasury granted the department approval “to deviate from the sector-agreed uniform budget programme structure to be aligned with its new organisational structure as requested.”

The department did not use table 2.4.4.1 in the National Treasury Annual Report Guide for National and Provincial departments (updated November 2022) because the guideline states that table 2.4.4.1 is only used in the event of the Annual Performance Plan being “re-tabled.” The department did not re-table the Annual Performance Plan for the financial year ending 31 March 2023. The reporting cycle for the indicator 3.1.1 was amended from quarterly to annually to accommodate the problems that were being experienced on the Electronic Quarterly Performance Reporting System (EQPRS).

Performance Narrative for Executive Support

In the year under review, namely 2022/2023, eight (8) proceedings of the Economic Sectors, Investment, Employment, and Infrastructure Development Technical cluster have been completed. In total twenty-two (22) agenda items have been referred to the Economic Sectors, Investment, Employment, and Infrastructure Development Cluster. All of these items have been presented at this platform and have been further recommended to serve at EXCO with the exception of the Township and Rural Enterprise Strategy (TRES).

In the period under review, The Economic Technical Cluster Secretariat (ETCS) unit was entrusted with the responsibility of undertaking the development of a Township and Rural Economy Strategy (TRES). The framework for the TRES was presented at Planning Forum, Extended Executive Management Meeting (EEMC), and the Economic Sectors, Investment, Employment, and Infrastructure Development Technical Cluster. The Framework is due for presentation at the Political Cluster. A draft policy has been developed.

The IGR Unit is entrusted with the responsibility of co-ordinating the potential Public Private Partnership (PPP) with MTN, and Co-ordination of the departmental participation in the Presidential Imbizo in the ZFM District. The unit has co-ordinated engagements which led to the visitation of the MTN Data Centre around Kimberley with the potential of hosting some of the departmental data in future. The PPP has potential for the department to collaborate on an Innovation Hub Incubator to be established in Kimberley.

With reference to the Presidential Imbizo, the unit has co-ordinated the consolidation of information from DEDaT required for the development of the provincial Presidential Imbizo Booklet. The Unit also co-ordinated the establishment of a committee within the department relating officials who are representing the department in the Workstreams identified for co-ordination of the Presidential Visit Imbizo.

Strategic Management has fully complied with the Treasury Regulations as stipulated in the PFMA 1 of 1999 that govern planning documents. All drafts were submitted to the relevant stakeholders. All final Annual Performance Plans were submitted within the legislated timeframes. Strategic Management completed and submitted the final APP 23/24 to Legislature on the 29 March 2023. The APP 23/24 was also submitted to the MEC for Finance, Economic Development and Tourism on 31 March 2023. The Annual Operational Plan was also completed and submitted to the Office of the Premier (OTP). The Quarter 3 Report was completed and submitted to OTP within the stipulated time frames and 30

hard copies were also submitted to Legislature on the 07 February 2023. Presentations on Quarter 3 were made to the Audit Committee on the 21 February 2023; to EEMC on the 13 March 2023 and to Legislature on the 22 March 2023.

Strategic Management has met all the legislative requirements in the PFMA governing the submission of departmental reporting documents. The Departmental Q4 2021/2022 report and sent to all the relevant stakeholders. The Annual Report 2021/2022 was submitted to all stakeholders within specified timeframes. In addition, the guidelines on the management of performance information and planning were completed as well. The Quarterly reports for Q1, Q2 and Q3 for the financial year 2022/2023 were submitted to all stakeholders within specified timeframes. The printed Annual Report 2021/2022 was completed and submitted to all stakeholders, including the list of deposit libraries as per instruction from the Government Printing Works Publishing Section. All reporting requirements for the Electronic Quarterly Performance Reporting System (EQPRS) were met.

The Monitoring and Evaluation unit met all its targets for the year under review. It produced four monitoring reports on the impact of economic development initiatives in the province. These include, a report on Interventions of Economic Recovery and Growth; a report on the Impact of Economic Development Initiatives in the Province with specific focus on Tourism Supported Establishments, and a report on the interventions for economic recovery initiatives speaking to co-operatives supported. Two evaluation reports were produced which include, an evaluation of the interventions for Economic Recovery Initiatives for Small, Medium and Macro Enterprises supported, and a report on the interventions for the economic recovery initiatives speaking to Tourism SMMEs supported. The verification and site visits concluded the process of gauging implementation of economic development interventions.

The Governance, Risk Management unit formed an integral part of the Risk and Ethics Management Committee (REMC), which convened four times in the year under review. The said REMC meetings were held on 15/06/22, 08/09/2022, 08/12/22 and 15/3/2022. The items that served at these meetings included the quarterly Risk and Ethics Management report, progress on the Risk Management Implementation Plan, Risk mitigation / Performance Report), Audit Function (External Audit Action Plan), Progress on Material Risks, Progress on Audit findings, the and Internal Audit Report on Risk, Fraud and Ethics Management, the Risk Management Strategy, and the Risk and, Ethics Management Committee Charter.

The Governance Unit provided an oversight role on the entities reporting to the MEC for Finance, Economic Development and Tourism. As a part of the oversight function, 16 quarterly and 16 compliance reports (4 per entity) were received and analysed.

Eight (8) transfer payment request documentation (2 per quarter) for the NCLB and NCGB were received; analysed and the necessary document prepared and submitted for payment. The unit also attended the Audit Committee meetings of the four entities.

Together, both units did not demonstrate any areas of under-performance.

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Linking performance with budgets

Sub- Programme Name	2022/2023			2021/2022		
	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	22 803	22 803	-	4 403	4 242	161
Total	22 803	22 803		4 403	4 242	161

Sub- Programme Name	2022/2023			2021/2022		
	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	7	7	-	3 712	3 712	-
Total	7	7	-	3 712	3 712	-

The Annual Report Guideline for National and Provincial Departments (updated November 2022), issued by National Treasury, advocates (p.25) that the table under this heading "must agree to the appropriation statement of the audited financial statements."

It must be noted, according to the new departmental organogram, that the functions of the sub-programme Monitoring and Evaluation were moved from Programme 5, Economic Planning (formerly Policy, Research, and Innovation) to the sub-programme "Executive Support." It does not exist as a separate sub-programme within Executive Support. It forms a part of a new directorate called, Strategic Management, Monitoring and Evaluation.

The unit, Strategic Management has two indicators i.e., 1.1.2, "Percentage of departmental planning documents that subscribe to the Treasury Regulations as stipulated in the PFMA 1 of 1999" and, 1.1.3, "Percentage of departmental reporting documents that subscribe to the Treasury Regulations as stipulated in the PFMA 1 of 1999." These indicators require that a large part of the budget is spent on the goods and services budget component. The biggest cost drivers were the hiring of venues (which included catering), and the printing of the Annual Report for 2021/2022. This year an additional planning process was implemented where programs were encouraged to have programme-specific planning sessions to which the strategic management unit was invited. This resulted in additional travel and accommodation outlay. The printing of quarterly reports and multiple copies of the annual performance plan for the relevant stakeholders is required to adhere to the legislative prescripts for planning and reporting in the PFMA.

The directorate, Governance and Risk Management, had a budget allocation of R393 000.00. Of the said budget, R140 000.00 was utilised for the procurement of office furniture and laptops. An amount of R253 000.00 was allocated for goods and services of which R3, 000.00 was for stationary, R150 000.00 for the training of members of Boards of the entities. The said funds were not spent due to the protracted process of the rationalisation of the entities. Funds to the value of R100 000.00 were budgeted towards the conducting of collaborative audit verifications throughout the province as could be determined by the Auditors. These funds were not utilised because the audit samples by the Auditors were based locally (Kimberley). An amount of R76 000.00 was utilised for the publication in the government gazette and local newspapers of the amendment of regulation 7(c) of the northern cape gambling act 3 of 2008

Strategy to overcome areas of under performance

None.

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2.4.1.2 Financial Management

Sub-Programme: Financial Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
Higher Economic Growth	Unqualified financial audit opinion.	1.2.1 % of expenditure within the Vote 6.	98.52%	98.5%	98%	95.68%	2.32%	Funding to assist entity not approved by NCPT.
		1.2.2 % of departmental budget spent on procurement	15.39%	22%	50%	22.8%	27.2%	Goods and Services budget was prioritized to transfer payments that were not approved.
		1.2.3 % of procurement from women.	50.2%	60%	35%	24.3%	10.7%	Designated groups (20 points) are a high priority for procurement, but pricing ultimately plays a bigger role (80 points) in the appointment of services providers. The PPR 2017 Regulation gave points based on price (80) and BBBEE status (20) only and did not give points to the designated group.
		1.2.4 % of procurement from youth.	27.53%	24%	35%	18.52%	16.48%	Designated groups (20 points) are a high priority for procurement, but pricing ultimately plays a bigger role (80 points) in the appointment of services providers. The PPR 2017 Regulation gave points based on price (80) and BBBEE status (20) only and did not give points to the designated group.
		1.2.5 % procurement from people with disabilities.	0.6%	3%	2%	4.42%	2.42%	Over achieved due to more procurement done with businesses owned by people with disabilities

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Sub-Programme: Financial Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
		1.2.6 % of invoices paid with 30 days.	99.66%	100%	100%	100%	1389/1389 invoices paid with 30 days.	None.

Performance Narrative for Financial Management

Financial Management paid all invoices within 30 days. In total 1389/1389 invoices paid within 30 days. The target to ensure that 30% of all procurement was sourced from women was exceeded. There were 809 procurement transactions of which 485 were awarded to women. The target relating to procurement from people living with disabilities was also exceeded. The target for the budget to be spent on procurement needs to be re-evaluated in terms of the current fiscal position of the province.

The following legislation impacted the performance of unit:

- PFMA INSTRUCTION no.1 of 2021/22 – departure from publication of bids, bid awards and related notifications in the government tender bulletin and the e-tender portal.
- PFMA SCM INSTRUCTION no. 02 of 2021/22 - threshold values for the procurement of goods and services by means of petty cash, written price quotations or competitive bids.
- PFMA SCM INSTRUCTION no. 03 of 2021/22 – enhancing compliance, transparency, and accountability in SCM.
- Court judgement on the Preferential Procurement Regulations, 2017.

Linking performance with budgets

Sub- Programme Name	2022/2023			2021/2022		
	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
Financial Management	28 610	28 248	362	31 652	29 067	2 585
Total	28 610	28 248	362	31 652	29 067	2 585

The Financial Management unit is a support function to the Department. The Financial Management unit spent nearly 50% of the allocated budget on Compensation of Employees. From a Goods and Services perspective, the budget was mainly spent on fixed costs such as Audit Fees, Operating Leases (centralized in Financial Management for Administration), Property Payments and State Information Technology Agency (SITA) Data Lines for the systems to be used. The Financial Management also procured new furniture which is more suitable for the new open plan offices.

All procurement done by Supply Chain Management (SCM) have been done following all SCM prescripts. The Financial Management contributed in order to achieve the set outputs by means of procuring from Designated Groups. The unit monitored spending of programs and re-prioritized during the year under review.

Strategy to overcome under performance

The underperformance relating to the spending on procurement was addressed in the 2023-24 Annual Performance Plan. The underperformance will be addressed by means of the PPR 2022 regulations which were implemented to make procurement more specific for the target groups.

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2.4.1.3 Corporate Services

Sub-Programme: Corporate Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
Higher Economic Growth	Human Resource Development Reports.	1.3.1 Number of departmental Employment equity reports completed.	4	4	4	4	0	None.
	Integrity Management.	1.3.2 Number of departmental SMS financial disclosures submitted.	26	22	22	23	1	1 Director placement came after the final version of the APP and Operational Plans of Corporate Services had been submitted.
	Performance Management	1.3.3 Percentage of completed PMDS documentation signed.	-	New	100%	95%	5%	Non-compliance of the officials. Only 144 of the 152 officials were compliant.
	Social Responsibility, Diversity & Health and Wellness.	1.3.4 Number of departmental Social Responsibility, Diversity & Health and Wellness initiatives held.	-	New	4	5	1	An additional activity in the form of Women's Day was reported on during Quarter 2. This was done to showcase the importance the department places on gender mainstreaming activities and women issues, this highlights the department's commitments in this regard.
	Human Resources, Administration and communication.	1.3.5 Number of departmental Information dissemination initiatives implemented.	5	4	4	4	0	None.
	Information Communication technology.	1.3.6 Percentage of Local Area network Uptime maintained.	95%	95%	95%	95%	0	None.
		1.3.7 Percentage of Wide Area Network uptime maintained.	95%	95%	95%	95%	0	None.

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Performance Narrative for Corporate Services**CORPORATE SERVICES**

The sub-programme was able to achieve most of its targets for the financial year and the only obstacle was the non-achievement of 100% compliance with regard to Performance Agreements submitted in Quarter 1. The main focus during this financial year was the implementation of the new departmental organisational structure, with implementation thereof commencing on 01 April 2022.

The department remains committed to the wellness of its employees and it aims, through its Employee Health and Wellness Programme, to create and maintain a healthy and conducive environment. This is illustrated by the fact that a new EAP Service provider was appointed during this financial year. The Women's and Men's Day events aimed to celebrate the contribution and achievements of both the women and men of the department. Various other activities were held inclusive of outreach programmes that were also attended in ZF Mgcawu District.

Employee information sessions were held every quarter, where information on various topics were provided to staff members in an attempt to empower staff members with knowledge regarding matters within the workplace so as to ensure a well-informed staff compliment.

Linking performance with budgets

Sub- Programme Name	2022/2023			2021/2022		
	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	18 567	18 567	-	22 369	21 950	419
Total	18 567	18 567	-	22 369	21 950	419

The Corporate Services Sub-Programme is a support programme to the department. Corporate Services was allocated a final budget of R18 657 000 for the 2022/2023 financial year. The Sub-Programme spent R14 323 000 on compensation, translating into 77% of total budget spent. Furthermore, the Sub-Programme also respectively spent R628 000 on bursaries and R228 000 on training and development of staff, this is linked to the performance of staff as it contributes towards improvement of current skills and attainment of new skills to enhance performance and support to the department and its service delivery targets. Corporate Services also procured various capital assets, including furniture, computers etc. as tools of trade necessary to perform tasks effectively and efficiently. The total expenditure on goods and services amounted to R 3 369 000.

Strategy to overcome areas of under performance

The HRD Unit will issue notices to staff well in advance for the submission of the EPMDS Documentation. This will allow for follow-up by the unit as well as intervention from senior management if necessary/ when needed.

The importance of timeous EPMDS submissions will be explained and emphasized at the quarterly staff information sessions.

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

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

2.4.2 Programme 2: Integrated Economic Development Services

Purpose

The purpose of IEDS is to promote economic and small business development through shared partnerships

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

The sub-programmes are:

Regional and Local Economic Development.

Economic Empowerment, Preferential Procurement and BBBEE

Purpose of the sub-programme

The purpose of RaLED is to ensure the promotion of economic growth and development in local economies in partnership with key stakeholders.

The purpose of the sub-programme is to create an enabling ecosystem that enhances entrepreneurship and the establishment, growth, and sustainability of small, medium and micro enterprises.

Institutional Outcome/s supported by the Programme:

- Improved levels of employment
- Higher Economic Growth

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

2.4.2.1 Regional and Local Economic Development

Sub-Programme: Regional and Local Economic Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
Improved levels of employment.	Catalytic projects supported that contribute towards employment creation.	2.1.1 Number of LED Projects developed in the Province.	New	0	2	2	0	None.
	Municipalities supported to develop plans to improve Local Economic Development that will contribute towards employment creation.	2.1.2 Number of economic development policies developed in the Province.	New	0	2	0	2	The recommendations from the department were accepted at the municipalities but the municipalities have yet to integrate them into their policies.
		2.1.3 Number of LED forums established at local municipalities in the Province.	2	4	4	6	2	Additional LED forums were established in Q2 and Q4. In Q2, even though the target was '1', three quarterly forums held as follows: Joe Morolong 25/05/22, Kgatelopele on 22/09/ 2022; Dikgatlong on 30/08/2022, and Magareng on 02/09/2022. In Q4 two (instead of 1 LED Forums)

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Sub-Programme: Regional and Local Economic Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
								were established. These are Richtersveld LED Forum 22/03/2023 and Nama Khoi LED Forum on 23/03/23.
	Expanded Public Works Opportunities.	2.1.4 Number of EPWP employment opportunities reported in the Province	166	192	150	163	13	Over achievement due to a roll over project from previous financial year.
	Skills deficit in diamond and jewellery beneficiation industry addressed.	2.1.5 Number of certificated diamond beneficiation graduates.	New	17	25	0	25	The administrative and governance challenges resulted in students not receiving a stipend. As a consequence, the students refused to complete the course.
	Enhanced target group participation in the diamond and jewellery beneficiation industry.	2.1.6 Number of Jewellery Manufacturing SMMEs established at KDJI.	New	12	15	15	0	None.

Office of the Chief Director

The redesign of the departmental organogram has resulted in the functions of “Strategic Initiatives” being moved to from Programme 3, Trade and Sector Development, where it existed as a separate sub-programme together with its own indicators. “Strategic Initiatives” no longer exists as a sub-programme but has indicators that are included under the sub-programme, “Regional and Local Economic Development.” These indicators are 2.1.5 and 2.1.6.

The programme implemented the new organogram during the financial year, eight (8) out of the ten (10) output indicators targeted for the financial year under review.

This slow disbursement of funds by the NEF has resulted in the DEDaT approaching other funding institutions e.g., IDC, Land Bank, Standard Bank, FNB, Nedbank, ABSA to form similar instruments to provide financial assistance to enterprises. These have not proven to be successful. The attempts by the DEDaT to be included in the application process for the Blended Fund still proves to be a challenge.

The department has also, during the financial year 2022/23 implemented a Township and Rural Enterprise Support Programme to support enterprises with equipment to a value of R 100 000. This programme is being implemented by the IGR section of the Economic Cluster Secretariat in Programme 1.

OUTREACHES

As a part of the EXCO Outreach programme to Louisvale in Upington, the Department has received thirty-six (36) requests for support that requires collaboration with other stakeholders.

Further EXCO Outreach programs were held in Richmond and Hopetown where clients were engaged by all sector departments. Twenty-nine (29) clients visited the DEDaT table and required assistance regarding:

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- Funding: both start up and expansion
- Access to markets
- Training: e.g., Financial and Business management and record keeping
- Equipment
- Operational space
- Business registration (which was attended to immediately)
- Other challenges expressed were: non-rotation of opportunities at municipalities and
- Limited local economic development

The department also engaged SMMEs in Roodepan on two occasions during the quarter with the first event being graced by the MEC's Vosloo and Blennies. The second engagement was done in collaboration with stakeholders viz. the NEF and the Galeshewe SMME Village.

NC Blended Fund

During the financial year under review, no funds were transferred to the NEF to augment the Blended Fund. The reason for this is because the NEF had not utilised all the funding that had already been transferred to it by the DEDaT. Despite this, the current status regarding the blended fund is that nine (9) enterprises have been funded thus far, which is an additional 8 during the financial year. This created 588 jobs through the disbursement of R 81 136 000 with the cost per job created being R 137 986. The grant portion transferred amounts to R 26 680 000. The location of the project (per district), number of projects and number of jobs being created are:

District	Number of companies	Number of Jobs
John Taolo	4	387
Z F McGawu	2	149
Namakwa	1	26
Frances Baard	2	26

SURE Programme

The Sustainability and Resilience Programme (SURE) was concluded. The programme was directed at supporting small businesses to better prepare, mitigate and respond to the impacts of hazards such as disasters, conflict, and pandemics. This saw 20 enterprises being trained through the programme developed by the International Labour Organisation (ILO) and the Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ).

Formalisation of Informal Enterprises

The programme regarding the formalisation of 301 informal enterprises across the province was also concluded during this quarter. The spatial distribution and number of enterprises that have been formalised is as follows:

District	Number of enterprises formalised
Frances Baard	114
Z F McGawu	59
John Taolo Gaetsewe	47
Pixley Ka Seme	54
Namakwa	27
TOTAL	301

The services that were included in the formalisation entail

- Private Company Registration (Company Documents)
- Shares Certificate
- Corporate Identity (Logo, Letterhead, Company Profile, Digital Business Cards)
- BBBEE Certificate
- Tax Compliance (Tax Clearance Documents)
- Create and Open Business Bank Account
- Central Supplier Database and DEDaT Registration Database

Performance Narrative for Regional and Local Economic Development

The sub-programme RaLED has continued to support economic development planning and implementation in the municipalities. The LED mandate of the Department of Economic Development and Tourism originates from the 5 Year Local Government Strategic Agenda (2007). The focus of the department is to rollout the abovementioned, through a threefold approach which includes onsite hands-on support, planning and project advice and capacity building sessions in terms of LED and analysis.

Based on the above, the support to municipalities is initiated by completing a Section 47 analysis report on the municipalities. Municipalities are identified from the report to assist with the LED strategies, LED components for their IDP's and plans focusing on Red Tape Reduction and project assistance.

In terms of municipal support, the sub-programme developed the Kareeberg LM situational analysis for the development of their LED strategy, attended and presented at the Dawid Kruiper Entrepreneurship Day held from 23rd -24th Nov 2022 and supported and attended the Dawid Kruiper MEC Outreach programme: 21st – 22nd Nov 2022.

Furthermore, the project proposals that were developed are:

- Kakamas SMME Village: Proposal completed and submitted to Kailash Garib LM and
- Moffat Art Centre: Proposal completed and submitted to JTGDM.

The Red Tape reduction assessment and processes based on the evaluation done on the seven indicators were done in Kgatelopele and Joe Morolong Local Municipalities. Kareeberg LM was assisted with the inception for the development of the LED Strategy.

The number of LED forums established at local municipalities in the Province during this financial year is as follows:

- | | |
|---------------------------|-------------------|
| • Joe Morolong LED Forum: | 25 May 2022 |
| • Kgatelopele LED Forum: | 22 September 2022 |
| • Dikgatlong LED Forum: | 30 August 2022 |
| • Magareng LED Forum: | 02 September 2022 |
| • Richtersveld LED Forum: | 22 March 2023 |
| • Nama Khoi LED Forum: | 23 March 2023 |

EPWP

During this financial year, as per the EPWP mandate, RaLED rendered project support and reporting of Work Opportunities. This was enabled by the Grant Agreement entered into with the National Department of Public Works and Infrastructure. A total allocation of R1 900 000 was transferred into the Department's bank account in three tranches. To realise these following measures are utilised: business plans, funding applications, project implementation support and system reporting. A key component is to capture all the employment created by all Programmes in the Department. The following projects were implemented and reported on the EPWPRS for 2022/23FY:

- Kharkams Hydro-phonics production: 34 employment opportunities reported; implemented by Namakwa District Municipality.
- Rehabilitation of communal land Lekkersing: 31 employment opportunities reported; implemented by Namakwa District Municipality.
- The Sol Plaatje Langley resorted: 60 employment opportunities reported; implemented by Sol Plaatje Local Municipality.
- Cutting and removal of invasive trees Pixley Ka Seme roll-over project: 24 employment opportunities reported; implemented by Pixley Ka Seme District Municipality.
- Pixley Ka Seme Schmidtsdrift roll-over project: 14 employment opportunities reported; implemented by Pixley Ka Seme District Municipality.

Kimberley International Diamond and Jewellery Academy (KIDJA)

The eighteen (18) learners registered in the year under review to undergo training in diamond processing beneficiation level 3, top and bottom, at the Kimberley International Diamond and Jewellery Academy (KIDJA), were unable to complete their qualification due to the institution having experienced some challenges. Thus, the training will only be concluded in the 2023-2024 financial year.

Due to the current challenges KIDJA is experiencing, the department has embarked on a turnaround strategy. On the 10 March 2023 a stakeholder meeting was held and various resolutions were taken, amongst which are to amend the CIPC directors as well as the board. It was also resolved to appoint a service provider as the company secretariat, to guide on all the legalities of these amendments.

Kimberley Diamond and Jewellery Incubator (KDJI)

During the financial year under review, the Kimberley Diamond and Jewellery Incubator (KDJI) established fifteen (15) new SMMEs and created thirty-four (34) job opportunities. The support provided to the SMMEs was in various programmes which include business development, financial management, and technical jewellery manufacturing skills. Further support in the form of linking the SMMEs to end markets to sell their products was also provided through the Incubator hosting a pop-up marketing event and marketing exhibitions where they sold their products.

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Linking performance with budgets

Sub- Programme Name	2022/2023			2021/2022		
	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	14 304	14 187	117	7 207	7 120	87
Total	14 304	14 187	117	7 207	7 120	87

Sub- Programme Name	2022/2023			2021/2022		
	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	187	187	-	5 678	5 678	-
Total	187	187	-	5 678	5 678	-

Note that the sub-programme, Regional and Local Economic Development (RaLED) was formerly designated as, "Regional Enterprise Development Support." This earlier arrangement is reflected in the table above in harmony with the nomenclature in the appropriation statement. National Treasury has granted approval to the department "to deviate from the sector-agreed uniform budget programme structure to be aligned with its new organisational structure as requested."

The Annual Report Guideline for National and Provincial Departments (updated November 2022), issued by National Treasury, advocates that the table under this heading "must agree to the appropriation statement of the audited financial statements."

The functions of the former sub-programme, Strategic Initiatives, were moved from Programme 3 and placed under Programme 2. The functions now reflect under the sub-programme, Regional and Local Economic Development. It is for this reason that the financial table for Strategic Initiatives is reflected here.

The budget for the subprogramme was utilized, to implement the targets set to support those municipalities that have been identified through the Section 47 analysis and LED maturity assessment. The municipalities that were supported per indicator are:

- Two LED Projects developed in Kai Garib and John Taolo Gaetsewe DM, Three economic development policies. Two Red Tape Reduction in Kgatelopele and Joe Morolong Local Municipalities and one LED strategy inception report for Kareeberg municipality. Six municipalities assisted with LED forums. Three EPWP projects across the province creating - two in Namakwa DM and one in Frances Baard (Sol Plaatje Local Municipality) employment opportunities reported in the Province. Fifteen Jewellery Manufacturing SMMEs established at KDJI, creating 34 jobs.

The budget was used primarily for transport and accommodation of officials to municipalities and the catering provided at these events. In addition, transfer payments to KDJI as the DEDaT contribution to the incubation services being provided at KDJI. No transfer payment was done to KIDJA during the period under review.

Strategy to overcome areas of under performance

Due to the current challenges KIDJA is experiencing, the department has embarked on a turnaround strategy. On the 10 March 2023 a stakeholder meeting was held and various resolutions were taken, amongst which are to amend the CIPC directors as well as the board. It was also resolved to appoint a service provider as the company secretariat, to guide on all the legalities of these amendments.

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2.4.2.2 Economic Empowerment, Preferential Procurement and BBBEE

Sub-Programme: Economic Empowerment, Preferential Procurement and BBBEE								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
Higher Economic Growth	Strengthen development finance towards SMME development	2.2.1 Percentage of contribution to SMME blended fund disbursed.	0%	100%	100%	0	100%	Funds transferred in the previous financial year were not expended completely.
	Non-financial support to enterprises.	2.2.2 Number of Enterprises assisted with non-financial support services.	165	288	175	476	301	Additional walk-in clients. There were no additional financial implications
	Increased economic growth for target groups through empowerment, support and entrepreneurship	2.2.3 Number of targeted groups upskilled to participate in the mainstream economy.	New	3	3	3	0	None.
		2.2.4 Number of interventions conducted to capacitate HDI's to access economic opportunities.	New	142	4	4	0	None.

Performance Narrative for Economic Empowerment, Preferential Procurement and BBBEE

The sub-programme Economic Empowerment, Preferential procurement and BBBEE is responsible for the empowerment of target groups implemented the following interventions for Youth, Women and persons living with disability in the financial year 2022/23. Support. The subprogramme continued to support SMMEs through financial and non-financial interventions. These interventions include both soft skills and technical skills.

Non-financial services

A total of 476 enterprises were assisted with CIPC services. The 476 enterprises have a total of 491 clients.

Productivity SA training

The department has continued its collaboration with Productivity South Africa by hosting a two-day Productivity South Africa Champions Training session in the John Taolo Gaetsewe and Namakwa District Municipality. Nineteen (19) people were trained. The aim of the training is to empower SMMEs with the skill to improve their businesses through the implementation of processes directed at productivity improvement and striving to continuously improve their businesses to generate revenue, grow and create employment.

Co-operative Support

The Department collaborated with DSD to host a sewing cooperative capacity building workshop was from the 26-27 January 2023 at Ous Meisies in Kimberley. Cooperatives from the five districts were invited to the capacity building workshop. Different stakeholders were invited to come and share opportunities that exist in their institutions for cooperatives in the sector. Stakeholders such as SEDA, Department of Sports Arts and Culture, SASSA, Standard bank

and SARS attended the workshop and presented their offerings and support they render to cooperatives. Procurement opportunities that exist in the school uniform project were highlighted and the challenges were also shared. Forty-four members of cooperatives attended the workshop.

Pop-Up Market in Pixley Ka Seme

The Department collaborated with SEDA and other stakeholders such as the Pixley Ka Seme Municipality to host the Pop-up market in De Aar at the Shoprite parking lot from the 03-04 November 2022. The SMMEs were mostly from the clothing manufacturing sector. The pop-up technique can create broader brand awareness by presenting the brand to people who might ignore advertisements. Pop-up markets have benefits such as generating seasonal interest in your brand since it can present your product in a spontaneous context. Since customers are used to pop-up incentives being quick opportunities.

YOUTH

For Youth the youth career guidance, job readiness and entrepreneurship interventions were held in all five district, Pixley ka Seme, JTG, ZFM, Namakwa and Frances Baard. Different schools were visited in the districts.

Nail Technician training

The Nail technician training was also implemented for youth in Frances Baard, Pixley ka Seme and ZFM. The Department also collaborated with NYDA to host the Karoo youth pitch in Carnarvon.

WOMEN

Technical training such as the clothing and textile training and sanitary pads manufacturing training in Frances Baard was conducted. Ten were trained in clothing and textile from 09-13 May 2022. Fifteen (15) women were trained in sanitary pads manufacturing in Kimberley from the 26-30 September 2022.

The Clothing and Textile training aims to build capacity among manufacturers and in other areas of the apparel value chain in South Africa, to enable them to effectively supply their customers and compete. Such competitiveness encompasses issues of cost, quality, flexibility, reliability, adaptability, and the capability to innovate. Most women in the clothing and textile have the basic skills but no formal qualification, hence the intervention to train them in NQF accredited training.

Information session

The Department of Small Business Development shared the Informal and Micro Enterprise Development Programme incentive scheme information and the forms that need to be completed when applying for the incentive. These sessions were attended by ninety-one people. This information session was in collaboration with the Pixley district municipality, and the National Department of Small Business. The following towns were visited De Aar, Prieska, Hope Town, and Victoria West.

Compliance Training

Business Compliance Training for women owned businesses was held on the 18th August 2022 at Galeshewe SMME Village. Thirty-four (34) females attended the event. The aim was to assist businesses with their compliance requirements. The Department partnered with Hustlers School to host the compliance workshop for women owned businesses. The Northern Cape Provincial Treasury was invited to do a presentation on the importance of compliance and the SMMEs were assisted on sight with checking and updating their CSD Status.

Cleaning and Hygiene training

A five-day cleaning and hygiene training session was held by DEDaT from the 15-19 August 2022. The aim of the training was to enhance the skills development for 10 women within the business of cleaning and hygiene by learning how to take care of themselves (personal hygiene) as well as their work premises and home (domestic hygiene) and for their clients, by making sure that they always clean well as their working environment to ensure that they protect themselves as well as those around them against germs and infections caused by bacteria, and to implement the knowledge and skills which they have gained from the training in their daily lives. Information sessions were also

provided, to learn more about different chemicals used for which equipment which needs to be cleaned and an experiment was conducted to engage us on the training by using different cleaning chemicals as well as equipment and putting safety measures in place by using the required PPE (gloves, apron, mask) to clean chairs. The women were provided with a learner manual as well as daily studying material to complete during the training sessions and at home. An E-Portfolio for each individual learner was then created using the activities that were provided throughout the week to serve as evidence that indeed each individual attended the training and has completed each and every task that was provided by the facilitator.

Project management

Fifteen (15) people were identified to attend the construction project management training held in Kimberley at KIDJA from the 26-30 September 2022. The aim is for the SMMEs to acquire the following knowledge and skills.

- The ability to build basic personal and interpersonal skills which will serve as a foundation for all further business learning.
- The ability to use their understanding of the characteristics of successful entrepreneurs to develop project plans.
- The ability to apply project charter development concepts and flow of data related to directing and managing project work.
- Business case, Agreements, Enterprise environmental factors, Organisational process assets.
- Project management principles.
- The ability to establish a base line of self-knowledge in respect of personality, interests, and aptitudes.
- The ability to apply sound basic business concepts to establish their own viable business venture.
- Project close out control concepts and flow of data, its importance, and benefits.
- Tools and techniques for project close out up to project close out process and outputs.

PERSONS LIVING WITH DISABILITY

Basic business skills

The following interventions were implemented for persons living with disability. Thirty-four (34 people) at NJ Heyns and eighteen people in JTG were trained in basic business skills.

Beadmaking training

Persons living with disability in Frances Baard and JTG were trained in beadmaking training. Nineteen (19) people with disability, were trained in Frances Baard and nineteen in JTG were trained from the 28 November 2022 to the 01 December 2022.

Record and Bookkeeping

On the 14-17 November 2022 the department hosted a Record and bookkeeping training session, in Kuruman. The Record and Book keeping training session was conducted by DEDAT in collaboration with SEDA, NYDA and Evers Xcellence Management Consulting Pty Ltd. Nineteen people were trained.

Information session

An information session was held in Barkly West on the 17 November 2023. An information session for persons living with disability was held in Hartswater on the 23 February 2023. Ten people attended the event. Information shared included the opportunities offered by the Department, the role of the Department for PWD and others services such as Business registration, Co-operatives, Woman and Youth. The core objective of the intervention is to build the knowledge and skills of how to start a business in an orderly manner, to provide information to both internal and external users which will be beneficial in making future for their organizations. Basic Business skills training was recommended for further training.

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BBBEE**Local content workshop**

The BBBEE portfolio in the quest to capacitate HDI's implemented the following interventions. The BBBEE unit hosted the local content workshop for SMME's in Port Nolloth and Upington on the 10 and 12 May 2022 respectively. The intention of the workshop is to share information on local content items.

Verification, compliance, tender and procurement workshop

The BBBEE and PPI portfolio hosted the Verification Workshops for provincial departments, municipalities, and public bodies in Springbok and Upington on the 16th and 18th August 2022 respectively. These workshops are intended to promote reporting and compliance with B-BBEE policy by public bodies in the province. A tender and procurement workshop was hosted for SMMEs in Frances Baard, Colesburg and De Aar. in order to give information and coaching on how to complete tender documents. A compliance workshop was hosted in Colesberg on the 01 December 2022.

Stakeholder engagement

The department participated in the Provincial Stakeholder Engagement Forum Quarterly meeting in Johannesburg: 1-2 February 2023. The aim of this session was to provide inputs into the drafting of a revised national BBBEE Strategy for the DTIC. As a deviation, additional workshops were conducted to increase the reach of the department in the districts where the workshops were conducted and also to improve efficiency of resources by covering more than one area in the same district per quarter.

Linking performance with budgets

Sub- Programme Name	2022/2023			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Enterprise Development	R'000	R'000	R'000	R'000	R'000	R'000
	149	149	-	42 171	41 535	636
Total	149	149	-	42 171	41 535	636

Sub- Programme Name	2022/2023			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Economic Empowerment	R'000	R'000	R'000	R'000	R'000	R'000
	30 754	29 077	1 677	5 674	5 674	-
Total	30 754	29 077	1 677	5 674	5 674	-

Note, after the organisational redesign process, these two sub-programmes (Enterprise Development and Economic Empowerment) have been combined to form the sub-programme Economic Empowerment, Preferential Procurement and BBBEE.

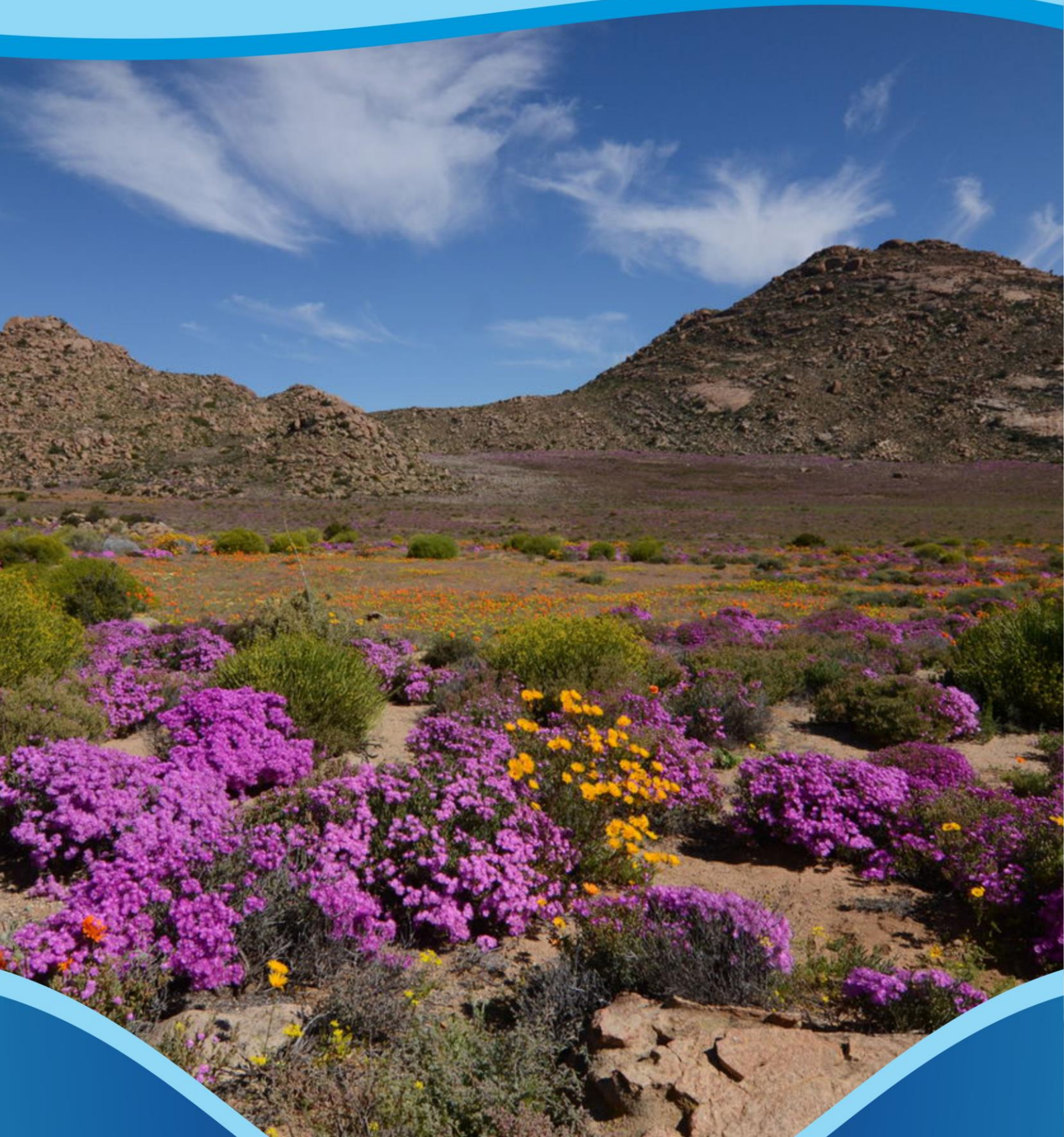
The Annual Report Guideline for National and Provincial Departments (updated November 2022), issued by National Treasury, advocates (p.25) that the table under this heading "must agree to the appropriation statement of the audited financial statements." In addition, National Treasury has granted approval to the department "to deviate from the sector-agreed uniform budget programme structure to be aligned with its new organisational structure as requested."

The budget for the subprogramme was utilized, to implement the targets set to empower MMEs, cooperatives and all target groups (Youth, Women and persons living with disability). Technical and soft skills training interventions for target groups and SMME's in general were implemented. Other financial and non-financial interventions, aimed at empowering SMME'S locally and in other districts were hosted.

The budget was utilized for procurement of service providers for training interventions, travel and accommodation for interventions that are hosted in the other four districts, and for venue, catering and other related costs linked to logistics. Other support services rendered such as the CIPC is in demand and requires a great deal of traveling to the other districts in the quest to bring services to the people.

Strategy to overcome areas of under performance

None



2.4.3 Programme 3: Trade and Sector Development**Purpose**

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

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

The sub-programmes are:	Purpose of the sub-programme
Sector Development	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.
Trade and Investment Promotion	Support export development and promote exports through targeted strategies. Support foreign direct investment flows and promote domestic investment. To provide resources to the economic development, trade & investment promotion agency, NCEDA, to enable it to deliver on its mandate, as defined in the Northern Cape Economic Development, Trade & Investment Promotion Agency Act, 2008 (Act No.4 of 2008).

Institutional Outcome/s supported by the Programme:

- Improved levels of employment
- Higher Economic Growth

2.4.3.1 Sector Development**Outcomes, Outputs, Output Indicators and Targets and actual achievements table**

Sub-Programme: Trade and Investment Promotion								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
Improved levels of employment.	Manufacturing and Renewable energy sectors supported.	3.1.1 Number of economic sectors supported.	2	2	2	2	0	None

Office of the Chief Director

The Programme achieved 100% of the output indicators for the year under review. The sub-programmes Trade and Investment Promotion and Sector Development achieved all the output indicators. The Office of the Chief Director spent 100% of the allocated budget while 86.9% of the programme's budget was spent. Fixed costs consume a significant portion of the goods and services budget component. The remaining cost drivers include travel and accommodation, venue hiring and catering.

It is imperative to note that the "reporting cycle" for output indicator 3.1.1 "Number of Economic Sectors supported", was amended from a "quarterly" reporting cycle to an "annual" reporting cycle. The annual target itself was not changed. This change was necessitated by the systemic problems that were being experienced on electronic quarterly performance reporting system (EQPRS) and Performance Information Management System (PIMS). A memorandum (dated 30 June 2022) indicating this change has been sent via the Office of the HOD to the Speaker of the Northern Cape Provincial Legislature.

The redesign of the departmental organogram has resulted in the functions of “Strategic Initiatives” being moved to Programme 2, Integrated Economic Development Services. The final appropriation and the actual expenditure table will reflect under the sub-programme, Regional and Local Economic Development.

Performance Narrative for Sector Development

In his address to the nation in July 2022, His Excellency President Cyril Ramaphosa mentioned the five key actions where the investment in rooftop solar PV installation was announced as one of the activities to resolve the energy challenge in South Africa. In the main, the Integrated Resource Plan 2019 play a central role in the country’s energy mix where the Northern Cape is regarded as the lead contributor to the renewable energy targets.

In theory, this document aims to identify the requisite investment in the electricity sector that maximises the national interest. The target on the current document, that will be updated in 2023, will be implemented as planned whereas the time horizon extended beyond 2030.

Four years before the president’s speech, the Northern Cape Provincial Government had already identified “investment in rooftop solar PV installation” as one of the 18 conference resolutions. The department has developed a renewable energy strategy with an emphasis on rooftop solar PV installation. The strategy seeks to address the limited participation of small, medium, and micro-scale enterprises in the renewable energy value chain. The Department seeks to create a rooftop solar PV installation programme as an entry point for SMMEs. The objective is to assist the SMMEs in entering into power purchase agreements with the Departments and acquire loan funding from banks to procure the PV systems. The NC SMME Trust is the implementing agency for the rooftop solar programme with the emphasis on PV Green Card training and the establishment of the renewable energy incubator, NOCSOBI.

The PV Green Card is the certification required by the industry and funding institutions for rooftop solar installations. During this financial year the NC SMME Trust has issued an advertisement calling on SMMEs in renewable energy to submit an expression of interest. To date 20 SMMEs have received their PV Green Card certificates.

A Renewable Energy incubation centre has been established in the name of NOCSOBI. The incubation centre is in Kimberley where the other SMMEs from other districts will participate virtually in order to get access to information. The objectives of the incubation are:

- First, to help SMMEs to identify and create sustainable business opportunities with the consumers.
- Last, to ensure that the SMMEs adhere to good administrative processes when running their businesses.

The unit regularly engages IPPs to ensure that the communities residing within the specified radius have access to the procurement opportunities in the IPPs. In understanding the IPPs’ impact on their beneficiary communities, sector development has done a socio-economic development impact assessment on the community beneficiary in Noupoot. The farm is owned by Mainstream renewable power. This is a long-term exercise to be carried out throughout the project’s lifespan. The information collected will assist the Department in analysing the impact of IPPs on their beneficiary communities. A comparative analysis between the pre-and post-IPP intervention will be conducted at the end of the project lifespan.

Policy dialogue forums are attended by the sub-programme on a regular basis to share with strategic partners and stakeholders the economic sector research work that is generated in the sub-programme. The aim of the research work is to identify growth opportunities for some of the key industries in the Northern Cape economy that could be explored through foreign direct investment (and domestic direct investment), exports and public procurement. Furthermore, the research proposes some strategic intervention that could be pursued by the Department to realise the identified growth opportunities.

Sharing the research at policy dialogue forum present an opportunity to gather comments from experts, academics and policy makers on how to better interventions for the associated identified opportunities. During the year under review the research paper entitled “Alternatives for the Participation of SMMEs in the Renewable Energy Sector: A Strategy for SMMEs Entry into the Small-Scale Embedded Generation (SSEG) Market” was presented at two (2) policy dialogue

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forums i.e., the annual Trade and Industrial Policy Strategies (TIPS) Forum and the annual Free State Provincial Research Colloquium held on the 2nd & 3rd of August and 28th & 29th of September respectively.

In addition to policy dialogue forum, the sub-programme seeks to engender cooperation between the Department and the agro-processing industry in the province on economic sector development issues that include, inter alia, global market access for locally produced and processed agricultural commodities. In this regard, negotiations for a memorandum of understanding (MoU) were initiated in October 2022 between the Department and Raisins South Africa Pty Ltd (Raisins SA is the institution representing the interests of growers and processors of the dried grape in the province) and concluded in March 2023 with signing of the MoU by the two parties. In implementing the objectives of the memorandum of understanding, the unit collaborated with the Trade and Investment Promotion unit through marketing and market access interventions.

Linking performance with budgets

Sub- Programme Name	2022/2023			2021/2022		
	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	14 098	14 040	58	7 405	7 405	-
Total	14 098	14 040	58	7 405	7 405	-

Most of the Sub-Programme's performance is externally focussed and this entails the support that the Unit provides to business firms within the manufacturing and energy industries. The support is in terms of sharing research work that the Department does and linkages and interactions that the Unit facilitates between the industry and national institutions. Therefore, a series of meetings and workshops takes place wherein the Unit becomes involved. The other support area is in terms of interactions with IPPs with respect to the obligations that the IPPs must meet from their licenses or contracts that they have entered into with national government to ensure that the communities do benefit as a result of these contracts. The projects that the Unit implements as well within the energy sector involve a lot of SMME development throughout the province. Integral within these activities are a series of workshops, meetings, presentations to economic related forums, community engagements in Districts. The bulk of the budget for goods and services therefore reflects the cost relating to the enabling activities that can allow for the above-mentioned work to be carried out, such as travelling, accommodation, marketing, venues, and facilities.

Strategy to overcome areas of under performance

None.

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2.4.3.2 Trade and Investment Promotion**Outcomes, Outputs, Output Indicators, Targets and actual achievements table**

Sub-Programme: Sector Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
Higher Economic Growth	Domestic and FDI flows into the Northern Cape.	3.2.1 Number of Investment projects realized by NCEDA.	New	2	4	4	0	None
		3.2.2 Number of Investment projects marketed.	New	8	9	9	0	None
	Diversification of exports to traditional and new markets.	3.2.3 Number of provincial emerging exporters trained.	New	56	50	78	28	Target over achieved due to collaboration with dtic, whereby dtic was the facilitator and DEDaT secured the venue, catering and also identified the companies who participated. More companies have shown interest in the training than anticipated.
		3.2.4 Number of entrepreneurs exposed to export opportunities.	New	21	14	40	26	In Q1, Target over achieved due to participation at the Fancy Food Show in New York and SAITEX exhibition. In Q2, the target was over achieved due to the fact that DEDaT could produce exhibition space at KAITE at a reduced price due to the twinning agreement between //Kharas Region and the province and DEDaT also marketed the products of three companies' behalf. In Q3, Unit procured exhibition space for

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Sub-Programme: Sector Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
								Prosperitas Foods on the SIAL Show in Paris (15-19/10/2022); Exhibition space secured for 4 entrepreneurs in collaboration with KDJI on the Jewellex Show (26-27/11/22) - the 4 are Lute Diamonds; MMH Jewellers; Tshieng Enterprise; Gussy Diamonds. In Q4, over achieved due to the collaboration with NCEDA on the SARCEA exhibition.

Performance Narrative for Trade and Investment Promotion

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

In collaboration with NCEDA, four investment projects were realized through confirmation of interest. The company, Agri-Ment Pty Ltd, expressed their interest to invest in an R1 billion solar farm project in the Namakwa SEZ. In addition, RRS Trade and Investment confirmed their intent to invest in the Namakwa SEZ with a green hydrogen/ammonia fuelling, engine conversion and servicing facility. Quiver Green Group (Pty) Ltd expressed their interest to invest in a biomass production facility in the Namakwa SEZ. The Kamal Group expressed their interest to invest in a Sponge Iron Beneficiation Plant in the Northern Cape. The province pledged their support for the project in a formal letter to Kamal Group. All these investors came to know of the investment opportunities and locations due to the marketing of the high impact projects in the Northern Cape Business publication and the Trade Invest Africa e-newsletter.

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

Nine investment projects were marketed through the NC Business publication, Trade Invest Africa e-newsletter and the Africa Decisions Magazine.

In the year under review the Department finalised the lease agreements for the Highrise Loft Diamonds and Triple 7 Diamonds investments. The benefits of these investments are the following:

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- Intended to lure investors and establish Kimberley as a diamond beneficiating centre at the Kimberley Diamond and Jewellery Centre.
- Contribute to job creation.
- KIDJA students will be offered internships and learnerships so as to obtain practical experience.
- KDJI incubates have access to potential clients for job opportunities and markets.
- The operations of the companies will give access to markets for rough and polished diamonds from existing mines and small miners.

In terms of improving the international competitiveness and product offer from the Northern Cape Province 65 companies (15 in Kimberley, 12 in Upington, 14 in Kuruman and 24 in Springbok) received export awareness training with assistance of dtic and SEDA. In addition, 13 Northern Cape companies participated in Phase 1 -Phase 3 of the Global Exporter Programme in De Aar. In total 78 companies participated in export awareness and GEPP training of which 37 youth and 53 women owned companies participated including 2 informal businesses.

Forty (40) companies were granted exposure on national, international and media platforms enabling them to market and promote their products. Consequently, this enabled them to secure potential export orders.

Linking performance with budgets

Sub- Programme Name	2022/2023			2021/2022		
	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	70 050	58 029	12 021	49 955	49 955	-
Total	70 050	58 029	12 021	49 955	49 955	-

The bulk of the operational expenditure was consumed by marketing i.e., procurement of print and online media and exhibition space for local and foreign trade and investment conferences/expos. This is important cost drivers in the recruitment of investors to invest in the province as well as grow exports of the NC products which in turn will lead to higher economic growth and job creation.

Strategy to overcome areas of under performance

None.

2.4.4 Programme 4: Consumer Protection and Business Regulation

Purpose

To remove barriers which inhibit business development and to ensure regulation of Consumer Protection in the Northern Cape Province.

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

The sub-programmes are: Purpose of the sub-programme

Consumer Protection	The purpose of this sub-programme is to implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens.
Business Regulation	The purpose of this programme is to manage and facilitate the provision of business regulatory services

Institutional Outcome/s supported by the Programme:

- Higher Economic Growth

2.4.4.1 Consumer Protection

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

Sub-Programme: Consumer Protection								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
Higher Economic Growth	Expanded Informed-economic-citizen footprint in the Northern Cape Province.	4.1.1 Number of districts reached through Consumer Education and Awareness Campaigns in the Northern Cape Province.	New	5	5	5	0	None.
	Rapid economic redress.	4.1.2 % of consumer complaints resolved per annum.	77.7%	95%	89%	89%	0	None

Performance Narrative for Consumer Protection

Section 2(1) of the Northern Cape Consumer Protection Act legislates the promotion and advancement of the social and economic welfare of consumers in the province. In accordance with provisions and principles set out in the Consumer Protection Act, the Act provides for institutions to:

- Investigate;
- Mediate; or
- Adjudicate and to
- Conduct inspections on business premises.

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The Consumer Protection Authority is a creation of statute and consists of two sub-programmes, Office of the Consumer Protector who provides for an effective service to address all consumer complaints throughout the province, and the Northern Cape Consumer Court which adjudicates over unresolved matters referred to it. The Consumer Protection Authority is a 100% service delivery unit.

The Authority conducted education and awareness programmes in 5 Districts throughout the Province, in order to equip our people with the necessary tools needed to protect themselves against unscrupulous business owners and to enable them to make informed decisions regarding the purchase of goods and services. Twenty-two Education-and-Awareness programmes were conducted which reached 2248 people. In addition, four radio interviews were conducted (Ulwazi FM and Radio NFM) to inform consumers of their rights and obligations when purchasing goods and services, 39 686 listeners were reached. The Authority also conducted 290 inspections on business premises and issued 81 compliance notices.

In the year under review, 157 complaints were received and investigated. The Authority succeeded in resolving 89% of the cases received, through the mediation process and the Consumer Court.

World Consumer Rights Day is an international event celebrated every year on the 15th of March. This event was proudly hosted by the NC Consumer Protection Authority under the theme: "Creating a Fair Market Place." In celebrating World Consumer Rights Day, consumers have the chance to demand that their rights are respected and protected. During the event different speakers and Regulators were invited to attend. The Chairperson of the Consumer Court, Professor N Grobler, did a presentation on consumer rights. Other speakers included representatives from the NPA, the Human Rights Commissioner, the Equality Court, the Public Protector, SMME Development, ICASA, SASSA, and the Gambling and Liquor Boards. The keynote speech was delivered by the MEC for Finance, Economic Development and Tourism, the Honourable MEC A Vosloo. He was accompanied by the HOD for DEDaT, the District speaker, the District Councillor and the Local Councillor. The event on the 15 March 2023 was a huge success and contributed successfully to the sharing of information to the brought public in the Kalahari area.

The Consumer Protection Authority has saved consumers R4 018 668.35 due to its interventions.

The key challenges that the programme faces includes the absence of district offices and budgetary constraints.

Linking performance with budgets

Sub- Programme Name	2022/2023			20201/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Consumer Protection	11 474	11 474	-	11 301	11 209	92
Total	11 474	11 474	-	11 301	11 209	92

The budget for the year was thus used in the Consumer Protection Authority and Consumer Court's efforts to provide effective and efficient redress throughout the province, through mediation, investigation, and adjudication of consumer related matters. The office conducted five Education and Awareness programmes, wherein one programme was conducted each quarter, except for Quarter 4 in which two districts were targeted. During these sessions, complaints are submitted and investigated, and where needed Court matters conducted. Through these efforts consumers are assisted and matters resolved, and because it is a free service, consumers are able to save.

Strategy to overcome areas of under areas of under performance

In order to address the absence of district offices, departmental officials visited the districts on a quarterly basis to achieve the targets that were set for the year.

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2.4.4.2 Business Regulation

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.

The revised departmental organogram has been approved and Business Regulation is now included in Programme 4. Regulation Services has been included although it is unfunded and resourced because it is part of the generic structure for similar units in the country. In order to make the sub-programme functional (To manage and facilitate the provision of business regulatory services) one needs the resources to do so. The budget needs to be made available for the vacant posts to be filled. In addition, new legislation would need to be drafted to regulate the industry in the province. Since there are no warm bodies to perform this function, no targets could be set for implementation in the financial year under review.

Linking performance with budgets

Sub- Programme Name	2022/2023			20201/2022		
	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
Regulation Services	-	-	-	-	-	-
Total	-	-	-	-	-	-

The Annual Report Guideline for National and Provincial Departments (updated November 2022), issued by National Treasury, advocates (p.25) that the table under this heading “must agree to the appropriation statement of the audited financial statements.”

In addition, National Treasury has granted approval to the department “to deviate from the sector-agreed uniform budget programme structure to be aligned with its new organisational structure as requested.”

Strategy to overcome areas of under areas of under performance

Not applicable.

2.4.5 Programme 5: Economic Planning

Purpose

The purpose of Economic Planning is to support and facilitate the transformation, diversification, and growth of the provincial economy by promoting integrated development planning and innovation through efficient research to further growth and development towards digital transformation.

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

The sub-programmes are:

Economic Research and Policy Development
Knowledge Economy Support

Purpose of the sub-programme

The purpose of this sub-programme is to promote integrated economic planning for faster economic development.
The purpose of this sub-programme is to develop the knowledge economy through innovation to promote economic development.

Institutional Outcome/s supported by the Programme:

- Improved levels of employment
- Higher Economic Growth

2.4.5.1 Economic Research and Policy Development

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

Sub-Programme: Economic Research and Policy Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
Improved levels of employment.	Improved policy implementation to support job creation.	5.1.1 Number of economic policies reviewed.	2	4	4	4	0	None
	Engagement with stakeholders to ensure alignment of Economic Policies	5.1.2 Number of Socio-Economic engagements with stakeholders.	New	6	8	8	0	None
	Investment in research and development as % of the departmental budget	5.1.3 Number of Research reports compiled.	0	1	1	1	0	None
		5.1.4 Number of Economic intelligence reports developed.	4	4	4	4	0	None
		5.1.5 Number of Economic overviews compiled.	6	6	4	4	0	None

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Sub-Programme: Economic Research and Policy Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
		5.1.6 Number of Reviewed DEDaT research agendas.	1	1	1	1	0	None

Office of the Chief Director

The programme achieved all of the targets set for the financial year with overachievements on broadband rollout and initiatives in digital literacy and ICT entrepreneurship. More sites with access to broadband connectivity was overachieved in the fourth quarter as a result of the efforts by Afrovation, our implementation partner. The reason for overachievement on the digital literacy in terms of the number of e-skills initiatives implement is as a result of requests for support from eco-system partners (NCDev, SPU and CfERI) provided additional training opportunities.

In terms of spending versus budget to deliver the targets alluded to in the foregoing paragraph, the programme spent 90.7% of the budget allocation. It would appear that improved partnerships contributed to higher achievement against target and it is imperative that this be planned properly. The Office of the Chief Director spent 97.6% of the budget allocation which was an improvement on the previous financial year.

In line with the organisational redesign of the department, the name of this programme has been changed from “Policy, Research and Innovation” to “Economic Planning.” In the old organogram, there were four sub-programmes. These were, Economic Policy Development, Research and Development, Knowledge Economy and Innovation, and the sub-programme Monitoring and Evaluation. The latter sub-programme, Monitoring and Evaluation, has now been moved to Executive Support which resides under the Programme “Administration.” In the configuration there are only two sub-programmes. They are, “Knowledge Economy Support” and, “Economic Research and Policy Development.”

Performance Narrative for Economic Research and Policy Development

During the 1st Quarter the sub-programme reviewed the National Infrastructure Plan 2050 with focus on the infrastructure needs for economic growth. The findings of the review revealed that although there are some infrastructure development initiatives taking place in the province there is a need to intensify our interventions on energy, freight transport (including road), water supply, digital and social infrastructure in order to meet the infrastructure requirements for economic growth. The National Spatial Development Framework (NSDF) 2050 was reviewed in the 2nd Quarter to ascertain progress made in terms of identified national urban nodes, regional development anchors and the North-western Transformation Corridor in the Northern Cape Province.

In the 3rd quarter, the sub-programme also reviewed the Small-Town Regeneration Strategy which was launched in 2015 and reviewed nationally in 2021. Given the fact that there are limited economic activities taking place in the Pixley ka Seme District which forms part of the Small-town Regeneration Strategy. The objective for the review was to measure progress made and identify areas with slow implementation of interventions and come up with proposals on fast-tracking implementation focusing on the 44 Northern Cape small towns. In the 4th Quarter the sub-programme also reviewed the National Skills Development Plan 2030 with the vision ‘An Educated, Skilled and Capable Workforce for South Africa’ which was promulgated in 2019, with the intention to ascertain its implementation progress in the province.

Progress on the implementation of the Provincial Economic Reconstruction and Recovery Plan (ERRP) was coordinated through various platforms. Furthermore, the sub-programme hosted two engagements namely the Frances Baard Economic Transformation and Job Creation Implementation Forum (MTSF Priority 1) focusing on progress on job creation, enterprise and infrastructure development respectively. The other engagement was in the John Taolo Gaetsewe district with focus on progress for the ERRP emphasizing enterprise development. The sub-programme also played a critical role in the coordination and launch of the Provincial Growth and Investment Council (PGIC) and the compilation of the Vote 6 Budget Speech. The sub-programme in the 2nd Quarter hosted two engagements, namely Transformation and Job Creation implementation Forum (MTSF Priority 1) in ZF Mgcawu district. This engagement was well attended with full participation and progressive resolutions. The other engagement was the Namakwa District Economic Policy Symposium with the theme “Industrialisation” which is imperative for the economy, and it was also well attended with full participation from the stakeholders.

The Economic Transformation and Job Creation Implementation Forum in the 3rd quarter was held in the Namakwa district over two days, with the second day focusing on a site visit to the Kangnas Wind Farm. The forum was attended by representatives across the three spheres of government with a special focus on industrialisation. The sub-programme also partnered with SEDA, Department of Small Business Development, Sol Plaatje University (Centre for Entrepreneurship & Rapid Incubator - CfERI), Dawid Kruiper local municipality and Namakwa district municipalities to

host an entrepreneur's event. The event was held over two days, the first day covering presentations and second day dedicated to engagements with SMMEs. The objective of the event was to share information with stakeholders on services including policies and interventions put in place by different government institutions to advance economic transformation of the country with special focus on entrepreneurs.

In Quarter 4 the sub-programme held its fifth Economic Transformation and Job Creation implementation forum in Colesberg in the Pixley ka Seme district municipality. This was attended by representatives across the three spheres of government. The forum focused on progress made towards the implementation of the Economic Driver of the Provincial Growth and Development Plan and the provincial ERRP. The next day forum members conducted site visits to businesses that are operated by SMMEs around town and it was evident that there is great potential for the growth of the informal sector in the area. During this quarter the sub programme partnered with departmental IEDS programme on an Outreach Programme through various towns within the Frances Baard district instead of having a normal stakeholder engagement. Stakeholders including 12 learners in three different areas were informed of the departmental interventions which include mainly enterprise development and economic development opportunities.

In Quarter 1 an Economic Intelligence (EI) report on Youth Entrepreneurship was compiled. This report aims to provide an overview on youth in the Northern Cape, by outlining the demographic, social and economic status of youth provincially and briefly look at the importance of developing entrepreneurship among youth in the province. Developing entrepreneurship among youth in South Africa is one way of addressing the challenge of youth unemployment and a catalyst for economic growth given the size of the youth population in South Africa. The 2nd Quarter Economic Intelligence Report focused on Mining and Mining Activity estimating the value of mining in the province. This study will contribute in the provincial economic strategy development discourse. In the context of better understanding the significance of the mining sector in the province, as well as estimating the value the provincial mining sector contribution to the total sales of the country. The DMRE estimates that the provincial mining sales to be around R 119 billion, whilst the provincial economy is marginally the same magnitude, estimated at around R 102 billion.

In the 3rd Quarter the Research and Development sub-unit embarked on field work to gather data for the Provincial Township Economy Study in the ZF Mgcawu and John Taolo Gaetsewe districts. The findings of the research will be utilised to inform the development of the Township and Rural Economy Strategy. Furthermore, an EI report was compiled focusing on the Reviewed Integrated Resources Plan and its impact on the Northern Cape. In the 4th Quarter the outstanding legs of the township economy research study were conducted. The purpose was to investigate and conceptually understand the features of the township economy is in Kuruman, Kathu and Upington. Moreover, contextually understand the challenges faced by entrepreneurs in the respective townships, while also attempting to gain a perspective on the interventions made by government to support the township economy and ensure its sustainability.

In Quarter 4 an EI report focusing on the Tourism Skills Audit was also conducted. The tourism sector is not measured as a separate industry in the national accounts, but is spread across the transport, accommodation, food and beverage, recreation, entertainment, and travel activities of the economy. In tourism the focus is on the consumption of goods and services. Pillar 3 in the National Tourism Strategy accordingly lays emphasis on the importance of developing tourism skills and the level of skills generally. The tourism sector is multi-sectoral in nature, cutting across many sectors. Employment figures in the Northern Cape for 2021 shows that 3.1% of those aged 20 years and above were employed in the Hotels and Restaurant sector, 1.2% in the land and water transport sector and 0.2% in the air transport sector.

The Quarter 1 Economic Overview provided a labour market analysis and was compiled and presented at the Technical Economic Cluster. The Quarter 2 Economic Overview highlighted frequent load shedding as an impediment to conducting business in South Africa. Similarly, failures in the transportation and logistics network limit the gains from the commodity price boom. Rising inflation hurts the purchasing power of low-income households and negatively affects the country's competitiveness and financing costs. As such, the provincial economy is expected to grow around 2.0%, slightly below the estimate of 2.3%, in 2022. However, the country seemingly tapers off in 2023, as it is expected to grow by 1.4% (IMF, 2022). On the other hand, the provincial scenario is in stark contrast as the provincial economic outlook is expected to strengthen in 2023 to record around 2.7%.

The 3rd Quarter Economic Overview focused on the latest labour market and Gross Domestic product (GDP) results. The Northern Cape unemployment rate increased from 23,7% in the second quarter to 26,4% in the third quarter. A year-on-year analysis of the labour market performance denotes an increase of 48 450 of those employed, however of

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grave concern was the provincial unemployment number increasing by over 25 000 in the same period of analysis. In the 4th Quarter an Economic Overview was compiled and presented at the Extended EXCO Lekgotla. The overview revealed that macroeconomic fundamentals have generally improved, however considerable challenges remain in the medium term, largely due to the persistence of the pandemic effect and volatility induced by the impact of the Russia–Ukraine conflict. The country's economy grew negatively by -1.3% in the last quarter of 2022. In the last quarter of 2022, the Northern Cape had the lowest provincial unemployment rate in the country. The Provincial unemployment rate is estimated at 22.1%.

The sub-programme also hosted a departmental Research Day in the 4th Quarter with the objective of gathering inputs towards the departmental Research Agenda and sensitising attendees on the different research initiatives that are undertaken within the Department. This also laid the foundation for the envisaged Provincial Research Colloquium planned for the next financial year.

Linking performance with budgets

Sub- Programme Name	2022//2023			2021/2022		
	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	6 127	6 027	100	3 985	3 985	-
Total	6 127	6 027	100	3 985	3 985	-

Sub- Programme Name	2022/2023			2021/2022		
	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	-	-	-	2 599	2 599	-
Total	-	-	-	2 599	2 599	-

The Annual Report Guideline for National and Provincial Departments (updated November 2022), issued by National Treasury, advocates (p.25) that the table under this heading “must agree to the appropriation statement of the audited financial statements.”

In addition, National Treasury has granted approval to the department “to deviate from the sector-agreed uniform budget programme structure to be aligned with its new organisational structure as requested.”

The bulk of the sub-programmes budget was spent on targets that are linked to travelling to municipalities for DDM Workshops/meetings, Economic policies engagements, Research Data collection etc. and the cost drivers were travel and accommodation, venue hire, catering, and related expenses.

Strategy to overcome areas of under performance

None

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2.4.5.2 Knowledge Economy Support**Outcomes, Outputs, Output Indicators, Targets and actual achievements table**

Sub-Programme: Knowledge Economy Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
Higher Economic Growth.	Knowledge Management Systems	5.2.1 Number of Knowledge Management Systems implemented.	1	1	1	1	0	None
	Broadband rollout	5.2.2 Number of Sites provided with access to broadband/Wi-Fi connectivity.	34	26	20	51	31	Over achieved due to collaboration with USAASA Complimentary SA Connectivity Project
	Digital infrastructure initiatives	5.2.3 Number of Digital Infrastructure initiatives supported.	4	2	2	2	0	None.
	Digital literacy and ICT entrepreneurship	5.2.4 Number of e-Skills development initiatives implemented.	5	7	4	8	4	An additional Ideathon held in Q1 to help the candidates develop their ideas for the Security Summit. There were no additional financial implications. In Q2, Douglas VacWork – In collaboration with Sol Plaatje University. Financial Implications: transport, accommodation, non-empl accommodation, non-empl incidental cost, catering & car rental R100 000.00 Women Summit 2022 – In collaboration with Sol Plaatje University and mLab. Financial Implications: catering R15 000 National Science Week – In collaboration with Sol Plaatje University and mLab. No financial implications, laptop trolley

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Sub-Programme: Knowledge Economy Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
								was lent for participants to make use of. In Q3 an Annual NCDev Hack was hosted in Upington with the Sol Plaatje University Centre for Entrepreneurship and Rapid Innovation (CfERI). CfERI request for catering support.
	Economic development initiatives in the SKA regional municipalities	5.2.5 Number of Reports on localisation initiatives implemented in terms of the SKA.	New	4	4	4	0	None.

Performance Narrative for Knowledge Economy Support

Knowledge Economy Support (KES) has used Quarter 1 to prepare the ground work to progress its 2022/23 deliverables. In the 2nd Quarter Knowledge Economy Support (KES) sub-programme continued to provide support to the Communications sub-programme with the design of event posters and quarterly newsletters. The departmental intranet and websites maintenance is ongoing. In Quarter 4 KES obtained 1000 EON-XR licenses from Manufacturing, Engineering and Related Services Sector Education and Training Authority (merSETA) to access to the EON-XR Augmented Reality (AR) and Virtual Reality (VR) platform.

The SA Connect Phase 2 has been approved by the national Cabinet and the DCDT along with its agencies, BBI and SITA and are preparing a Provincial Implementation Plan in correlation to the Provincial Spatial Development Framework (PSDF) and aligned to the District Development Model (DDM). The Provincial Broadband Steering Committee has met with BBI and SITA to facilitate the prioritization of sites across all the regions. Afrovation accelerated their network planning for 2022/23 with 3 – 4 sites anticipated to go live per month. Sixty sites were targeted for 2022/23. A Draft Broadband Strategy has been completed by the SITA and was circulated for final inputs.

In the 3rd Quarter the Afrovation Foundation's complimentary efforts to provide free public Wi-Fi hotspots, as part of the national and provincial efforts to establish provincial broadband infrastructure, established and is maintaining ten (10) active Wi-Fi hotspots. The sites are the Youth Centres of Pampierstad, Hartswater, Kimberley and Magareng. In addition, the Thusong Centre, Mayibuye Centre, Tourist Information Centre are live, along with the Skate Park, Greenpoint School and Floors High School. SA Connect is awaiting National Treasury approval of funding for implementation of 1599 sites over three years for the Northern Cape. The Department's own trial of a community-based approach to broadband, has the three youth in Seoding Village in John Taolo Gaetsewe district receive Wi-Fi equipment for two Wi-Fi hotspots. The first site at the Tribal Authority is currently being installed and planned to be live before the end of the quarter.

The target of ten (10) sites with access to broadband/Wi-Fi connectivity was overachieved in Quarter 4 as forty-one (41) sites in total were provided with access to broadband/Wi-Fi connectivity. Due to the Universal Services and Access Agency (USAASA) implementing a complimentary connectivity project in Pixley Ka Seme District under the National

Broadband Policy “SA Connect.” USAASA, as of March 2023, have implemented forty (40) sites, with twenty-three (23) being Wi-Fi active. Afrovision Foundation has installed sixteen (16) sites to-date. The Community Network model initiated one Wi-Fi Hotspot at the Seeding Soup Kitchen and has had the privilege of the Department of Communications and Digital Technologies visiting the site. This site was tested and found to be connected.

The Innovation Lab “mLab” continues to train the new cohort of digital application developers in their Code Academy and has hosted workshops with the DEDaT, SEDA, SITA and ICASA for the digital solution developers to formalize their start-ups. The NCIF unfortunately has lost its second coordinator in under a year and a headhunt is under way for a replacement. On the Community Network (CN) programme the three trainees have since registered Seeding Community Network (SCN) as a cooperative and situated themselves in the Seeding Community Centre. The Community Centre will also serve as the Youth Service Centre (YSC) of the Northern Cape Department of Social Development (DSD).

The Seeding Community Network is currently receiving mentoring and coaching from Zenzeleni and have begun their Community Network design using the Youth Service Centre and four local schools for their prototype network. The department went on a site visit to conduct a meeting with the three candidates to assess their readiness to prepare and build their Community Network, and also visited schools that were part of the 2011 CSIR Wireless Mesh Network (WMN) Project.

On the Digital Infrastructure initiatives supported the department received a list on the required infrastructure needed to extend the outreach for connectivity within the Seeding Community Centre. In the 3rd Quarter the sub-programme supported the hosting of a Broadband Hackathon at Sol Plaatje University (SPU) with the Northern Cape Innovation Forum and SITA. The winning team formulated a concept to develop a software defined network that can use multiple frequencies e.g., mobile, fixed, satellite. The Annual NCDev Hack was hosted in Upington with the SPU Centre for Entrepreneurship and Rapid Innovation (CfERI).

The department supported SPU ICT students to attend the 17th Annual IT Web Security Summit Hackathon in Sandton, Gauteng. An Ideathon was hosted prior to the Hack, to ensure the NC participants had the necessary cyber security capabilities to participate in the Hackathon.

Through ongoing collaborations with partners, the department conducted training for learners and unemployed youth in Douglas in conjunction with SPU and collaborated with NCDev to host ICT Women’s Day Summit in Barkly West. DEDaT also collaborated with mLab to participate at the SPU National Science Week. In the 4th Quarter, the department, with the CPSI; Geekulcha; NCDev; Start Up Business Campus and the Nama Khoi Local Municipality hosted a successful VacWork programme in Concordia from 21 – 25 February, 2023.

The service provider for the finalization of the Carnarvon Science Visitor Centre (CSVC) designs and content has tabled the High-End Report and SARAO is finalizing the project plans and the critical pathways. The tender document, for the appointment of the multi-disciplinary Professional Consultants, has been prepared and forwarded to the NRF for review, comments, and approval. This included the architectural and civil works. The service provider has also issued a draft Business Plan for internal review. DEDaT has engaged with SARAO on the conveyancing of the land to the NRF, this follows the issuance of the letter of transfer of the land by the Department of Roads and Public Works.

Free Wi-Fi access has been installed at the libraries in Carnarvon, Williston, Vosburg and Vanwyksvlei. Quarter 3, we saw the SKA tender evaluation and adjudication for the appointment of the multi-disciplinary consulting engineers for the architectural and civil works for Carnarvon Science Visitor Centre nearing completion. The draft Business Plan for the Carnarvon Science Visitor Centre has been presented to the Directors-General (DGs) of Tourism and Science and Innovation respectively.

The Title Deed documents for Erf 431 have been transferred to the South African Radio Astronomy Observatory (SARAO) for the NRF from the DRPW. DEDaT has finalised the MoA with SARAO for the fund transfer in-lieu of the conveyancing costs. The department also commissioned an investigation on the requirements for an Environmental

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Impact Assessment (EIA) as well as the requirements for an application for a change of land-use in light of the CSV establishment. Engagements are ongoing between SARAO and the Kareeberg, Karoo Hoogland and Hantam local municipalities on the mitigation measures regarding the possible negative impact on their revenue streams. The SKA Office has launched the commencement of the SKA Phase 1 construction.

The tender evaluation and adjudication for the appointment of the consulting engineers for the architectural and civil works for Carnarvon Science Exploratorium was closed and is at the financial evaluation stage and will be followed by the appointment of the successful bidders. The Title Deed documents for Erf 431 have been completed by the conveyancing attorneys and are at the stage of being signed by the Department of Roads and Public Works (DRPW) following the signing by the NRF. The commissioning of the EIA will be done once the plans for the establishment have been completed. Engagements are ongoing with affected communities, in the Hantam, Kareeberg and Karoo Hoogland Municipal areas on the implications of the Context-Aware, Adaptive Application (CAAA).

Linking performance with budgets

Sub- Programme Name	2022/2023			2021/2022		
	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	7 364	6 834	530	6 003	6 003	-
Total	7 364	6 834	530	6 003	6 003	-

Sub- Programme Name	2022/2023			2021/2022		
	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	-	-	-	2 599	2 599	-
Total	-	-	-	2 599	2 599	-

The Annual Report Guideline for National and Provincial Departments (updated November 2022), issued by National Treasury, advocates (p.25) that the table under this heading “must agree to the appropriation statement of the audited financial statements.” In addition, National Treasury has granted approval to the department “to deviate from the sector-agreed uniform budget programme structure to be aligned with its new organisational structure as requested.”

The functions of the former sub-programme, Monitoring and Evaluation, have been moved to Executive Support, a sub-programme under “Administration.” The financial table for this sub-programme now reflect under Executive Support. The sub-programme, “Research and Development” is not reflected in the new organogram.

The budget for the sub-programme was primarily dedicated to three key areas: personnel, resources, and training. Personnel: A significant portion of the budget is allocated to staff compensation who play a crucial role in executing the sub-programme. These individuals brought their expertise and experience to the team, ensuring efficient implementation and delivery of outputs. Resources: The budget was utilized to acquire essential resources, tools and transfers necessary for the successful execution of the sub-programme. This includes support to mLab NC and the NCIF. Training: A portion of the budget is allocated to training and capacity-building initiatives targeting external beneficiaries. Through specialized training programs and workshops, beneficiaries are equipped with skills and knowledge to participate in the digital era.

Overall, the budget allocation is been instrumental in achieving our desired outputs and assisting us to leverage partnerships. As a result, we have successfully met the targets.

Strategy to overcome areas of under performance

None.

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2.4.6 Programme 6: Tourism**Purpose**

The purpose is to lead tourism growth, development, and destination promotion in the Northern Cape.

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

The sub-programmes are: Purpose of the sub-programme

Tourism Development	The purpose of this sub-programme is to support the development of an attractive and competitive destination Northern Cape
Tourism Growth	The purpose of this sub-programme is to manage unlocking the economic potential of the provincial tourism industry through creating an enabling policy and planning environment.

Institutional Outcome/s supported by the Programme:

- Higher Economic Growth

2.4.6.1 Tourism Development**Outcomes, Outputs, Output Indicators, Targets, and actual achievements table**

Sub-Programme: Tourism Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
Higher Economic Growth	Improved destination development stakeholder relationship support.	6.1.1 Number Of Destination Development Stakeholder Relationships Supported.	-	New	16	17	1	The additional achievement resulted from clustering some targeted non-targeted stakeholder engagements which were in the same geographical location.
	Enhanced market offering of tourism enterprises.	6.1.2 Number of Tourism Enterprises Supported	-	New	20	61	41	The additional support was possible as a result of budget reprioritisation after the project to support targeted tourism enterprises in the Galeshewe Tourism Precinct did not materialise, mainly because of unresolved tourism enterprise compliance matters.
	Enhanced provincial visitor experience.	6.1.3 Number of initiatives to enhance the	3	6	10	20	10	The over-achievement, in the main,

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Sub-Programme: Tourism Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
		provincial visitor experience.						was possible through budget reprioritisation of savings and additional funding provided to support four unplanned events.
	Improved provincial destination tourism infrastructure.	6.1.4 Number of Industry Enabling Tourism Infrastructure Development Interventions	5	5	3	3	0	None.
	Tourism industry compliant with industry standards.	6.1.5 Number of Tourism Industry Compliance Interventions.	90	103	20	88	68	The over-performance was possible as more grant compliance workshops were implemented than planned and through budget reprioritisation of savings.

Office of the Chief Director

The Budget Structure makes provision for the sub-programmes Tourism Planning, Tourism Growth and Development, and Tourism Sector Transformation. In terms of the new organogram of the department, Tourism consists of Tourism Development and Tourism Growth. The functions for Tourism Sector Transformation have been subsumed into the remaining sub-programmes.

The programme achieved all but one of its targets and spent 100% of the allocated budget. The expenditure included fixed costs, operating leases and travel and accommodation. Financial details are contained in the Annual Financial Statements in Part F of the Annual Report.

Performance Narrative for Tourism Development

The purpose of the Tourism Development sub-programme is to support the development of an attractive and competitive destination Northern Cape as contribution to achieve higher economic growth in the province. This is achieved through the sub-programme responding to five performance indicators. They are –

- Number of Destination Development Stakeholder Relationships Supported.
- Number of Tourism Enterprises Supported.
- Number of Initiatives to Enhance Provincial Visitor Experience.
- Number of Industry Enabling Tourism Infrastructure Development Interventions.
- Number of Tourism Industry Compliance Interventions.

The impact of COVID-related decimation of the national and provincial tourism industry is still affecting the ability of the industry to thrive. The situation is worsened by the significant budget cuts affected to the Tourism Programme over time and this limits our ability to implement the provincial tourism recovery plan to its full extent and reach. This situation calls

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for the initiation, establishment and strengthening of partnerships to augment the Tourism Programme efforts to contribute to the recovery of the provincial tourism industry.

In response to this requirement, a new performance indicator has been added to the Tourism Development sub-programme – that of destination development stakeholder relationships supported. Stakeholders that can add value to the provincial effort of destination development and management, be it using our collective influence or pooling of budgets and human capital, are targeted. Such targeted stakeholders include the Northern Cape Tourism Authority, Northern Cape Economic Development Agency, McGregor Museum, provincial departments such as Sport, Arts and Culture and Agriculture, Environmental Affairs, Rural Development and Land Reform. It also includes national stakeholders such as the department of Tourism, department of Forestry, Fisheries and Environmental Affairs and South African National Parks, as well as tourist route coordinating forums, world heritage sites, municipalities, universities, and non-governmental institutions.

During the period under review, Tourism Development initiated stakeholder relationships with 17 entities. The annual target was 16 meaning that the sub-programme over performed by one. The over performance had a minimal budget effect and was achieved by clustering some targeted and non-targeted stakeholder engagements which were in the same geographical location.

Early indications are promising in that destination development stakeholder relationship building initiatives have started on a positive footing while working with the likes of the national Department of Tourism, McGregor Museum, South African National Parks, South African Radio Astronomy Observatory, and selected route coordination forums to name a few. DEDAT is a key role-player in the establishment of the SKA Carnarvon Exploratorium and in the spirit of relationship building, to highlight an example, the department funded the transfer expenses related to Erf 431 Carnarvon where the facility is to be built.

Tourism enterprise development is regarded as an important tool to enhance destination attractiveness and marketability. We therefore provide financial and non-financial support to selected tourism enterprises in priority development nodes such as the Upington 26 precinct in Pabalello, Upington, star-gazing corridor, Gamsberg, Namaqua special economic zone, Upington Industrial Park, and Kathu Industrial Park. It is expected that these priority development nodes will generate increasing numbers of tourist arrivals. The Tourism Programme therefore reprioritised its budget to provide 44 tourism enterprises with practical ways to improve quality assurance of the services they offer. We have also provided support to two participants in the national department of Tourism funded incubator for tour operators. The support aimed to improve the tourism experience offered by the two incubatees, Victoria West Tours (Victoria West / Pixley ka Seme) and Silver Solutions Tours (Port Nolloth / Namakwa) to improve their market readiness and market access.

In total, 61 tourism enterprises benefitted from support initiatives implemented by the Tourism Development sub-programme. The annual target was 20 meaning that the sub-programme over performed by forty-one. The over performance was possible as a result of budget reprioritisation after the project to support targeted tourism enterprises in the Galeshewe tourism precinct did not materialise, mainly because of unresolved tourism enterprise compliance matters.

Forty-one women and sixteen youth benefitted from tourism enterprise support and development initiatives. The district distribution was as follows –

District	Women	Youth
Namakwa	9	-
Z.F. Mgcawu	20	7
Pixley ka Seme	12	9

Visitor decision-making is influenced by how they perceive the quality of the tourism experience offered by any destination. In the Northern Cape tourist route development is the foundation of tourism experience development as these routes must act as strong magnets to attract more visitors to the province, be they domestic or international in

origin. In many ways the success of the province as destination and the ability of the provincial tourism industry to contribute to higher economic growth relies on how well we can develop, manage, and market or respective tourist routes.

Our tourist routes are not all functioning at optimal level and this requires a significant collective effort from the route-based product owners, local municipalities, departmental Tourism Programme, Northern Cape Tourism Authority, provincial departments of Roads and Public Works (signage, gravel road maintenance), Sport, Arts and Culture (cultural and heritage asset management, world heritage sites), Agriculture, Environmental Affairs, Rural Development and Land Reform (provincial nature reserve and biodiversity management), McGregor Museum and the national department of Tourism to ensure a turn-around in the present state of affairs. Exceptions to this are the Karoo Oasis Route, Namaqua Coastal Route, Kalahari Red Dune Route and the new Forgotten Highway Route. The Quiver Tree Route has started the journey of better coordination towards the end of the financial year.

The annual target for tourism experience development is ten but the Tourism Development sub-programme managed to successfully launch 13 initiatives for tourism experience development. This is an over achievement by three. The over performance in the main was possible through budget reprioritisation of savings and additional funding provided to provide support unplanned events.

Three tourism infrastructure development projects were completed successfully during the financial year. They were the construction of two luxury campsites in Witsand provincial nature reserve, waterproofing the roof of the Northern Cape Theatre and related electrical works, as well as doing a significant upgrade of the kitchen at Magersfontein Battlefield Museum. The latter will in particular benefit a female-owned hospitality enterprise that is contracted by the McGregor Museum to manage the restaurant. The annual target was fully achieved as planned.

Tourism enterprise's business compliance remains a key stumbling block to extend a helping hand to targeted beneficiaries. The root cause of this is non-compliance with Central Supplier Database requirements related to tax non-compliance. This may well be an indication of tourism enterprises still grappling with the after effects of the COVID lockdowns.

The performance indicator for tourism industry compliance therefore follows a two-pronged approach. The first is to ensure that grant beneficiaries are compliant with the signed transfer agreement and related reporting requirements. The second is to determine the level of compliance with the general requirements of operating a business such as business registration, unemployment insurance fund and central supplier database registration for instance. The outcome of the latter will inform plans and decisions on how best to support tourism enterprises going forward in an effort to improve the level of business compliance.

The Tourism Development sub-programme engaged 20 beneficiaries during workshops to ensure understanding of the transfer agreement and related grant progress reporting requirements.

In addition, the sub-programme targeted seven priority economic development nodes reaching 68 tourism business owners to gain an overall picture of compliance with general business management requirements. The latter is assessed by way of a questionnaire testing compliance with the following seven requirements - Registered with National Treasury Central Supplier Database (CSD), Registered with Companies and Intellectual Properties Commission (CIPC), Registered with South African Revenue (SARS), Registered with Unemployment Insurance Fund (UIF), Registration on the National SMME Database – <https://smmesa.gov.za>, Valid Tourism Grading Council of South Africa (TGCSA) certificate or proof of pending application for grading (accommodation and conference venues) and Industry affiliations, e.g. Namakwa Coastal Route forum, Richtersveld Route forum, SATSA, SAACI, etc. We found that compliance with the general business management requirements is less than optimal and once again this may be indicative of the lingering impact of the COVID-related lockdowns and slow tourism industry recovery.

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The annual target for the compliance performance indicator is twenty. However, the tourism sub-programme managed to implement 27 tourism interventions, reaching a total of 88 individuals during the period under review. The over performance was possible as more grant compliance workshops were implemented than planned made possible by budget reprioritisation of savings.

Overall, the Tourism Development sub-programme over achieved in four of its five performance indicators and this is primarily due to additional funds received, budget reprioritisation and the immense and selfless commitment of the small cadre of staff members of the sub-programme.

Tourism is a market demand driven activity that contributes to increasing money flow and its related multiplier effect, employment creation, enterprise sustainability and growth and economic infrastructure development in Destination Northern Cape. Growth in tourist arrivals, and offering them a greater variety of tourism experiences to consume, drive employment and general retail spending through increased demand, thus stimulating the provincial economy. This economic growth benefit materialises best when the destination is continuously developed and its tourism industry supported to flourish, as is evident from the sub-programme performance data presented above. It is the mission of the Tourism Development sub-programme, and the Northern Cape Tourism Authority, to ensure Destination Northern Cape remains competitive and top-of-mind in our target markets and therefore our collective budget and spending decisions are designed to achieve the Programme strategic objective – higher economic growth.

Linking performance with budgets

Sub- Programme Name	2022/2023			2021/2022		
	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	48 623	48 623	-	62 293	62 204	89
Total	48 623	48 623	-	62 293	62 204	89

The Tourism Development sub-programme budgeted R50 027 007 for achieving its strategic objective and planned targets. Key budget drivers were the Northern Cape Tourism Authority with a budget of R26 076 000 (52.12%) and the Kimberley Diamond Cup with a budget of R12 000 000 (24.0%). Further significant budget drivers were compensation with a budget of R5 575 007 (11.1%), tourism infrastructure development with a budget of R3 210 805 (6.4%) and small tourism enterprise development with a budget of R1 372 470 (2.7%). Other than the Kimberley Diamond Cup, budget was allocated for tourism infrastructure development in Witsand provincial nature reserve (R466 000) and critical maintenance of the Northern Cape Theatre (R650 000), a most important cultural tourism destination.

The sub-programme staff committed their expertise to add value to project beneficiaries, be they small tourism enterprises or project partners, through delivering on our projects and in doing so contributed to enhance the destination competitiveness, creating an enabling environment for tourism industry recovery and keeping the destination top-of-mind in the selected target markets, while simultaneously contributing to the growth of the provincial economy. This also contributed to the Tourism Development sub-programme achieving and even exceeding its planned targets.

Strategy to overcome areas of under performance

None.

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2.4.6.2 Tourism Growth**Outcomes, Outputs, Output Indicators, Targets, and actual achievements table**

Sub-Programme: Tourism Growth								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviations
Higher Economic Growth	Integrated planning.	6.2.1 Number of Tourism Industry Stakeholder consultations.	3	16	6	5	1	Report on implementation was completed but not presented at a stakeholder consultation meeting.
	Development and Up-skilling	6.2.2 Number of Interventions to support the tourist guiding sub-sector.	50	4	7	7	0	None.
	A safer tourism experience.	6.2.3 Number of Tourism safety initiatives	New	7	6	6	0	None.
	An enhanced local community Based Tourism Programmes	6.2.4 Number of Community-Based tourism Programmes conducted.	2	5	8	8	0	None.
	Create a tourism culture within the tourism industry.	6.2.5 Number of responsible tourism programmes conducted.	New	-	13	13	0	None.

Performance Narrative for Tourism Growth

A stakeholder consultative session was successfully convened in Pixley ka Seme, ZFM and Namakwa Districts. These sessions managed to create a platform for municipal tourism stakeholders to discuss the finalisation and establishment of local tourism forum and be able to contribute towards the provincial tourism recovery processes.

Consultative sessions with the industry were conducted to obtain their buy-in in the implementation of the Visitor Tracking System that the Directorate is currently developing. The main intention of the visitor tracking system is to quantify the economic contribution of tourism to the provincial, district and local levels of government. A demonstration mode of the system was presented to the National Tourism Statistics Committee, National Tourism Research Committee and the Provincial Policy, Planning and Research Forum for input. Further consultations and orientation of the system took place during the peak season (December – January).

An impact assessment of the Currie Cup Finals between the Pumas and the Griquas was conducted to determine the economic impact of events to both the local and provincial economy.

A report on the performance of the provincial tourism industry has been compiled depicting performance from 2009 to 2022.

Furthermore, a Marine and Coastal Tourism Consultative Session was conducted where a delivery forum with key stakeholders, whose mandate hinges on coastal development, was established. The purpose of the forum is to fast-track the implementation of the provincial tourism coastal marine strategy. A Coastal and Marine Tourism Industry Consultative Session was held with the Richtersveld community to identify opportunities presented by the coast, and various catalytic projects taking place on the coast inclusive of the Boegoeberg Port development to form part of the department's 3ft plan.

Successful Tourism Safety Awareness Campaigns were conducted in the Frances Baard, JTG and ZFM Districts. This included the identification of crime hotspots for tourists visiting our province. The intensification of tourism security and safety is of critical importance for the growth of tourism in the province and to enhance the efforts to market the province as a “safe and secure destination.”

It is with this mindset that safety campaigns were conducted. As part of the campaign, two different consultative sessions were held with the South African Police Service (SAPS), Ga-Segonyana Local Municipality and tourism operators. It was resolved that tourism safety forums must be instituted in all affected districts to ensure a coordinated approach to manage and combat criminal incidents against tourists and tourism operators. Material promoting Tourism Safety were also distributed amongst stakeholders and tourism businesses.

A campaign against illegal tourist guiding was successfully conducted in the JTG District to amplify awareness on the prescripts of the Tourism Act and accompanying regulations. Through this campaign, the sub-programme managed to reach out and visit tourist attraction sites and hospitality properties with the aim of certifying the legal compliance of tourist guides based at the sites. In terms of compliance management ten tourist guides have submitted requests to renew operating their operating licenses in line with enhancing professionalization standards in the tourist guiding sub-sector.

The sub-programme rolled-out the tourist guide mentorship programme in the ZF Mgcawu district with eight beneficiaries. The four-week programme created a platform for experienced and new tourist guides to share knowledge and skills with intention to improve on guiding skills. Fifteen tourist guide renewal applications were received and this allowed for the maintenance of the tourist guide database and the maintenance of professionalism within the tourist guiding sub-sector. A tourism crisis management framework is developed to provide the tourism industry with necessary guiding tools and be able mitigate adverse effects that might impact negatively on the industry.

The implementation of the Tourism Act requires that tourist guides register and renew their operating licenses in order to comply with the regulatory prescripts. In ensuring tourist guides are adhering to the compliance measures, DEDaT provided first-aid training to tourist guides in the Frances Baard and ZF Mgcawu districts in order to allow them to register and renew their tourist guiding licenses.

The registration of tourism business is very important in the tourism value supply chain and exhibits traits of professionalism and business acumen. In maintaining a sound relationship with tourism product stakeholders, DEDaT has developed a business registration concept framework to ultimately create a portal that showcases and promote tourism businesses product offerings in the province.

The International Tourist Guide Day Celebration (16-17/03/2023) was successfully co-hosted in collaboration with National Department of Tourism and Northern Cape Tourism Authority in Andriesvale. The tourism safety awareness campaign was conducted in the ZF Mgcawu district and educational posters were distributed to bolster awareness campaign.

In order to raise the profile at local level and raised tourism as a priority development imperative, DEDaT in partnership with SALGA conducted a portfolio-based councillor induction for municipal local economic development and tourism committees in Upington. The objective was to proactively discuss and put into practice coherent planning processes that would enrich synergies across all stakeholders in order have the necessary impact on tourism value chain and management thereof. The purpose of the session was to share, consult and capacitate, tourism practitioners and councillors at local government level on tourism related issues.

The participation of communities in tourism planning and development is seen as very important for inclusive growth and transformation of the tourism industry. Workshops were conducted in all five districts in the province to educate the tourism product owners on the community-based tourism framework that will be able harness community participation in tourism and be able to build sustainable communities. Communities were also encouraged to explore potential alternatives and new tourism products and businesses in order to grow the number of tourism entrepreneurs and SMMEs in the province. Collectively these will contribute to the transformation of the tourism industry.

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Colesberg, in the Pixley-ka Seme District and Umsovoambo Municipality, are of strategic importance from a tourism perspective. It is located on the N1 route. It provides a preferred stop-over and resting destination for tourists travelling between Johannesburg and Cape Town. Hence, a Community-Based Tourism Programme was conducted for that community and stakeholders to enable them to explore possible and potential tourism entrepreneurship and SMME opportunities.

Tourism Complaints Management Awareness Programmes were also conducted with tourism business and stakeholders in all the districts in our province. The intention was to introduce the newly developed tourism complaints management system and to share knowledge and strategies with the industry to avoid and minimize possible and potential complaints. In addition, the aim was to share the complaints resolution and mitigation strategies.

Consultative sessions were conducted with industry players in all five (5) districts of our province on the importance of managing tourism resources responsibly. The Tourism Resource Efficiency Management Awareness Programme was intended to provide the tourism stakeholders with the necessary systems that enhance tourism operations and the ensure better utilisation of resources.

Destination anti-litter and dumping campaigns were conducted in the Sol Plaatje, Ga-Segonyana and Dawid Kruiper Municipalities in an effort to mobilise social partners to work together to ensure that public behaviour and mindset is changed towards illicit littering. The campaign was seen as a catalyst to encourage the local people to work in partnership with municipalities and build sustainable environments. Tourism is seen as the competence of all three spheres of government and therefore requires a seamless and integrated planning approach in order to realise tourism development and growth objectives. Through these interventions, DEDaT ensures that the responsibility for sustainable development is shouldered by all stakeholders' especially private and public sector.

A Kimberley-based local tourism excursion was arranged and conducted for the tourism learners of the Indigenous Platfontein High School in order to expose them to the industry. A deliberate decision was taken that the very same learners at this school would represent our province at the Annual Tourism Career Expo in Johannesburg. This would enable these learners to experience and gain practical knowledge on the tourism sector and industry in our country. The school, including some learners, expressed their appreciation for the excursion because learners who had never before experienced staying at a hotel. In addition, they enjoyed practical tourism opportunities and were exposed to the wider range of segments within the tourism sector and industry.

In conclusion, the directorate, Tourism Growth, can report that all targets for the financial year were successfully delivered and achieved.

Linking performance with budgets

Sub- Programme Name	2022/2023			2021/2022		
	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	9 397	9 397	-	6 061	6 061	-
Total	9 397	9 397	-	6 061	6 061	-

Amongst the biggest cost drivers in the sub-programme in the 2022/23 financial year were Research and Advisory at R3 million these were cost related to the development of the Visitor Tracking System, Accommodation for non-employees R280 thousand and Transport non-employees R165 thousand, this was in supporting tourism initiatives through the participate at the National tourism careers expo and capacitating tourist guides in Mentorship and First Aid training and the hosting of the National Tourist Guide Day.

Several industry consultative sessions, tourism safety initiatives, community tourism awareness programmes meant to coordinate the provincial tourism sector planning and implementation, development of a safety strategy and committees and readying local communities to participate meaningfully in the tourism sector were conducted by the sub-directorates

official throughout the province with incurred cost on Domestic Accommodation R250 thousand, R288 thousand on Own Kilometres and R58 thousand on Car rental.

Strategy to overcome areas of under performance

None.



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2.5 TRANSFER PAYMENTS**2.5.1 Transfer payments to Public Entities****Table 2.5.1.1: transfer payments made for the period 1 April 2022 to 31 March 2023**

Name of Public Entity	Key Outputs of the Public Entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity (R'000)	Achievements of the public entity
Northern Cape Trade and Investment Agency (NCEDA)	Promoting direct foreign and local investment in the Province	R 51 261	R 49 414	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	R 14 772	R 12 516	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	R 17 245	R 14 247	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	R 26 436	R 26 436	Please refer to the annual report of the Northern Cape Tourism Agency (NCTA) obtainable from the Public Entity,
Total		R109 714	R102 613	

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 2022 to 31 March 2023**

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
DEPT TRANSPORT, ROADS & PUBLIC	DEPARTMENTAL AGENCIES	NORTHERN CAPE THEATRE	YES	650	650	N/A
McGREGOR MUSEUM	DEPARTMENTAL AGENCIES	MAGERSFONTEIN BATTLEFIELD MUSEUM	YES	300	300	N/A
NORTHERN CAPE SMME TRUST	DEPARTMENTAL AGENCIES	SMME DEVELOPMENT	YES	27 288	27 288	N/A
SKA SA	DEPARTMENTAL AGENCIES	SKA CARNARVON EXPLORATORIUMS SMME'S	YES	241	241	N/A
SOL PLAATJE UNIVERSITY	HIGHER EDUCATION INSTITUTIONS	NCIF & mLab	YES	500	500	N/A
GEPPF	EX-EMPLOYEE	EARLY RETIREMENT: PENSION PANALTY	N/A	877	877	N/A
YEDWA TRANSPORT	EX-EMPLOYEE	EARLY RETIREMENT: RESTTLMNT COST	N/A	63	63	N/A
BS MORUKHU	EX-EMPLOYEE	LEAVE GRATUITY	N/A	22	22	N/A
F LINKS	EX-EMPLOYEE	LEAVE GRATUITY	N/A	103	103	N/A
NN NYEMBE	EX-EMPLOYEE	LEAVE GRATUITY	N/A	38	38	N/A

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Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
SS DE VOS	EX-EMPLOYEE	LEAVE GRATUITY	N/A	35	35	N/A
NAMAKWA DISTRICT MUNICIPALITY	MUNICIPALITY	EPWP CAPITAL AND STIPENDS	YES	1 000	1 000	N/A
RICHTERSVELD MUNICIPALITY	MUNICIPALITY	TOURISM-EVENT SUPPORT	YES	258	258	N/A
SOL PLAATJE-NC LOCAL MUNICIPAL	MUNICIPALITY	EPWP CAPITAL AND STIPENDS	YES	900	900	N/A
CEO CONSULTANCY	PRIVATE ENTERPRISES	TOURISM-SMME GRANTS	YES	81	81	N/A
KAROO OASIS ROUTE	PRIVATE ENTERPRISES	TOURISM ROUTES	YES	225	225	N/A
KIDJI	PRIVATE ENTERPRISES	KIDJI (DIAMOND AND JEWELRY INCUBATOR)	YES	4 320	4 320	N/A
MLAB SOUTHERN AFRICA	PRIVATE ENTERPRISES	NCIF & mLab	YES	956	956	N/A
MMOGO AND DAUGHTER SERVICES	PRIVATE ENTERPRISES	TOURISM-SMME GRANTS	YES	62	62	N/A
SISONKE PERFORMING ARTS	PRIVATE ENTERPRISES	TOURISM-SMME GRANTS	YES	43	43	N/A
SNE AND BSUI PORTERRY	PRIVATE ENTERPRISES	TOURISM-SMME GRANTS	YES	20	20	N/A
ZENZELENI NETWORKS	PRIVATE ENTERPRISES	NCIF & mLab	YES	44	44	N/A
ZIKMO PROMOTIONS CC	PRIVATE ENTERPRISES	TOURISM-EVENT SUPPORT	YES	535	535	N/A
				R38 559	R38 559	

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Table 2.5.2.2: Transfer payments budgeted for but not made for the period 1 April 2022 to 31 March 2023

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
KIDJA	PRIVATE ENTERPRISES	To settle the financial burdens of the 2022/23 financial year and to ensure compliance.	R 922	0	Non-functional directors and board. Lack financial resources. Inadequate financial management systems in place. Inadequate document management systems
NCEDA	PUBLIC ENTITY	Based on commitments that is legally binding and counter funding from NCEDA is dependent on NCEDA to maintain the conditional grants allocated and counter funding to be contributed	R12 400	0	NCEDA has commitments over multi-years which is not aligned to the financial year end of 31 March 2023
Total	-	-	R13 392	-	

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2.6 CONDITIONAL GRANTS**2.6.1 Conditional grants and earmarked funds paid****Table 2.6.1.1: Conditional Grants and Earmarked funds paid for the period 1 April 2022 to 31 March 2023**

Department/ Municipality to whom the grant has been transferred	NAMAKWA DISTRICT MUNICIPALITY
Purpose of the grant	EPWP
Expected outputs of the grant	Expansion of the EPWP
Actual outputs achieved	100% implementation
Amount per amended DORA	1 000
Amount transferred (R'000)	1 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	1 000
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Monitoring mechanism by the transferring department	In year monitoring report completed and submitted monthly. Employment contracts, attendance registers and site visits.

Table 2.6.1.2: Conditional Grants and Earmarked funds paid for the period 1 April 2022 to 31 March 2023

Department/ Municipality to whom the grant has been transferred	SOL PLAATJE-NC LOCAL MUNICIPAL
Purpose of the grant	EPWP
Expected outputs of the grant	Expansion of the EPWP
Actual outputs achieved	100% implementation
Amount per amended DORA	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
Reasons for deviation on performance	N/A
Monitoring mechanism by the transferring department	In year monitoring report completed and submitted monthly. Employment contracts, attendance registers and site visits.

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Table 2.6.1.3: Conditional Grants and Earmarked funds paid for the period 1 April 2022 to 31 March 2023

Department/ Municipality to whom the grant has been transferred	-
Purpose of the grant	-
Expected outputs of the grant	-
Actual outputs achieved	-
Amount per amended DORA	-
Amount transferred (R'000)	-
Reasons if amount as per DORA not transferred	-
Amount spent by the department/ municipality (R'000)	-
Reasons for the funds unspent by the entity	-
Reasons for deviation on performance	-
Monitoring mechanism by the transferring department	-

Table 2.6.1.4: Conditional Grants and Earmarked funds paid for the period 1 April 2022 to 31 March 2023

Department/ Municipality to whom the grant has been transferred	-
Purpose of the grant	-
Expected outputs of the grant	-
Actual outputs achieved	-
Amount per amended DORA	-
Amount transferred (R'000)	-
Reasons if amount as per DORA not transferred	-
Amount spent by the department/ municipality (R'000)	-
Reasons for the funds unspent by the entity	-
Reasons for deviation on performance	-
Measures taken to improve performance	-
Monitoring mechanism by the transferring department	-

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 2022 to 31 March 2023**

Department who transferred the grant	Provincial Treasury
Purpose of the grant	EPWP
Expected outputs of the grant	Expansion of the EPWP
Actual outputs achieved	100% implementation
Amount per amended DORA (R'000)	1 900
Amount received (R'000)	1 900
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	1 900
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.

2.7 DONOR FUNDS**2.7.1 Donor Funds Received****Table 2.7.1.1: Donor funds received during for the period 1 April 2022 to 31 March 2023**

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

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2.8 CAPITAL INVESTMENT**2.8.1 Capital investment, maintenance, and asset management plan**

Infrastructure projects	2022/2023			2021/2022		
	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	-	-	-	483	483	-
Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
Total	-	-	-	483	483	-



PART C

GOVERNANCE

PART C: GOVERNANCE

3.1 INTRODUCTION

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

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

3.2 RISK MANAGEMENT

The Department has an approved risk management policy, risk management strategy and an annual risk management implementation plan in place. The risk management unit, in consultation with Management, reviewed the Department's risk management policy and strategy during the financial year. Annual risk identification and assessments were conducted both at a strategic and operational level.

The departmental risk and ethics management committee was formally appointed by the Head of Department to assist him in addressing his oversight requirements of risk and ethics management. Throughout the year under review, the risk and ethics management committee operated in terms of an approved risk and ethics management committee charter. The risk management unit, in consultation with Management, reviewed the risk and ethics management committee charter during the financial year. The risk and ethics management committee reports were presented quarterly to Management and the Head of Department in the EEMC. The Committee reports were submitted to the Audit Committee.

The Shared Internal Audit Function performed a review on the system of risk management during the year and their overall rating concluded that the system of internal control is effective to provide reasonable assurance that business objectives will be met. The Department submitted progress reports on the significant risks faced by the Department to the Audit Committee.

3.3 FRAUD AND CORRUPTION

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

3.4 MINIMISING CONFLICT OF INTEREST

The Department has adopted the Remuneration for Work Outside the Public Service (RWOPS) policy to manage conflict of interest, which ensures that the department does not do business with its employees. Departmental officials from levels 11 to 15 as well as SCM/ finance officials below SL 9 and all AD officials (SL 9 &10) declared their interest through the E-Disclosure system. The department has an approved financial disclosure policy in place.

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 on a quarterly basis and all new employees are sensitized and familiarized with the code of conduct.

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 were trained on the Occupational Health and Safety Act, First Aid Levels 1, 2 &3 as well as a HIV Course. The department was subjected to OHS inspections by the Department of Labour, where after contravention notices were issued to which the departments need to respond. The department continues to ensure that all Covid 19 protocols are adhered to, to prevent the spread and/ or increase of infections in the department.

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3.7 PORTFOLIO COMMITTEES

Resolution and Date	Matters raised by the Portfolio Committee	Response by the department
Resolutions of Annual Performance Plan and Budget 2022/23 – Department of Economic Development and Tourism	<p>Recommendations</p> <p>The Committee therefore recommends that the Department must:</p> <p>6.1 Together with the relevant government department and municipalities develop a smart inclusive plan to assist all provincial SMME's, especially very small businesses with both non-financial and financial support. This plan must be submitted to the Committee within 3 months.</p> <p>6.2 Review the current youth employment strategy to ensure more job opportunities for the youth</p> <p>6.3 Develop a strategy that can ensure beneficiation for the province in respect of its existing and new mineral resources.</p> <p>6.4 Explore more avenues that will assist with up-to-date provincial data on the local economic environment.</p>	The Department submitted a signed report on the Resolutions of Annual Performance Plan and Budget 2022/23 on 17 August 2022.
Resolutions of the 1st quarterly performance report 2022/23 – Department of Economic Development and Tourism	<p>Recommendations</p> <p>The Committee therefore recommends that the Department must:</p> <p>6.1 Ensure that systems are in place that will culminate in spending aligned with the performance on predetermined objectives during the quarters.</p> <p>6.2 Provide plans to realise an unqualified audit opinion with no matters by the next financial year. Subsequently, quarterly updates on implementation of this process must also be communicated to the Committee.</p> <p>6.3 Provide more information on the underspending on Compensation of Employees and how this under expenditure will impact on the budget going forward together with remedial actions that will be put in place.</p> <p>6.4 Develop and implement a plan to address the consistent flow of funding in the Green Hydrogen Project. This plan must be forwarded to the Committee in one month.</p>	The Department submitted a signed report on the 1 st quarterly performance report 2022/23 on 07 November 2022.
Resolutions of Annual Report 2021/22 – Department of Economic Development and Tourism (Vote 6)	<p>Recommendations</p> <p>The Committee therefore recommends that the Department must:</p> <p>6.1 Develop a SMART plan to encourage youth-owned service providers to make use of the department's request for services. This plan must be forwarded to the Committee in 3 months.</p> <p>6.2 Ensure that work done by internal audit is integrated into the operations of the department to improve controls.</p> <p>6.3 Ensure that risk assessments are adequately performed, that emerging risks are taken into account and that an appropriate risk management is in place.</p> <p>6.4 Ensure that the internal control environment is fit for purpose by designing and implementing an effective system for the monitoring of the audit action plan.</p>	The Department submitted a signed report on the Resolutions of Annual Report 2021/22 on 16 January 2023.
Resolutions of the 3 rd quarterly performance report 2022/23 – Department of Economic Development and Tourism	<p>Recommendations</p> <p>The Committee therefore recommends that the Department must:</p>	The Department will submit a signed report on the Resolutions of the 3rd quarterly performance report 2022/23 in the 2023/24 financial year.

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Resolution and Date	Matters raised by the Portfolio Committee	Response by the department
	<p>6.1 Submit a SMART plan within one month, outlining how the allocated budget will be spent adequately across quarters and achieving all targets.</p> <p>6.2 Together with other sectors and/or Departments provide a SMART plan supplementing the current plan of the Department, to ensure that Local Economic Development at municipal level succeeds.</p> <p>6.3 In collaboration with the relevant sector Departments, as well as stakeholders, develop a SMART plan that will address unemployment of skilled graduates in alignment with the economy in the province. This plan must be submitted to the Committee within 3 months.</p> <p>6.4 Ensure that the audit recovery plan put in place to achieve an unqualified audit opinion with no matters for this financial year is adequately implemented. Department must report monthly to the Committee in respect of implementation of the audit recovery plan.</p>	

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3.8 SCOPA RESOLUTIONS

The Department presented its Annual Report for the 2021/22 financial year to the Portfolio Committee on Finance, Economic Development & Tourism and the Standing Committee on Public Accounts on Thursday, 10 November 2022.

Resolution No.	Subject	Details	Response by the department	Resolved (yes/no)
-	Committee Report - Annual report for the financial year 2021/22.	<p>Recommendations</p> <p>The Committee recommends that the Department must:</p> <p>4.1) Management must strengthen internal controls to prevent, identify, and detect all unauthorised, irregular, or fruitless and wasteful expenditure before it is incurred. On a regular basis, the department must submit a consequence management progress report to the committee that monitors the implementation of appropriate and adequate consequences (disciplinary steps) against officials who permitted or incurred unauthorized, irregular, or fruitless and wasteful expenditure.</p> <p>5. Reports to the committee: The department is requested to submit the following documents to the committee within 30 days of tabling of this report.</p> <p>5.1) A copy of the audit action plan drafted in response to the audit outcomes of the 2020/21 year.</p>	<p>Management has strengthened internal controls within the Supply Chain Management (SCM) sub directorate as follows:</p> <p>Three (3) Procurement Clerks have been appointed effective 01 October 2022.</p> <p>An Assistant Director: Acquisition and Demand Management has been appointed effective 01 October 2022.</p> <p>Procurement service standards and procurement tracking tool have been developed and implemented.</p> <p>The entire Department has been workshopped on the 07 and 09 of November 2022 on three (3) unwanted expenditures.</p> <p>Formalised travel procedures have been communicated to the entire Department on the 08 December 2022.</p> <p>5.1) The department submitted a copy of the audit action plan (Annexure A).</p>	<p>Yes</p> <p>Yes</p>

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Resolution No.	Subject	Details	Response by the department	Resolved (yes/no)
		5.2) A progress report on the rationalization plan of the public entities.	<p>5.2) The Department drafted a Bill for the rationalisation for the Liquor and Gambling Board, per the EXCO resolution. The EXCO has now approved the merger of the NCLB and the NCGB.</p> <p>On 01 February 2023 the Bill will be submitted to the State Law Advisor for certification.</p> <p>The legal work stream has drafted a Bill incorporating all the provincial public entities under the umbrella of NCEDA which will include all economically driven projects in the province. After legal research was conducted it was recommended that the regulatory entities should be separated from the other entities and projects.</p> <p>This recommendation must first be approved by EXCO before the drafts can be completed and forwarded to State Law Advisor for certification. Once the drafts are approved and a certificate issued, the drafts can be presented for approval for advertisements and public comments.</p> <p>The above process is driven by the Office of the Premier, the Committee should thus obtain timeframes from OTP</p>	Yes
		5.3) A detailed report on the funding of R1.5 million paid to the Northern Cape Economic Development, Trade and Investment Promotion Agency for the establishment of a recording studio at the Northern Cape Theatre, including motivation for this transfer and the socio-economic impact on the province.	5.3) The Northern Cape Economic Development, Trade and Investment Promotion Agency submitted a detailed report (Annexure B).	Yes

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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 with findings		
Annual financial statements The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1) (b) of the PFMA. Material misstatements of current assets and disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified opinion.	2020-21	The financial statements were corrected. Additional controls have been implemented. Several review teams have also been established for the review of the annual financial statements.
Expenditure management Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R4 413 000, as disclosed in note 20 to the annual financial statements, as required by section 38(1) (c) (ii) of the PFMA and Treasury Regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance with the Supply Chain Management regulations.	2020-21	A competitive bidding process has been followed for security services and the Accounting Officer has appointed the successful bidder.
Procurement and contract management Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by treasury regulations 16A6.1. Similar non-compliance was also reported in the prior year.	2020-21	A competitive bidding process has been followed for travel management services and the Accounting Officer has appointed the successful bidders.
Consequence management I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1) (h) (iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.	2020-21	The disciplinary process is still in progress.

3.10 INTERNAL CONTROL UNIT

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

3.11 INTERNAL AUDIT AND AUDIT COMMITTEES**Key activities and objectives of Internal Audit**

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 service for the Northern Cape Provincial Administration, in terms of paragraph 3.2.3. of the Treasury Regulations. The function fulfils an independent assurance and consulting function.

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

Summary of audit work done

The internal audit work performed for the financial year under review were all completed in line with the approved annual internal audit plan and included the following audits:

- Annual Financial Statements
- Asset Management
- Annual Report Review
- Risk Management
- Fraud and Ethics Management
- Supply Chain Management
- Audit Action Plan (AGSA completeness and adequacy)
- Interim Financial Statements
- Follow-up AGSA (October 2022 audit action plan)
- Performance Information
- Follow up AGSA (November 2022 audit action plan)
- Follow up AGSA (January 2023 audit action plan)
- Transfer Payments
- Follow up (IA Reports)
- Information Technology
- Follow up AGSA (February 2023 audit action plan)

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 and included the following:

- Discrepancies noted on the asset register, inventory list and physical assets verification.
- Supply chain management policy not reviewed
- No system in place to monitor the rotation of suppliers
- Lifestyle audit not conducted
- Discrepancies noted on the annual performance plan
- Discrepancy on staffing level and competency
- Business continuity plan was not updated and aligned to circular 24 of 2022 on public service ICT service continuity determination and directive.
- Non-participation on the tests done for LOGIS transversal system in September 2022.

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 five (5) members, three (3) external members and two (2) internal members, all of whom are not employed by the Department. The current Audit Committee three-year term membership started on 1 December 2020 and will end on 30 November 2023. Thereafter a new Audit Committee will be appointed to serve in the next three year term.

Ms Mafuleka served as the Audit Committee Chairperson from April to July 2022, but due to other commitments that prevailed during the year under review, she stepped down to become a member of the

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Audit Committee. Ms J Gunther was then elected as the Audit Committee Chairperson from November 2022 to March 2023.

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 the Treasury Regulations is included in the Audit Committee's report, which is incorporated in the annual report of the Department.

Four meetings were convened during the financial year under review. The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr F Docrat	<ul style="list-style-type: none"> Master of Business Administration Chartered Director (SA) Certified Information Security Manager Certified Information Systems Auditor Certified in the Governance of Enterprise Information Technology Certified Risk Management Practitioner Management Advancement Program Total Quality Management Computer Operations Proficiency Examination 	External	n/a	01 December 2020	n/a	04
Ms J Gunther	<ul style="list-style-type: none"> Certified Internal Auditor CRMA Associate General Accountant Masters in Cost Accounting BCompt Various accounting and auditing certificates 	External	n/a	01 December 2020	n/a	04
Ms A Mafuleka	<ul style="list-style-type: none"> CA (SA) B Com – Honours 	External	n/a	01 December 2020	n/a	02

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Ms S Vallabh	<ul style="list-style-type: none"> Bachelor of Arts Post Graduate Diploma in Library and Information Science Certificate Programme in Public Service Management 	Internal	Chief Director: Performance, Monitoring and Evaluations (OTP)	01 December 2020	n/a	02
Mr M Mdunge	<ul style="list-style-type: none"> BA Degree Post graduate diploma governance and political transformation Masters in governance and political transformation 	Internal	Director: Frances Baard Head COGHSTA	01 December 2020	n/a	00

3.12 AUDIT COMMITTEE REPORT

We are pleased to present the Audit Committee report of the Northern Cape Department of the Economic Development and Tourism for the financial year ended 31 March 2023.

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 also 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. CFO stated that no changes were made to Acc polices.

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:

- Annual Financial Statements
- Asset Management
- Annual Report Review
- Risk Management
- Fraud and Ethics Management
- Supply Chain Management
- Audit Action Plan (AGSA completeness and adequacy)
- Interim Financial Statements
- Follow-up AGSA (October 2022 audit action plan)
- Performance Information
- Follow up AGSA (November 2022 audit action plan)
- Follow up AGSA (January 2023 audit action plan)
- Transfer Payments
- Follow up (IA Reports)
- Information Technology
- Follow up AGSA (February 2023 audit action plan)

The following were areas of concern:

- Shortcomings of the entities, specifically the Liquor Board and the Gambling Board. The Audit Committee needed to see a substantive improvement in terms of compliance such as the preparation of the financial statements and the annual performance report.
- Department and entities using different anti-virus software which is a lot more costly.

Management developed an audit action plan to address the audit findings raised by both the AGSA and internal audit. The Audit Committee monitored the implementation of the audit action plan during the year under review and the implementation of the Audit Committee's recommendations by management still requires improvement.

In-year management monitoring and reporting

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

Evaluation of financial statements and annual performance report

We have reviewed the annual financial statements and annual performance report prepared by the department.

AGSA's report

We have reviewed the department's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been adequately resolved except for the following which were partially implemented:

- Finding on information technology directorate that was not adequately capacitated.
- Finding on the departmental disaster recovery plan which was not tested.

The Audit Committee concurs and accepts the conclusions of the AGSA on the annual financial statements and annual performance report and is of the opinion that both conclusions be accepted and read together with the report of the AGSA.

Report to Executive Authority and Accounting Officer

On a quarterly basis the Audit Committee wrote a report to the Executive Authority and Head of Department which highlighted issues that needed attention or improvement within the department's performance. The Audit Committee met with the Accounting Officer in the Audit Committee meetings. The Audit Committee met with the Northern Cape HODs, CFOs and the Director General from Office of the Premier in March 2023 to discuss status of the AGSA audit action plans.



Mr F Docrat
Chairperson of the Audit Committee
Department of Economic Development and Tourism

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3.13 B-BBEE Compliance Performance Information

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



PART D

HUMAN RESOURCE MANAGEMENT

PART D: HUMAN RESOURCE MANAGEMENT

4.1 INTRODUCTION

The status of human resources in the department

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

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

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

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

The priorities include the following:

- The reduction of the vacancy rate to within 10% or below,
- To maintain the turnover rate at 10% or below,
- The implementation of the ethics standards as required by the Public Administration Management Act.

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

The recruitment process was guided by a comprehensive HR Plan which sought to recruit and place a skilled and capable workforce at the right place at the right time. The recruitment of senior management was guided by the competency assessment as prescribed. The pursuit of targeting 50% women at senior management level continued, as well as efforts to ensure that 2% the workforce of the department is comprised of those who are physically challenged.

Employee performance management

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

Employee wellness programmes

The department has an Employee Wellness, Diversity Management, Exco Outreach and Social Responsibility Unit. There are 5 policies under the custodian of the unit to ensure that employees of the department well-being are taken care of psychologically and physically. There is an employee assistance programme that provides staff and their immediate families with 24hr call service and counselling service. The diversity component of the unit is responsible for promoting empowerment of target groups i.e., women, youth, and persons with disabilities. The Exco outreach and Social Responsibility programmes are to reach out to communities.

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

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

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

In the period under review, the Department awarded 15 bursaries to employees and accommodated 23 interns to gain work experience.

Six (6) permanent officials exited the department in 2022/ 2023. Three (3) officials resigned, two (2) retired and one official was dismissed.

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 2022 to 31 March 2023**

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	70 430.00	47 809.00	0.00	0.00	67.90	598.00
Small business Development (IEDS)	49 925.00	16 891.00	0.00	0.00	33.80	804.00
Trade and Sector Development	80 103.00	7 087.00	0.00	0.00	8.80	886.00
Business Regulation and Governance	44 640.00	8 007.00	0.00	0.00	17.90	616.00
Policy Research and Innovation (Economic Planning)	18 250.00	11 903.00	0.00	0.00	65.20	916.00
Tourism	66 796.00	11 556.00	0.00	0.00	17.30	642.00
Total	330 143.00	103 253.00	0.00	0.00	31.30	675.00

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Table 4.2.1.2 Personnel costs by salary band for the period 1 April 2022 to 31 March 2023

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1-2)	0.00	0.00	00.00	0.00
Skilled (levels 3-5)	6 887.00	6.50	24.00	286 958.00
Highly skilled production (levels 6-8)	21 612.00	20.40	46.00	469 826.00
Highly skilled supervision (levels 9-12)	43 444.00	41.10	57.00	762 175.00
Senior and Top management (levels 13-16)	29 364.00	27.80	21.00	1 398 286.00
Contract (levels 1-2)	0.00	0.00	0.00	0.00
Contract (levels 3-5)	0.00	0.00	0.00	0.00
Contract (levels 6-8)	0.00	0.00	0.00	0.00
Contract (levels 9-12)	953.00	0.90	1.00	953 000.00
Contract (levels 13-16)	1 192.00	1.10	1.00	1 192 000.00
Contract Other	203.00	0.20	2.00	101 500.00
Periodical Remuneration	26.00	0.00	1.00	26 000.00
Abnormal Appointment	0.00	0.00	0.00	0.00
Total	103 681.00	98.10	153.00	677 654.00

Table 4.2.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2022 to 31 March 2023

Programme	Salaries		Overtime		Home Allowance	Owners	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	39 581.00	82.20	0.00	0.00	1 064.00	2.20	2 344.00	4.90
Small business Development (IEDS) (INTEGRATED ECONOMIC DEV SERV)	14 408.00	83.70	0.00	0.00	332.00	1.90	675.00	3.90
Trade and Sector Development	6 269.00	80.10	0.00	0.00	183.00	2.30	227.00	2.90
Business Regulation and Governance	6 911.00	84.10	0.00	0.00	212.00	2.60	382.00	4.70
Policy Research and Innovation (Economic Planning)	10 282.00	83.50	0.00	0.00	306.00	2.50	383.00	3.10
Tourism	9 553.00	79.50	0.00	0.00	288.00	2.40	669.00	5.60
Total	87 004.00	82.30	0.00	0.00	2 385.00	2.30	4 680.00	4.40

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Table 4.2.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2022 and 31 March 2023

Salary Band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (levels 1-2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Skilled (levels 3-5)	4 936.00	71.20	0.00	0.00	411.00	5.90	835.00	12.00
Highly skilled production (levels 6-8)	16 503.00	76.00	0.00	0.00	858.00	4.00	1 990.00	9.20
Highly skilled supervision (levels 9-12)	36 858.00	83.60	0.00	0.00	734.00	1.70	1 605.00	3.60
Senior and Top management (levels 13-16)	26 334.00	86.10	0.00	0.00	382.00	1.20	250.00	0.80
Contract (levels 1-2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (levels 3-5)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract Other	203.00	99.50	0.00	0.00	0.00	0.00	0.00	0.00
Contract (levels 6-8)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (levels 9-12)	953.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (levels 13-16)	1 192.00	99.00	0.00	0.00	0.00	0.00	0.00	0.00
Periodical Remuneration	26.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
Abnormal Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	87 004.00	82.30	0.00	0.00	2 385.00	2.30	4 680.00	4.40



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4.2.2 Employment and Vacancies**Table 4.2.2.1 Employment and vacancies by programme as on 31 March 2023**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	88.00	80.00	9.10	0.00
Small business Development (IEDS)	23.00	21.00	8.70	0.00
Trade and Sector Development	8.00	8.00	0.00	0.00
Business Regulation and Governance	12.00	12.00	0.00	0.00
Policy Research and Innovation (Economic Planning)	13.00	13.00	0.00	0.00
Tourism	18.00	18.00	0.00	0.00
Total	162.00	152.00	6.20	0.00

Table 4.2.2.2 Employment and vacancies by salary band as on 31 March 2023

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	0.00	0.00	0.00	0.00
Skilled (3-5)	24.00	24.00	0.00	0.00
Highly skilled production (6-8)	48.00	46.00	4.20	0.00
Highly skilled supervision (9-12)	62.00	57.00	8.10	0.00
Senior management (13-16)	24.00	21.00	12.50	0.00
09 Other, Permanent	2.00	2.00	0.00	0.00
Contract (levels 1-2)	0.00	0.00	0.00	0.00
Contract (levels 3-5)	0.00	0.00	0.00	0.00
Contract (levels 6-8)	0.00	0.00	0.00	0.00
Contract (levels 9-12)	1.00	1.00	0.00	0.00
Contract (levels 13-16)	1.00	1.00	0.00	0.00
Periodical Remuneration	0.00	0.00	0.00	0.00
Abnormal Appointment	0.00	0.00	0.00	0.00
Total	162.00	152.00	6.20	0.00

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Table 4.2.2.3 Employment and vacancies by critical occupation as on 31 March 2023

Critical occupations	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related, Perm	56.00	52.00	7.10	0.00
Client information clerks (e.g. switchboard	1.00	1.00	0.00	0.00
Communication and information related	1.00	1.00	0.00	0.00
Computer programmers	0.00	0.00	0.00	0.00
Computer system designers and analysts	1.00	1.00	0.00	0.00
Economists	1.00	1.00	0.00	0.00
Finance and economics related	7.00	7.00	0.00	0.00
Financial and related professionals	9.00	9.00	0.00	0.00
Financial clerks and credit controllers	7.00	6.00	14.30	0.00
Food services aids and waiters	0.00	0.00	0.00	0.00
General legal administration and related professionals	1.00	1.00	0.00	0.00
Human resources and organisation developed and related	7.00	7.00	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	1.00	1.00	0.00	0.00
Language practitioners, interpreters and other communication	0.00	0.00	0.00	0.00
Library mail and related clerks	1.00	1.00	0.00	0.00
Material-recording clerks and transport clerks	0.00	0.00	0.00	0.00
Messengers, porters and deliverers	3.00	3.00	0.00	0.00
Other administration and related clerks and organisers	11.00	10.00	9.10	0.00
Other administrative policy and related officers	3.00	3.00	0.00	0.00
Other information technology personnel	1.00	1.00	0.00	0.00
Other occupations	3.00	3.00	0.00	0.00
Regulatory inspectors	9.00	9.00	0.00	0.00
Risk management and security services	0.00	0.00	0.00	0.00
Secretaries and other keyboard operating clerks	12.00	11.00	8.30	0.00
Security guards	6.00	6.00	0.00	0.00
Security Officers, Permanent	0.00	0.00	0.00	0.00
Senior managers	17.00	14.00	17.60	0.00
Trade Labourers, Permanent	0.00	0.00	0.00	0.00
Trade/industry advisors and other related professionals	2.00	2.00	0.00	0.00
Total	162.00	152.00	6.20	0.00

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4.2.3 Filling of SMS Posts**Table 4.2.3.1 SMS post information as on 31 March 2023**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	4,5 %	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	1	0	0	1	4,5%
Salary Level 14	5	5	22,7%	0	0
Salary Level 13	15	14	63,6%	1	4,5%
Total	22	19	90,8%	2	9,0%

Table 4.2.3.2 SMS post information as on 30 September 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	4,3%	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	1	0	0	1	4,5%
Salary Level 14	5	5	21,7%	0	0
Salary Level 13	16	15	65,2%	1	4,5%
Total	23	21	91,2%	2	9,0%

Table 4.2.3.3 Advertising and filling of SMS posts for the period 1 April 2022 to 31 March 2023

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

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 2022 to 31 March 2023

Reasons for vacancies not advertised within six months
Amendments of the structure was not finalised as yet, when approval was granted to fill the post of CFO, then the post was advertised within six months
Reasons for vacancies not filled within twelve months
CFO Post was advertised December 2022, interviews taking place 22 May 2023, within the timeframe.

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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 2022 to 31 March 2023

Reasons for vacancies not advertised within six months
Not applicable to the department, still within the timeframe

Reasons for vacancies not filled within six months
Not applicable to the department, still within the timeframe

4.2.4 Job Evaluation**Table 4.2.4.1 Job Evaluation by salary band for the period 1 April 2022 to 31 March 2023**

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

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Table 4.2.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2022 to 31 March 2023

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

Employees with a disability	0
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Table 4.2.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2022 to 31 March 2023

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
	1	14	15	Internal Arrangement
Total number of employees whose salaries exceeded the level determined by job evaluation				1
Percentage of total employed				0,65%

Table 4.2.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2022 to 31 March 2023

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	1	0	0	1
Total	0	1	0	0	1

Employees with a disability	0	0	0	0	0
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Total Number of Employees whose remuneration exceeded the grade determined by job evaluation in 2021/2022	1
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4.2.5 Employment Changes**Table 4.2.5.1 Annual turnover rates by salary band for the period 1 April 2022 to 31 March 2023**

Salary Band	Employment at beginning of period-April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (levels 1-2)	0.00	0.00	0.00	0.00
Skilled (levels 3-5)	22.00	3.00	0.00	0.00
Highly skilled production (levels 6-8)	48.00	0.00	1.00	2.10
Highly skilled supervision (levels 9-12)	58.00	0.00	4.00	6.90
Senior Management Service Bands A	15.00	0.00	1.00	6.70
Senior Management Service Bands B	5.00	0.00	0.00	0.00
Senior Management Service Bands C	2.00	0.00	0.00	0.00
Senior Management Service Bands D	0.00	0.00	0.00	0.00
Other Permanent	4.00	3.00	3.00	75.00
Contract (Levels 1-2)	0.00	0.00	0.00	0.00
Contract (Levels 3-5)	0.00	0.00	0.00	0.00
Contract (Levels 6-8)	0.00	0.00	0.00	0.00
Contract (Levels 9-12)	1.00	1.00	1.00	100.00
Contract (Band A)	1.00	1.00	1.00	100.00
Total	156.00	8.00	11.00	7.10

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Table 4.2.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 to 31 March 2023

Critical Occupation	Number of employees at beginning of period-April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related	55.00	4.00	7.00	12.70
Client information clerks	1.00	0.00	0.00	0.00
Communication and information related	1.00	0.00	0.00	0.00
Computer programmers	0.00	0.00	0.00	0.00
Computer system designers and analysts	1.00	0.00	0.00	0.00
Economists	2.00	0.00	1.00	50.00
Finance and economics related	6.00	0.00	0.00	0.00
Financial and related professionals	6.00	3.00	0.00	0.00
Financial clerks and credit controllers	6.00	0.00	0.00	0.00
Food services aids and waiters	0.00	0.00	0.00	0.00
General legal administration and related professionals	1.00	0.00	0.00	0.00
Head of department/chief executive officer	0.00	0.00	0.00	0.00
Human resources and organisation developed and related	8.00	0.00	0.00	0.00
Human resources clerk	1.00	0.00	0.00	0.00
Human resources related	1.00	0.00	0.00	0.00
Information technology related	1.00	0.00	0.00	0.00
Library mail and related clerks	2.00	0.00	0.00	0.00
Material-recording clerks and transport clerks	0.00	0.00	0.00	0.00
Messengers, porters and deliverers	2.00	0.00	0.00	0.00
Other administrative and related clerks and organisers	10.00	0.00	0.00	0.00
Other administrative policy and related officers	5.00	0.00	1.00	20.00
Other information technology personnel	1.00	0.00	0.00	0.00
Other occupations	2.00	0.00	0.00	0.00
Regulatory inspectors	8.00	0.00	0.00	0.00
Risk management and security services	1.00	0.00	1.00	100.00
Secretaries and other operating clerks	12.00	0.00	0.00	0.00
Security guards	6.00	0.00	0.00	0.00
Security Officers	0.00	0.00	0.00	0.00
Senior managers	14.00	1.00	1.00	7.10
Trade Labourers	1.00	0.00	0.00	0.00
Trade/industry advisers and other related professionals	2.00	0.00	0.00	0.00
Total	156.00	8.00	11.00	7.10

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Table 4.2.5.3 Reasons why staff left the department for the period 1 April 2022 to 31 March 2023

Termination Type	Number	% of Total Resignations
Death	0	0
Resignation	3	1,97%
Expiry of contract	0	0
Dismissal – operational changes	0	0
Dismissal – misconduct	1	0,65%
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	2	1,31%
Transfer to other Public Service Departments	0	0
Other	0	0
Total	6	3,94%
Total number of employees who left as a % of total employment	6	3,94%

Table 4.2.5.4 Promotions by critical occupation for the period 1 April 2022 to 31 March 2023

Occupation:	Employees 1 April 2022	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	55.00	2.00	3.60	44.00	80.00
Client information clerks	1.00	0.00	0.00	1.00	100.00
Communication and information related	1.00	0.00	0.00	1.00	100.00
Computer system designers and analysts	1.00	0.00	0.00	1.00	100.00
Economists	2.00	0.00	0.00	1.00	50.00
Finance and economics related	6.00	1.00	16.70	5.00	83.30
Financial and related professionals	6.00	0.00	0.00	6.00	100.00
Financial clerks and credit controllers	6.00	0.00	0.00	6.00	100.00
Food services aids and waiters	0.00	0.00	0.00	0.00	0.00
General legal administration and related professionals	1.00	0.00	0.00	0.00	0.00
Head of department	0.00	0.00	0.00	0.00	0.00
Human resources and organisational developed and related	8.00	0.00	0.00	5.00	62.50
Human resources clerk	1.00	0.00	0.00	1.00	100.00
Human resources related	1.00	0.00	0.00	0.00	0.00
Information technology related	1.00	0.00	0.00	1.00	100.00
Library mail and related clerks	2.00	0.00	0.00	1.00	50.00
Material-recording clerks and transport clerks	0.00	0.00	0.00	0.00	0.00
Messengers, porters and deliverers	2.00	0.00	0.00	3.00	150.00
Other administrative and related clerks and organisers	10.00	0.00	0.00	9.00	90.00
Other administrative policy and related officers	5.00	0.00	0.00	2.00	40.00
Other information technology personnel	1.00	0.00	0.00	1.00	100.00
Other occupations	2.00	0.00	0.00	2.00	100.00
Regulatory inspectors	8.00	0.00	0.00	9.00	112.50
Risk management and security services	1.00	0.00	0.00	0.00	0.00
Secretaries and other keyboard operating clerks	12.00	0.00	0.00	12.00	100.00
Security Guards	6.00	0.00	0.00	6.00	100.00
Security Officers	0.00	0.00	0.00	0.00	0.00
Senior managers	14.00	0.00	0.00	12.00	85.70

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Occupation:	Employees 1 April 2022	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
Trade Labourers	1.00	0.00	0.00	0.00	0.00
Statisticians and related professionals	0.00	0.00	0.00	0.00	0.00
Trade/industry advisers and other related professionals	2.00	1.00	50.00	1.00	50.00
Total	156.00	4.00	2.60	130.00	83.30

Table 4.2.5.5 Promotions by salary band for the period 1 April 2022 to 31 March 2023

Salary band	Employees 1 April 2022	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (levels 1-2)	0.00	0.00	0.00	0.00	0.00
Skilled (levels 3-5)	22.00	0.00	0.00	19.00	86.40
Highly skilled production (levels 6-8)	48.00	0.00	0.00	44.00	91.70
Highly skilled supervision (levels 9-12)	58.00	4.00	6.90	45.00	77.60
Senior Management (level 13-16)	22.00	0.00	0.00	20.00	90.90
Other, Permanent	4.00	0.00	0.00	2.00	50.00
Contract (levels 1-2)	0.00	0.00	0.00	0.00	0.00
Contract (levels 3-5)	0.00	0.00	0.00	0.00	0.00
Contract (levels 6-8)	0.00	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)	1.00	0.00	0.00	0.00	0.00
Total	156.00	4.00	2.60	130.00	83.30

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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 2023**

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	7	4	2	3	5	1	0	0	22
Professionals	11	6	0	1	4	2	0	0	24
Technicians and associate professionals	13	4	0	1	19	8	0	4	48
Clerks	8	3	0	0	21	12	0	2	49
Service and sales workers	5	3	0	0	2	1	0	0	9
Labourers and related workers									
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	0	0	0	0	0	0
Total	44	20	2	5	51	24	0	6	152
Employees with disabilities	-	-	-	1	3	1	-	-	-

Table 4.2.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2023

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (L15-L16)	1	0	1	0	0	0	0	0	2
Senior Management (L13-L14)	6	4	1	3	5	1	0	0	20
Professionally qualified and experienced specialists and mid-management	11	6	0	1	4	2	0	0	24
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	13	5	0	1	18	8	0	4	49
Semi-skilled and discretionary decision making	8	3	0	0	21	12	0	2	46
Not available, Permanent									
Unskilled and defined decision making	5	3	0	0	2	1	0	0	11
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
Total	44	21	2	5	50	24	0	6	152

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Table 4.2.6.3 Recruitment for the period 1 April 2022 and 31 March 2023

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professionally qualified and experienced specialists and mid-management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Semi-skilled and discretionary decision making	1.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	3.00
Not available, Permanent	2.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	3.00
Unskilled and defined decision making	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00
Contract (Senior Management)	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Contract (Professionally qualified)	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00
Contract (Semi-skilled)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Unskilled)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	4.00	0.00	0.00	0.00	3.00	1.00	0.00	0.00	8.00
Employees with disabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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Table 4.2.6.4 Promotions for the period 1 April 2022 to 31 March 2023

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	1	0	0	0	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
Total	0	0	0	0	1	0	0	0	1
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 4.2.6.5 Terminations for the period 1 April 2022 to 31 March 2023

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	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	1	0	0	0	1	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	2	1	0	0	3
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
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	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
Total	2	0	0	0	3	1	0	0	6
Employees with Disabilities	0	0	0	0	0	0	0	0	0

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Table 4.2.6.6 Disciplinary action for the period 1 April 2022 to 31 March 2023

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Absenteeism	0	0	0	0	0	0	0	0	0
Insubordination	1	0	0	0	0	0	0	0	1
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	0	0	0	0	0	0	0	0

Table 4.2.6.7 Skills development for the period 1 April 2022 to 31 March 2023

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	0	0	0	0	0	0	0	0
Professionals	1	1	0	0	1	0	0	0	3
Technicians and associate professionals	2	0	0	0	3	5	0	1	11
Clerks	0	0	0	0	12	6	0	0	18
Service and sales workers	3	0	0	0	3	1	0	0	7
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	0	0	0	0	0	0
Total	6	1	0	0	19	12	0	1	39
Employees with disabilities	-	-	-	-	-	-	-	-	-

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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 2023**

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	1	22	1	4,5%
Salary Level 16	0	22	0	0
Salary Level 15	1	22	1	4,5%
Salary Level 14	5	22	5	22,8%
Salary Level 13	15	22	15	68,2%
Total	22	22	22	100%

Table 4.2.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2023

Reasons
Not applicable.

Table 4.2.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2023

Reasons
No applicable.

4.2.8 Performance Rewards**Table 4.2.8.1 Performance Rewards by race, gender and disability for the period 1 April 2022 to 31 March 2023**

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	0	47	31%	0	0
Female	0	50	32,9%	0	0
Asian					
Male	0	2	1,3%	0	0
Female	0	0	0	0	0
Coloured					
Male	0	18	11,8%	0	0
Female	0	24	15,8%	0	0
White					
Male	0	5	3,3%	0	0
Female	0	6	3,9%	0	0
Total	0	152	100%	0	0

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Table 4.2.8.2 Performance Rewards by salary bands for personnel below Senior Management Service for the period 1 April 2022 to 31 March 2023

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)	0	26	20,0%	0	0	0
Highly skilled production (levels 6-8)	0	46	35,4%	0	0	0
Highly skilled supervision (levels 9-12)	0	58	44,6%	0	0	0
Contract (levels 1-2)	0	0	0	0	0	0
Contract (levels 3-5)	0	0	0	0	0	0
Contract (levels 9-12)	0	0	0	0	0	0
Abnormal Appointments	0	0	0	0	0	0
Total	0	130	100%	0	0	0

Table 4.2.8.3 Performance Rewards by critical occupations for the period 1 April 2022 to 31 March 2023

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	0.00	52.00	0.00	0.00	0.00
Client information clerks	0.00	1.00	0.00	0.00	0.00
Communication and information related	0.00	1.00	0.00	0.00	0.00
Computer system designers and analysts	0.00	1.00	0.00	0.00	0.00
Economists	0.00	1.00	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	9.00	0.00	0.00	0.00
Financial clerks and credit controllers	0.00	6.00	0.00	0.00	0.00
Food services aids and waiters	0.00	0.00	0.00	0.00	0.00
General legal administration and related professionals	0.00	1.00	0.00	0.00	0.00
Human resources and organisational development and related personnel	0.00	7.00	0.00	0.00	0.00
Human resources clerk	0.00	1.00	0.00	0.00	0.00

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Critical Occupations	Beneficiary Profile				Cost
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Human resources related	0.00	1.00	0.00	0.00	0.00
Information technology related	0.00	1.00	0.00	0.00	0.00
Library mail and related clerks	0.00	1.00	0.00	0.00	0.00
Material-recording clerks and transport clerks	0.00	0.00	0.00	0.00	0.00
Messengers porters and deliverers	0.00	3.00	0.00	0.00	0.00
Other administrative related clerks and organisers	0.00	10.00	0.00	0.00	0.00
Other administrative policy and related officers	0.00	0.00	0.00	0.00	0.00
Other information technology personnel	0.00	1.00	0.00	0.00	0.00
Other occupations	0.00	3.00	0.00	0.00	0.00
Regulatory inspectors	0.00	9.00	0.00	0.00	0.00
Risk management and security services	0.00	0.00	0.00	0.00	0.00
Secretaries and other keyboard operating clerks	0.00	0.00	0.00	0.00	0.00
Security guards	0.00	6.00	0.00	0.00	0.00
Security Officers	0.00	0.00	0.00	0.00	0.00
Senior managers	0.00	14.00	0.00	0.00	0.00
Trade Labourers	0.00	0.00	0.00	0.00	0.00
Trade/industry advisors and other related professions	0.00	2.00	0.00	0.00	0.00
Total	0.00	152.00	0.00	0.00	0.00

Table 4.2.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2022 to 31 March 2023

Salary Band	Number of beneficiaries			Cost		
	Number of beneficiaries	Number of employees	% of total within band	Total Cost (R'000)	Average cost per employee	Total cost as a % of the personnel expenditure
Band A	0	15	68,2%	0	0	0
Band B	0	5	22,8%	0	0	0
Band C	0	2	9,0%	0	0	0
Band D	0	0	0	0	0	0
Total	0	22	100%	0	0	8

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4.2.9 Foreign Workers**Table 4.2.9.1 foreign workers by salary band for the period 1 April 2022 to 31 March 2023**

Salary Band	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	-	-	-	-	-	-
Highly skilled production (level 6-8)	-	-	-	-	-	-
Highly skilled supervision (level 9-12)	1	100%	1	100%	1	100%
Contract (level 9-12)	-	-	-	-	-	-
Contract (level 13-16)	-	-	-	-	-	-
Total	1	100%	1	100%	1	100%

Table 4.2.9.2 foreign workers by major occupation

Major occupation	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Economic and Advisory Support	1	100%	1	100%	0	0

4.2.10 Leave utilisation**Table 4.2.10.1 Sick leave for the period 1 January 2022 to 31 December 2022**

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)	0.00	0.00	0.00	0.00	0.00	0.00
Skilled (levels 3-5)	182.00	85.20	19.00	15.00	10.00	161.00
Highly skilled production (levels 6-8)	452.00	75.00	43.00	33.90	11.00	703.00
Highly skilled supervision (levels 9 -12)	431.00	79.80	49.00	38.60	9.00	1 127.00
Top and Senior management (levels 13-16)	122.00	87.70	14.00	11.00	9.00	631.00
Contract (levels 1-2)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (levels 3-5)	0.00	0.00	0.00	0.00	0.00	0.00
Contract Other	5.00	60.00	1.00	0.80	5.00	2.00
Contract (levels 6-8)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (levels 13-16)	2.00	50.00	1.00	0.80	2.00	7.00
Total	0.00	0.00	0.00	0.00	0.00	0.00
	1 194.00	79.50	127.00	100.00	9.00	2 631.00

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Table 4.2.10.2 Disability Leave (temporary and permanent) for the period 1 January 2022 to 31 December 2022

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)	0.00	0.00	0.00	0.00	0.00	0.00
Skilled (levels 3-5)	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled production (levels 6-8)	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled supervision (levels 9-12)	0.00	0.00	0.00	0.00	0.00	0.00
Senior management (levels 13-16)	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00

Table 4.2.10.3 Annual Leave for the period 1 January 2022 to 31 December 2022

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (levels 1-2)	0.00	0.00	0.00
Skilled (levels 3-5)	525.00	25.00	21.00
Highly skilled production (levels 6-8)	1 309.00	49.00	27.00
Highly skilled supervision (levels 9-12)	1 537.00	63.00	24.00
Senior management (levels 13-16)	531.00	21.00	25.00
Contract (level 1-2)	0.00	0.00	0.00
Contract (level 3-5)	0.00	0.00	0.00
Contract (level 6-8)	0.00	0.00	0.00
Contract level 9-12)	7.00	1.00	7.00
Contract Other	21.00	2.00	11.00
Contract (level 13-16)	19.00	1.00	19.00
Total	3 949.00	162.00	24.00

Table 4.2.10.4 Capped leave for the period 1 January 2022 to 31 December 2022

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)	0.00	0.00	0.00	0.00
Skilled Levels 3-5)	0.00	0.00	0.00	0.00
Highly skilled production (Levels 6-8)	0.00	0.00	0.00	17.00
Highly skilled supervision (Levels 9-12)	7.00	3.00	2.00	22.00
Senior management (Levels 13-16)	0.00	0.00	0.00	52.00
Total	7.00	3.00	2.00	29.00

Table 4.2.10.5 Leave payouts for the period 1 April 2022 to 31 March 2023

Reason	Total Amount (R'000)	Number of Employees	Average per employee (R'000)
Leave payout for 2022/ 2023 due to non-utilisation of leave for the previous cycle.	60.00	2.00	30 000.00
Capped leave payouts on termination of service for 2022/2023	55.00	2.00	27 500.00
Current leave payout on termination of service for 2022/2023	81.00	2.00	40 500.00
Total	196.00	6	98 000.00

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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 departments.

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		Mr. T. Ngamole 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 2 officials
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		FAMSA has been appointed to provide EA and Health promotion programmes. Key services of EAP are: Telephone counselling Face to face & virtual counselling Trauma Response Services / Critical Incident Stress Debriefing. Life Management Services. Disease awareness & management services. Account Manager services. Manager / Supervisor Training. Communication, promotion and marketing. Value added 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. The Members are: Dr. T. Ngamole (Chair) Ms. N. Mereothle Ms. M. Namate Mr. J. Van Zyl Ms. E. Dennis Ms. L. Molefe Mr. R. Louw Mr. R. Moses Mr. G. Bosman Mr. M. Makhathe and Ms.M. Van Der Lithe Ms. P. Phoofolo Ms. J. Moalekwa
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		The EHW policies are due for review this year. All HR policies ensures no discrimination on the basis of HIV/ AIDS Status. The designated unit has compiled an action plan to review the HR Policies.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Yes, we have policies in this regard. Workshops are conducted during HR Information Sessions to create awareness and ensure a culture free of discrimination towards department staff.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Yes, we do have regular GEMS/ VCT programmes where various tests are conducted, these include: HIV/AIDS, High Blood, Diabetes & Cholesterol. All VCT are treated very confidential.

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Question	Yes	No	Details, if yes
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		X	The designated unit will conduct a survey during the next financial year to monitor and evaluate the impact of our health promotion programme.

4.2.12 Labour Relations**Table 4.2.12.1 Collective agreements for the period 1 April 2022 to 31 March 2023**

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 2022 to 31 March 2023

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	1	100%
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Total	1	100%

Total number of Disciplinary hearings finalised	0
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Table 4.2.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 to 31 March 2023

Type of misconduct (based on annexure A)	Number	% of total
Theft	0	0%
Absent or repeatedly absents him/ herself from work without reason or permission	0	0%
Irregular expenditure	3	100%
	-	-
	-	-
Total	3	100%

Table 4.2.12.4 Grievances logged for the period 1 April 2022 to 31 March 2023

	Number	% of Total
Number of grievances resolved	2	100%
Number of grievances not resolved	0	0
Total number of grievances lodged	2	100%

Table 4.2.12.5 Disputes logged with Councils for the period 1 April 2022 to 31 March 2023

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

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Table 4.2.12.6 Strike actions for the period 1 April 2022 to 31 March 2023

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 2022 to 31 March 2023

Number of people suspended	3
Number of people whose suspension exceeding 30 days	3
Average number of days suspended	293.3
Cost (R'000) of suspension	R 2 975 529.78

4.2.13 Skills development**Table 4.2.13.1 Training needs identified for the period 1 April 2022 to 31 March 2023**

Occupational Categories	Gender	Number of employees as at 1 April 2022	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	-	Strat & Leadership Man	-	16
	Females	6	-		-	6
Professionals	Males	18	-	Strategic Management	-	18
	Females	6	-		-	6
-Technicians and associate professionals	Males	18	-	Project Management	-	18
	Females	30	-		-	30
Clerks	Males	14	-	Logis & BAS Training	-	14
	Females	35	-		-	35
Service and sales workers	Males	6	-	Basic Computer & Customer Care	-	6
	Females	3	-		-	3
Skilled agriculture and fishery workers	Males	-	-	-	-	-
	Females	-	-	-	-	-
Craft and related trade workers	Males	-	-	-	-	-
	Females	-	-	-	-	-
Plant and machine operators and assemblers	Males	-	-	-	-	-
	Females	-	-	-	-	-
Elementary occupations	Males	-	-	-	-	-
	Females	-	-	-	-	-
Sub Total	Males	72	-	-	-	72
	Females	80	-	-	-	80
TOTAL		152	-	-	-	152

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Table 4.2.13.2 Training provided for the period for the period 1 April 2022 to 31 March 2023

Occupational Categories	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	-	Strat & Leadership Man	-	0
	Male	0	-		-	0
Professionals	Female	1	-	Strategic Management	-	1
	Male	2	-		-	2
Technicians and associate professionals	Female	9	-	Project Management	-	9
	Male	2	-		-	2
Clerks	Female	18		Logis & BAS Training	-	18
	Male	0	-		-	0
Service and sales workers	Female	4	-	Basic Computer & Customer Care	-	4
	Male	3	-		-	3
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trade workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	-	-
	Male	-	-	-	-	-
Sub Total	Female	32	-	-	-	32
	Male	7	-	-	-	7
Total		39	-	-	-	39

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4.2.14 Injury on duty**Table 4.2.14.1 Injury on duty for the period 1 April 2022 to 31 March 2023**

Nature of injury on duty	Number	% of total
Required basic medical attention only	2.00	1.32
Temporary Total Disablement	0.00	0.00
Permanent Disablement	0.00	0.00
Fatal	0.00	0.00
Total	2.00	1.32

4.2.15 Utilisation of Consultants**Table 4.2.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2022 to 31 March 2023**

Project Title	Total Number of consultants that worked on project	Duration Work days	Contract value in Rand (R'000)
1 Management of KDC Skate Park: HRA Trading	1	365	3,280
2 Visitor Tracking System - Systems Recommendation Report: BDO Advisory Services (PTY) Ltd	1	365	2,126
3 Formalisation of Informal Businesses: Diamond Creative Vission Hub	1	334	338
4 Development of the Enterprise Development Strategy: Bigen Africa	1	79	299
5 Departmental Employee Wellness Programme: Families South Africa: Kimberley (FAMSA)	1	365	112
6 BBBEE Verification: Mosela Rating Agency	1	209	57
7 Competency Assessment: Gijima Holdings	1	1	34

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand (R'000)
7.00	7.00	1718	6,246

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Table.4.2.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 to 31 March 2023

	Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
1	Management of KDC Skate Park: HRA Trading	100%	100%	1
2	Visitor Tracking System - Systems Recommendation Report: BDO Advisory Services (PTY) Ltd	53,46%	53,46%	1
3	Formalisation of Informal Businesses: Diamond Creative Vission Hub	100%	100%	1
4	Development of the Enterprise Development Strategy: Bigen Africa	52,36%	45,83%	1
5	Departmental Employee Wellness Programme: Families South Africa: Kimberley (FAMSA)	100%	100%	1
6	BBBEE Verification: Mosela Rating Agency	100%	100%	1
7	Competency Assessment: Gijima Holdings	100%	62,50%	1

Table.4.2.15.3 Report on consultant appointments using donor funds for the period 1 April 2022 to 31 March 2023

	Project Title	Total number of consultants that worked on project	Duration (work days)	Donor and contract value in Rand
1	None	0.00	0.00	0.00
2	-	-	-	-
3	-	-	-	-
4	-	-	-	-
5	-	-	-	-
6	-	-	-	-

	Total Number of projects	Total individual consultants	Total Duration (work days)	Total contract value in Rand
1	None	0.00	0.00	0.00
2	-	-	-	-
3	-	-	-	-
4	-	-	-	-
5	-	-	-	-
6	-	-	-	-

Table.4.2.15.4 Analysis of consultant appointments using donor funds in terms of Historically Disadvantaged individuals (HDIs) for the period 1 April 2022 to 31 March 2023

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	N/A	N/A	N/A

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Severance Packages**Table.4.2.16.1 Granting of employee-initiated severance packages for the period 1 April 2022 to 31 March 2023**

Salary Band	Number of applications received	Number of applications referred to MPSA	Number of applications supported by MPSA	Number of packages approved by the department
Lower skilled (Levels 1-2)	0.00	0.00	0.00	0.00
Skilled (Levels 3 -5)	0.00	0.00	0.00	0.00
Highly skilled production (Levels 6-8)	0.00	0.00	0.00	0.00
Highly Skilled supervision (Levels 9-12)	0.00	0.00	0.00	0.00
Senior Management (Levels 13-16)	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00



PART E

PFMA COMPLIANCE REPORT

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PART E: PFMA COMPLIANCE REPORT**5. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES****5.1.1 Irregular Expenditure****a) Reconciliation of irregular expenditure**

Description	2022/2023 R'000	2021/2022 R'000
Opening Balance	20 490	16 096
Prior period errors	-	-
Add: irregular expenditure confirmed	110	4 394
Less: Irregular expenditure condoned	-12 537	-
Less: irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	8 063	20 490

Irregular expenditure relates to the non-compliance with SCM prescripts.

The Irregular expenditure condoned on 15 May 2023, by Provincial Treasury, relates to accommodation amounting to R 158 999.50 and Security Contracts amounting to R 12 377 616.24.

Irregular expenditure not condoned, by Provincial Treasury, relates to the Kimberley Diamond Cup amounting to R 7 196 636.66.

Still waiting for responses from Provincial Treasury regarding the condonation of Barloworld for car hire and Publication Services for advertising and marketing.

Reconciling notes

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure that was under assessment in 2022/23	-	-
Irregular expenditure that related to 2021/22	-	4 394
Irregular expenditure for the current year	-	-
Total	-	4 394

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure that was under assessment in 2022/23	-	-
Irregular expenditure that related to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	-	4 394
Total	-	4 394

c) Details of current and previous year irregular expenditure condoned

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure condoned	-	12 537
Total	-	12 537

The Irregular expenditure condoned on 15 May 2023, by Provincial Treasury, relates to accommodation amounting to R 158 999.50 and Security Contracts amounting to R 12 377 616.24. Still waiting for responses from Provincial Treasury regarding the condonation of Barloworld for car hire and Publication Services for advertising and marketing.

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For the year ended the 31 March 2023

d) Details of current and previous year irregular expenditure – (not condoned)

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

The Irregular expenditure not condoned, by Provincial Treasury, relates to the Kimberley Diamond Cup amounting to R 7 196 636.66.

e) Details of current and previous year irregular expenditure recovered

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure recovered	-	-
Total	-	-

Not applicable.

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure written off	-	-
Total	-	-

Not applicable.

Additional disclosure relating to inter-institutional arrangements**g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such an institution is not responsible for the non-compliance)**

Description
Not applicable.
Total

Not applicable.

h) Details of non-compliance cases where an institution is involved with an inter-institutional arrangement (where such an institution is responsible for the non-compliance)

Description	2022/2023 R'000	2021/2022 R'000
Not applicable.	-	-
Total		

Not applicable.

ANNUAL REPORT

For the year ended the 31 March 2023

i) Details of current and previous year disciplinary steps or criminal steps taken as a result of irregular expenditure**Disciplinary steps taken**

Three (3) officials are undergoing disciplinary steps for irregular expenditure incurred in the 2018/19 financial year. Of the three officials one official is under suspension and awaiting outcome, one official was found not guilty and one official was found guilty and has subsequently been dismissed.

Not applicable.

5.1.2 Fruitless and wasteful expenditure**a) Reconciliation of fruitless and wasteful expenditure**

Description	2022/2023 R'000	2021/2022 R'000
Opening balance	4	-
Prior period errors	-	-
Add: Fruitless and wasteful expenditure confirmed	25	4
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	4	-
Closing balance	25	4

2021/2022

Fruitless & Wasteful expenditure for accommodation (no show R 3 600) is still under investigation by Loss Control Committee.

2022/2023

Fruitless & Wasteful expenditure for accommodation in New York for SMME development (no show R 4 088) has been recovered in full.

Fruitless & Wasteful expenditure for accommodation and travelling, amounting to R 5 094, incurred during Jan 2023 is still under investigation by Loss Control Committee.

Fruitless & Wasteful expenditure for cancellation of accommodation, amounting to R 1 904, incurred during Feb 2023 is still under investigation by Loss Control Committee.

Fruitless & Wasteful expenditure for accommodation and flight (no show R 14 407) incurred during Feb 2023 is still under investigation by Loss Control Committee.

Reconciling notes

Description	2022/2023 R'000	2021/2022 R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	-	-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	25	4
Total	25	4

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b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2022/2023 R'000	2021/2022 R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	25	4
Total	25	4

2021/2022

Fruitless & Wasteful expenditure for accommodation (no show R 3 600) is still under investigation by Loss Control Committee.

2022/2023

Fruitless & Wasteful expenditure for accommodation in New York for SMME development (no show R 4 088) has been recovered in full.

Fruitless & Wasteful expenditure for accommodation and travelling, amounting to R 5 094, incurred during Jan 2023 is still under investigation by Loss Control Committee.

Fruitless & Wasteful expenditure for cancellation of accommodation, amounting to R 1 904, incurred during Feb 2023 is still under investigation by Loss Control Committee.

Fruitless & Wasteful expenditure for accommodation and flight (no show R 14 407) incurred during Feb 2023 is still under investigation by Loss Control Committee.

c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/2023 R'000	2021/2022 R'000
Fruitless and wasteful expenditure recovered	4	-
Total	4	-

Fruitless & Wasteful expenditure for accommodation in New York for SMME Development (no show R 4 088) has been recovered in full.

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/2023 R'000	2022/2021 R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

Not applicable.

e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
The Loss Control Committee is still investigating the four cases of Fruitless & Wasteful Expenditure. As soon as the outcome is available, consequence management will be implemented.

Not applicable.

ANNUAL REPORT

For the year ended the 31 March 2023

5.1.3 Unauthorised expenditure**a) Reconciliation of unauthorised expenditure**

Description	2022/2023 R'000	2021/2022 R'000
Opening balance	-	-
Prior period errors	-	-
Add: Unauthorised expenditure confirmed	-	-
Less: Unauthorised expenditure approved with funding	-	-
Less: Unauthorised expenditure approved without funding	-	-
Less: Unauthorised expenditure recoverable	-	-
Less: Unauthorised expenditure not recovered and written off	-	-
Closing balance	-	-

Not applicable.

Reconciling notes

Description	2022/2023 R'000	2021/2022 R'000
Unauthorised expenditure that was under assessment in 2022/23	-	-
Unauthorised expenditure that relates to 2021/22 and identified in 2022/23	-	-
Unauthorised expenditure for the current year	-	-
Total	-	-

b) Details of current and previous year unauthorised expenditure (under assessment, determination, and investigation)

Description	2022/2023 R'000	2021/2022 R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	-	-

Not applicable.

5.1.4 Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) and (iii)**a) Details of current and previous year material losses through criminal conduct**

Material losses through criminal conduct	2022/2023 R'000	2021/2022 R'000
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
Total	-	-

Not applicable.

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For the year ended the 31 March 2023

b) Details of other material losses

Nature of other material losses	2022/2023	2021/2022
	R'000	R'000
Not applicable.	-	-
Total	-	-

Not applicable.

c) Other material losses recovered

Nature of losses	2022/2023	2021/2022
	R'000	R'000
Not applicable	-	-
Total	-	-

Not applicable.

d) Other material losses written off

Nature of losses	2022/2023	2021/2023
	R'000	R'000
Payments for Capital Asset		-
- Major Assets	2 828	-
- Minor Assets	353	-
Total	3 181	-

The Department disclosed these items as under investigation in the 2021/22 annual financial statements.

The Department investigated these missing items by means of physical tracing of these items in the 2022/23 financial year. The total number of 112 items to the value of R0.584 million were traced.

The total number of 422 items to the value of R3.181 million remains on the missing items list. These items consist of 198 major asset items to the value of R2.828 million and 224 minor asset items to the value of R0.353 million.

Due to the recurring nature of these items over multiple financial years, the Department followed a write-off process and removed these items from the departmental asset register.

ANNUAL REPORT

For the year ended the 31 March 2023

5.2 LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of Invoices	Consolidated value R'000
Valid invoices received	1 389	74 470
Invoices paid within 30 days or agreed period	1 389	74 470
Invoices paid after 30 days or agreed period (unpaid and without dispute)	-	-
Invoices paid after 30 days or agreed period (unpaid and in dispute)	-	-

Not applicable.

5.3 SUPPLY CHAIN MANAGEMENT**5.3.1 Procurement by other means**

Project description	Name of supplier	Type of procurement by other means	Contract Number	Value of contract R'000
Advertisement	Ulwazi Fm	Deviation: Single source	OR-011034	10
Security System Access Control	IHS Information & Insight	Deviation: Single source	OR-010800	260
Advertisement/Marketing	Global Africa	Deviation: Single source	OR-010902	350
Advertisement	Independent Newspaper	Deviation: Single source	OR-011058	6
Venues and Facilities	DMG Events	Deviation: Single source	OR-011082	119
Com: Post/stamp/franking machine	Hasler Business system	Deviation: Single source	OR-011000	4
Advertisement	Government Printing	Deviation: Single source	OR-011083	62
Exhibition Area/Space	DMG Exhibition Management Services	Deviation: Single source	OR-011624	10
Advertisement	Independent Newspaper	Deviation: Single source	OR-011380	6
Training & Development employees	Calandra Trading T/A ATTI	Deviation: Single source	OR-011894	100
Training & Development employees	Fox ITSM	Deviation: Single source	OR-011479	9
Com: Post/stamp/franking machine	DG Incentives	Deviation: Single source	OR-011409	3
Advertisement	Independent Newspaper	Deviation: Single source	OR-011543	4
Com: post/stamp/frank machine	Hasler Business system	Deviation: Single source	OR-011753	5
Venues, Facilities and Catering	Nare Leisure Investments	Deviation: Single source	OR-011804	40
Venues, Facilities and Catering	NC Cricket	Deviation: Single source	OR-011858	268
Com: post/stamp/frank machine	DG Incentives	Deviation: Single source	OR-011888	14
Advertisement	Highbury Media	Deviation: Single source	OR-011774	79
Advertisement	Independent Newspaper	Deviation: Single source	OR-011404	4
Exhibition Area/Space	Vuka events & Management	Deviation: Single source	OR-011035	157
Advertisement	Noordwes Koerante/Gemsbok	Deviation: Single source	OR-012070	6
Installation of telephones	Nugen Communication	Deviation: Single source	OR-011893	3

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For the year ended the 31 March 2023

Project description	Name of supplier	Type of procurement by other means	Contract Number	Value of contract R'000
Advertisement	Media24	Deviation: Single source	OR-011930	57
Advertisement: Radio Broadcasting	Kurara FM	Deviation: Single source	OR-012069	10
Advertisement	Independent Newspaper	Deviation: Single source	OR-012098	6
Advertisement	Independent Newspaper	Deviation: Single source	OR-012131	4
Advertisement	Government printing works	Deviation: Single source	OR-012101	9
Advertisement	Mostert Familie Handelaars T/A Die Plattelanders	Deviation: Single source	OR-012072	4
Advertisement: Radio Broadcasting	NCRF Northern Cape	Deviation: Single source	OR-012355	57
Venue and Catering	Linda Isabella Horn Brand t/a La Provence	Deviation: Single source	OR-012269	25
Catering	Country Hotel SA t/a Springbok Inn	Deviation: Single source	OR-012402	63
Advertisement	Media 24	Deviation: Single source	OR-012430	25
Venue and Facilities	NCEDA	Deviation: Single source	SUNDRY	8
Advertisement	Government printing works	Deviation: Single source	OR-012417	61
International Tourist guides day celebration-Excursions	Vinkies Tourism Enterprise	Deviation: Single source	OR-012448	68
Venue & Catering	CNCM Agencies t/a Kimberley Club	Deviation: Single source	OR-012498	35

5.3.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Not applicable.				-	-	-
Total				-	-	-

There were no contract expansions above the 15% threshold.



PART F

FINANCIAL INFORMATION

PART F: FINANCIAL INFORMATION

6.1 REPORT OF THE AUDITOR GENERAL

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Economic Development and Tourism set out on pages 178 to 247, which comprise the appropriation statement, statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Economic Development and Tourism as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 05 of 2022 (Dora).

Basis for opinion

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 27 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of errors in the financial statements of the department at, and for the year ended, 31 March 2023.

Material impairments

8. As disclosed in note 9 to the financial statements, a provision for impairment of R19 857 000 was made, as a result of irrecoverable debtors.

Underspending of the vote

9. As disclosed in the appropriation statement, the department materially underspent the budget by R12 079 000 on programme 3: trade and sector development.

Other matters

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

National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework

11. On 23 December 2022, the National Treasury issued Instruction No. 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, among others, the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in note 20 to the financial statements of the department. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the department. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Unaudited supplementary schedules

12. The supplementary information set out on pages 248 to 258 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

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.

14. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
16. 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

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
18. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023, for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Integrated Economic Development Services	68-78	Promote and support sustainable integrated economic development through the development of enterprises, local economics, and the empowerment of historically disadvantaged individuals
Trade and Sector Development	79-84	Stimulate economic growth through industry development, trade and investment promotion

Programme	Page numbers	Purpose
Tourism	97-105	Manage the development and promotion of the Northern Cape as a competitive tourist destination

19. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

20. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives.
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements.
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents.
- the reported performance information is presented in the annual performance report in the prescribed manner.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over - or underachievement of targets.

21. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

22. I did not identify any material findings on the reported performance information for the selected subject matters.

Other matter

23. I draw attention to the matter below.

Achievement of planned targets

24. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements.

Report on compliance with legislation

25. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
26. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
27. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
28. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

29. The accounting officer is responsible for the other information included in the annual report. The other information referred to 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 on in this auditor's report.
30. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
31. My responsibility is to read this other information and, in doing so, consider whether it 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.
32. The other information I obtained prior to the date of this auditor's report is the disclosure of the unauthorised, irregular and fruitless and wasteful expenditure, and the remaining information is expected to be made available to us after 31 July 2023.
33. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have not identified any material findings.
34. When I do receive and read the remaining other 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

35. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

36. I did not identify any significant deficiencies in internal control.

Other reports

37. I draw attention to the following engagements conducted by various parties. 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.

38. An investigation was 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 has been referred to the National Prosecution Authority for a final decision, at the reporting date, the investigation was not completed. The matter was referred to the court, but no final decision has been reached at the time of concluding in this report.

Auditor General

Kimberley

31 July 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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 selected requirements in key legislation.

Financial statements

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.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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.

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

Compliance with legislation – selected legislative requirements.

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 1 Section 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); Section 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(4); 44; 45(b); Section 57(b)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 4.1.1; 4.1.3 Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Treasury Regulation 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b) Treasury Regulation 7.2.1 Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Treasury Regulation 9.1.1; 9.1.4 Treasury Regulation 10.1.1(a); 10.1.2 Treasury Regulation 11.4.1; 11.4.2; 11.5.1 Treasury Regulation 12.5.1 Treasury Regulation 15.10.1.2(c) Treasury Regulation 16A 3.2; 16A 3.2(a); 16A 6.1; 16A 6.2(a) , (b) 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A 7.1; 16A 7.3; 16A 7.6; 16A 7.7; 16A 8.3; 16A 8.4; 16A 9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A 9.2(a)(ii); 16A 9.1(f). Treasury Regulation 17.1.1 Treasury Regulation 18.2 Treasury Regulation 19.8.4
Division of Revenue Act No. 5 of 2022	DoRA 12(5) DoRA 16(1) DoRA 16(3) DoRA 16(3)(a)(i) DoRA 16(3)(a)(ii)(bb)
Public service regulation	Public service regulation 18(1) and (2); 25(1)(e)(i); 25(1)(e)(iii)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
Construction Industry Development Board Regulations	CIDB regulation 17; 25(7A)
PPPFA	Definition; Section 2.1(a); 2.1(b); 2.1(f)
SITA ACT	SITA Act section 7(3); 20(1)(a)(l); 7(6)(b)
SITA regulations	SITA reg 8.1.1 (b); 8.1.4; reg 8.1.7; reg 9.6; reg 9.4; reg 12.3; reg 13.1 (a); reg 14.1; reg 14.2
PFMA SCM Instruction no. 09 of 2022/2023	Par. 3.1; par. 3.3 (b); par. 3.3 (c); par. 3.3 (e) ; par 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2

Legislation	Sections or regulations
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4(a); 4.4 (c) -(d); 4.6; 5.4; 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b); 3.3.1; 3.2.2; 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2; 4.3.2; 4.3.3
Competition Act	Section 4(1)(b)(ii)
NT instruction note 4 of 2015/16	Paragraph 3.4
NT instruction 3 of 2019/20 - Annexure A	Section 5.5.1 (iv) and (x)
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 3.1; 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1
Public Service Act	Section 30 (1)

ANNUAL FINANCIAL STATEMENTS



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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

For the year ended
31 March 2023

ANNUAL FINANCIAL STATEMENTS

For the year ended the 31 March 2023

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APPROPRIATION STATEMENT

For the year ended the 31 March 2023

Appropriation per programme									
2022/23								2021/22	
	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	R'000
Programme									
1. Administration	72,489	-	(1,768)	70,721	70,359	362	99.5%	58,802	55,637
2. Integrated Economic Development Services	57,237	-	(5,499)	51,738	49,896	1,842	96.4%	61,496	60,600
3. Trade and Sector Development	82,110	-	10,151	92,261	80,182	12,079	86.9%	70,562	70,458
4. Business Regulation and Governance	43,887	-	754	44,641	44,641	-	100%	43,726	43,634
5. Economic Planning	20,127	-	(1,281)	18,846	18,216	630	96.7%	21,492	20,907
4. Tourism	69,194	-	(2,357)	66,837	66,837	-	100%	77,428	77,257
Subtotal	345,044	-	-	345,044	330,131	14,913	95.7%	333,506	328,493
Total	345,044	-	-	345,044	330,131	14,913	95.7%	333,506	328,493

	2022/23			2021/22	
	Final Appropriation	Actual Expenditure		Final Appropriation	Actual Expenditure
Reconciliation with statement of financial performance					
ADD					
Departmental receipts				2,236-	
Actual amounts per statement of financial performance (total revenue)	345,044			335,742	
Actual amounts per statement of financial performance (total expenditure)		330,131			328,493

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

Appropriation per economic classification									
2022/23								2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	191,637	(4,606)	(8,687)	178,344	178,021	323	99.8%	175,300	171,603
Compensation of employees	106,341	(422)	(2,668)	103,251	103,251	-	100%	102,440	101,002
Salaries and wages	93,165	(508)	(2,940)	89,717	89,717	-	100%	89,228	87,790
Social contributions	13,176	86	272	13,534	13,534	-	100%	13,212	13,212
Goods and services	85,296	(4,184)	(6,019)	75,093	74,770	323	99.6%	72,858	70,599
Administrative fees	1,652	(203)	(66)	1,383	1,383	-	100%	801	518
Advertising	2,221	(531)	(419)	1,271	1,271	-	100%	1,788	1,788
Minor assets	596	245	(59)	782	660	122	84.4%	342	142
Audit costs: External	3,566	87	-	3,653	3,653	-	100%	3,178	3,178
Bursaries: Employees	600	28	-	628	628	-	100%	673	673
Catering: Departmental activities	1,560	166	53	1,779	1,779	-	100%	607	607
Communication	1,410	84	41	1,535	1,500	35	97.7%	1,734	1,734
Computer services	2,118	(47)	(758)	1,313	1,313	-	100%	1,096	1,096
Consultants: Business and advisory services	10,897	(1,721)	(2,929)	6,247	6,246	1	100%	3,159	3,159
Legal services	18	26	(16)	28	28	-	100%	204	204
Contractors	11,777	(341)	41	11,477	11,477	-	100%	20,169	20,169
Agency and support/outsourced services	7	8	-	15	15	-	100%	18	18
Fleet services	1,345	157	(202)	1,300	1,300	-	100%	673	673
Consumables supplies	1,014	(22)	(38)	954	954	-	100%	1,756	616
Consumable: Stationery, Printing and Office Supplies	1,135	14	(307)	842	842	-	100%	671	671
Operating leases	11,630	(94)	348	11,884	11,884	-	100%	11,685	11,685
Property payments	17,042	(753)	(5)	16,284	16,278	6	100%	15,892	15,892
Travel and subsistence	10,936	(295)	(862)	9,779	9,620	159	98.4%	5,828	5,828
Training and development	3,064	(1,168)	(81)	1,815	1,815	-	100%	1,522	886
Operating payments	1,107	(65)	(495)	547	547	-	100%	396	396
Venues and facilities	1,599	217	(265)	1,551	1,551	-	100%	479	479
Rental and hiring	2	24	-	26	26	-	100%	189	189

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

Appropriation per economic classification									
2022/23								2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	148 103	4 606	8 885	161 594	148 273	13 321	91.8%	154,635	154,546
Provinces and municipalities	1,900	-	258	2,158	2,158	-	100%	2,460	2,460
Municipalities	1,900	-	258	2,158	2,158	-	100%	2,460	2,460
Municipal bank accounts	1,900	-	258	2,158	2,158	-	100%	2,460	2,460
Departmental agencies and accounts	132,214	6,027	13,273	151,514	138,193	13,321	91.2%	143,007	143,007
Departmental agencies	132,214	6,027	13,273	151,514	138,193	13,321	91.2%	143,007	143,007
Higher education institutions	1,456	(958)	-	500	500	-	100%	500	500
Public corporations and private enterprises	12,373	(465)	(5,623)	6,285	6,285	-	100%	7,905	7,816
Public Corporations	7,123	(5,700)	(1,423)	-	-	-	-	-	-
Other transfers to public corporations	7,123	(5,700)	(1,423)						
Private enterprises	5,250	5,235	(4,200)	6,285	6,285		100%	7,905	7,816
Other transfers to private enterprises	5,250	5,235	(4,200)	6,285	6,285		100%	7,905	7,816
Households	160		977	1,137	1,137	-	100%	763	763
Social benefits	160		977	1,137	1,137		100%	752	752
Other transfers to households	-	-	-	-	-	-	-	11	11
Payments for or capital assets	5,304	-	(198)	5,106	3,837	1,269	75.1%	3,571	2,344
Buildings and other fixed structures	-	-	-	-	-	-	-	483	483
Buildings	-	-	-	-	-	-	-	483	483
Machinery and equipment	5,272	-	(198)	5,074	3,805	1,269	75.0%	3,088	1,861
Transport equipment	592	(38)	168	722	715	7	99.0%	865	865
Other machinery and equipment	4,680	38	(366)	4,352	3,090	1,262	71.0%	2,223	996
Software and other intangible assets	32	-	-	32	32	-	100%	-	-
Total	345,044	-	-	345,044	330,131	14,913	95.7%	333,506	328,493

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

Programme 1: ADMINISTRATION									
2022/23								2021/22	
	Adjust ed Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Office of the MEC	939	(198)	-	741	741	-	100%	378	378
2. Office of the HOD	22,901	85	(183)	22,803	22,803	-	100%	4,403	4,242
3. Corporate Services	20,235	(419)	(1,249)	18,567	18,567	-	100%	22,369	21,950
4. Financial Management	28,414	532	(336)	28,610	28,248	362	98.7%	31,652	29,067
Total for sub programmes	72,489	-	(1,768)	70,721	70,359	362	99.5%	58,802	55,637
Current payments	69,761	-	(1,925)	67,836	67,673	163	99.8%	56,995	54,412
Compensation of employees	49,160	-	(1,355)	47,805	47,805	-	100%	40,186	38,884
Salaries and wages	42,879	-	(1,506)	41,373	41,373	-	100%	34,874	33,572
Social contributions	6,281	-	151	6,432	6,432	-	100%	5,312	5,312
Goods and services	20,601	-	(570)	20,031	19,868	163	99.2%	16,809	15,528
Administrative fees	298	35	-	333	333	-	100%	122	122
Advertising	440	(314)	-	126	126	-	100%	256	256
Minor assets	455	304	-	759	637	122	83.9%	218	77
Audit costs: External	3,566	87	-	3,653	3,653	-	100%	3,178	3,178
Bursaries: Employees	600	28	-	628	628	-	100%	601	601
Catering: Departmental activities	388	92	-	480	480	-	100%	114	114
Communication	589	(20)	179	748	713	35	95.3%	610	610
Computer services	2,041	(43)	(711)	1,287	1,287	-	100%	1,094	1,094
Consultants: Business and advisory	200	3	-	203	203	-	100%	-	-
Legal services	-	26	-	26	26	-	100%	-	-
Contractors	867	(137)	-	730	730	-	100%	105	105
Agency and support/outsourced service	7	8	-	15	15	-	100%	18	18
Fleet services	433	(11)	-	422	422	-	100%	220	220
Consumable supplies	837	(36)	-	801	801	-	100%	1,700	560
Consumable: stationery, printing and office supplies	529	(33)	-	496	496	-	100%	368	368
Operating leases	4,493	(257)	-	4,236	4,236	-	100%	5,012	5,012

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

Programme 1: ADMINISTRATION									
2022/23								2021/22	
	Adjust ed 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
Property payments	1,793	225	(38)	1,980	1,974	6	99.7%	1,901	1,901
Travel and subsistence	1,988	239	-	2,227	2,227	-	100%	803	803
Training and development	650	(422)	-	228	228	-	100%	117	117
Operating payments	341	(5)	-	336	336	-	100%	317	317
Venues and facilities	86	231	-	317	317	-	100%	55	55
Transfers and subsidies	22	-	-	22	22	-	100%	700	700
Households	22	-	-	22	22	-	100%	700	700
Social benefits	22	-	-	22	22	-	100%	689	689
Other transfers to households	-	-	-	-	-	-	-	11	11
Payments for capital assets	2,706	-	157	2,863	2,664	199	93.0%	1,107	525
Machinery and equipment	2,674	-	157	2,831	2,632	199	93.0%	1,107	525
Transport equipment	258	(73)	-	185	185	-	100%	171	171
Other machinery and equipment	2,416	73	157	2,646	2,447	199	92.5%	936	354
Software and other intangible assets	32	-	-	32	32	-	100%	-	-
Total	72,489	-	(1,768)	70,721	70,359	362	99.5%	58,802	55,637

1.1 OFFICE OF THE MEC									
2022/23								2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	939	(198)	-	741	741	-	100%	378	378
Good and services	939	(198)	-	741	741	-	100%	378	378
Total	939	(198)	-	741	741	-	100%	378	378

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

1.2 OFFICE OF THE HOD									
2022/23								2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	22,519	165	(183)	22,501	22,501	-	100%	4,275	4,164
Compensation of employees	19,745	-	(183)	19,562	19,562	-	100%	3,494	3,494
Goods and services	2,774	165	-	2,939	2,939	-	100%	781	670
Transfers and subsidies	22	-	-	22	22	-	100%	11	11
Households	22	-	-	22	22	-	100%	11	11
Payments for capital assets	360	(80)	-	280	280	-	100%	117	67
Machinery and equipment	360	(80)	-	280	280	-	100%	117	67
Total	22,901	85	(183)	22,803	22,803	-	100%	4,403	4,242

1.3 CORPORATE SERVICES									
2022/23								2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	19,351	(410)	(1,249)	17,692	17,692	-	100%	21,400	21,075
Compensation of employees	14,861	-	(538)	14,323	14,323	-	100%	18,212	18,212
Goods and services	4,490	(410)	(711)	3,369	3,369	-	100%	3,188	2,863
Transfers and subsidies	-	-	-	-	-	-	-	689	689
Households	-	-	-	-	-	-	-	689	689
Payments for capital assets	884	(9)	-	875	875	-	100%	280	186
Machinery and equipment	884	(9)	-	875	875	-	100%	280	186
Total	20,235	(419)	(1,249)	18,567	18,567	-	100%	22,369	21,950

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

1.4 FINANCIAL MANAGEMENT									
	2022/23							2021/22	
	Adjust ed Appro priatio n	Shifting of Funds	Viremen t	Final Appro priatio n	Actual Expen diture	Variance	Expen diture as % of final approp riation	Final Appropri ation	Actual expendit ure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	26,952	443	(493)	26,902	26,739	163	99.4%	30,942	28,795
Compensation of employees	14,554	-	(634)	13,920	13,920	-	100%	18,480	17,178
Goods and services	12,398	443	141	12,982	12,819	163	98.7%	12,462	11,617
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1,462	89	157	1,708	1,509	199	88.1%	710	272
Machinery and equipment	1,430	89	157	1,676	1,477	199	88.1%	710	272
Software and other intangible assets	32	-	-	32	32	-	100%	-	-
Total	28,414	532	(336)	28,610	28,248	362	98.7%	31,652	29,067

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

Programme 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES									
2022/23								2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Enterprise Development	-	149	-	149	149	-	100%	42,171	41,535
2. Regional and Local Economic Development	16,405	(149)	(1,952)	14,304	14,187	117	99.2%	7,207	7,120
3. Economic Empowerment	34,524	(287)	(3,483)	30,754	29,077	1,677	94.5%	5,674	5,674
4. Economic Growth and Development Fund	-	-	-	-	-	-	-	-	-
5. Office of the Chief Director	6,308	287	(64)	6,531	6,483	48	99.3%	6,444	6,271
Total for sub programmes	57,237	-	(5,499)	51,738	49,896	1,842	96.4%	61,496	60,600
Economic classification									
Current payments	29,634	(416)	(3,343)	25,875	25,715	160	99.4%	22,040	21,302
Compensation of employees	17,328	-	(437)	16,891	16,891	-	100%	15,491	15,491
Salaries and wages	15,154	-	(508)	14,646	14,646	-	100%	13,536	13,536
Social Contributions	2,174	-	71	2,245	2,245	-	100%	1,955	1,955
Goods and services	12,306	(416)	(2,906)	8,984	8,824	160	98.2%	6,549	5,811
Administrative fees	290	7	(54)	243	243	-	100%	142	55
Advertising	576	(149)	(368)	59	59	-	100%	80	80
Minor assets	73	(8)	(54)	11	11	-	100%	32	17
Bursaries: Employees	-	-	-	-	-	-	-	46	46
Catering: Departmental activities	615	-	(3)	612	612	-	100%	135	135
Communication	222	70	(109)	183	183	-	100%	261	261
Computer services	10	(1)	(1)	8	8	-	100%	-	-
Consultants: Business and advisory services	1,700	(773)	(289)	638	637	1	99.8%	-	-
Legal services	-	-	-	-	-	-	-	3	3
Contractors	123	1	-	124	124	-	100%	30	30
Fleet services	258	60	(225)	93	93	-	100%	66	66
Consumable supplies	55	20	(29)	46	46	-	100%	14	14
Consumable: stationery, printing and office supplies	245	10	(213)	42	42	-	100%	54	54
Operating leases	2,333	108	-	2,441	2,441	-	100%	2,313	2,313

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

Programme 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES									
2022/23								2021/22	
	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
Property payments	1,373	36	-	1,409	1,409	-	100%	1,651	1,651
Travel and subsistence	2,629	(26)	(937)	1,666	1,507	159	90.5%	627	627
Training and development	1,064	155	-	1,219	1,219	-	100%	877	241
Operating payments	510	9	(500)	19	19	-	100%	27	27
Venues and facilities	230	43	(124)	149	149	-	100%	80	80
Rental and hiring	-	22	-	22	22	-	100%	111	111
Transfers and subsidies	26,828	416	(1,999)	25,245	23,907	1,338	94.7%	39,087	39,087
Provinces and municipalities	1,900	-	-	1,900	1,900	-	100%	1,960	1,960
Municipalities	1,900	-	-	1,900	1,900	-	100%	1,960	1,960
Municipal bank accounts	1,900	-	-	1,900	1,900	-	100%	1,960	1,960
Departmental agencies and accounts	13,570	1,796	3,624	18,990	17,652	1,338	93.0%	37,119	37,119
Departmental agencies	13,570	1,796	3,624	18,990	17,652	1,338	93.0%	37,119	37,119
Public corporations and private enterprises	11,323	(1,380)	(5,623)	4,320	4,320	-	100%	-	-
Public Corporations	7,123	(5,700)	(1,423)	-	-	-	-	-	-
Other transfers to public corporations	7,123	(5,700)	(1,423)	-	-	-	-	-	-
Private enterprises	4,200	4,320	(4,200)	4,320	4,320	-	100%	-	-
Other transfers to private enterprise	4,200	4,320	(4,200)	4,320	4,320	-	100%	-	-
Households	35	-	-	35	35	-	100%	8	8
Social benefits	35	-	-	35	35	-	100%	8	8
Payments for capital assets	775	-	(157)	618	274	344	44.3%	369	211
Machinery and equipment	775	-	(157)	618	274	344	44.3%	369	211
Transport equipment	21	-	27	48	48	-	100%	122	122
Other machinery and equipment	754	-	(184)	570	226	344	39.6%	247	89
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Total	57,237	-	(5,499)	51,738	49,896	1,842	96.4%	61,496	60,600

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

2.1 ENTERPRISE DEVELOPMENT

	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	149	-	149	149	-	100%	5,044	4,408
Compensation of employees	-	-	-	-	-	-	-	3,589	3,589
Goods and services	-	149	-	149	149	-	100%	1,455	819
Transfers and subsidies	-	-	-	-	-	-	-	37,127	37,127
Departmental agencies and accounts	-	-	-	-	-	-	-	37,119	37,119
Public corporations and private enterprise	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	8	8
Payments for capital assets	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Total	-	149	-	149	149	-	100%	42,171	41,535

2.2 REGIONAL AND LOCAL ECONOMIC DEVELOPMENT

	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	8,722	(149)	(629)	7,944	7,944	-	100%	5,245	5,158
Compensation of employees	7,245	-	(89)	7,156	7,156	-	100%	4,779	4,779
Goods and services	1,477	(149)	(540)	788	788	-	100%	466	379
Transfers and subsidies	7,543	-	(1,323)	6,220	6,220	-	100%	1,960	1,960
Provinces and municipalities	1,900	-	-	1,900	1,900	-	100%	1,960	1,960
Departmental agencies and accounts	20	(4,320)	4,300	-	-	-	-	-	-
Public corporations and private enterprise	5,623	4,320	(5,623)	4,320	4,320	-	100%	-	-
Payments for capital assets	140	-	-	140	23	117	16.4%	2	2
Machinery and equipment	140	-	-	140	23	117	16.4%	2	2
Total	16,405	(149)	(1,952)	14,304	14,187	117	99.2%	7,207	7,120

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

2.3 ECONOMIC EMPOWERMENT

2022/23								2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	14,949	(703)	(2,696)	11,550	11,390	160	98.6%	5,614	5,614
Compensation of employees	8,145	-	(330)	7,815	7,815	-	100%	5,271	5,271
Goods and services	6,804	(703)	(2,366)	3,735	3,575	160	95.7%	343	343
Transfers and subsidies	19,285	416	(676)	19,025	17,687	1,338	93.0%	-	-
Departmental agencies and accounts	13,550	6,116	(676)	18,990	17,652	1,338	93.0%	-	-
Public corporations and private enterprise	5,700	(5700)	-	-	-	-	-	-	-
Households	35	-	-	35	35	-	-	-	-
Payments for capital assets	290	-	(111)	179	-	179	-	60	60
Machinery and equipment	290	-	(111)	179	-	179	-	60	60
Total	34,524	(287)	(3,483)	30,754	29,077	1,677	94.5%	5,674	5,674

2.5 OFFICE OF THE CHIEF DIRECTOR

2022/23								2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5,963	287	(18)	6,232	6,232	-	100%	6,137	6,122
Compensation of employees	1,938	-	(18)	1,920	1,920	-	100%	1,852	1,852
Goods and services	4,025	287	-	4,312	4,312	-	100%	4,285	4,270
Payments for capital assets	345	-	(46)	299	251	48	83.9%	307	149
Machinery and equipment	345	-	(46)	299	251	48	83.9%	307	149
Total	6,308	287	(64)	6,531	6,483	48	99.3%	6,444	6,271

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

Programme 3: TRADE AND SECTOR DEVELOPMENT									
	2022/23							2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Trade and Investment Promotion	56,451	3,703	9,896	70,050	58,029	12,021	82.8%	49,955	49,955
2. Sector Development	16,191	(2,329)	236	14,098	14,040	58	99.6%	7,405	7,405
3. Strategic Initiatives	24	163	-	187	187	-	100%	5,678	5,678
4. Office of the Chief Director	9,444	(1,537)	19	7,926	7,926	-	100%	7,524	7,420
Total for sub programmes	82,110	-	10,151	92,261	80,182	12,079	86.9%	70,562	70,458
Economic classification									
Current payments	22,751	(4,190)	19	18,580	18,580	-	100%	20,048	19,954
Compensation of employees	7,509	(421)	-	7,088	7,088	-	100%	10,396	10,396
Salaries and wages	6,815	(550)	-	6,265	6,265	-	100%	9,140	9,140
Social Contributions	694	129	-	823	823	-	100%	1,256	1,256
Goods and services	15,242	(3,769)	19	11,492	11,492	-	100%	9,652	9,558
Administrative fees	637	(272)	-	365	365	-	100%	189	103
Advertising	1,047	(68)	-	979	979	-	100%	1,062	1,062
Minor assets	14	(6)	-	8	8	-	100%	12	4
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	149	(30)	-	119	119	-	100%	138	138
Communication	148	6	-	154	154	-	100%	196	196
Computer services	5	(2)	-	3	3	-	100%	-	-
Consultants: Business and advisory services	811	(811)	-	-	-	-	100%	36	36
Contractors	110	1	-	111	111	-	100%	29	29
Fleet services	71	(2)	-	69	69	-	100%	40	40
Consumable supplies	46	(16)	-	30	30	-	100%	2	2
Consumable: stationery, printing and office supplies	92	16	-	108	108	-	100%	137	137
Operating leases	1,069	12	-	1,081	1,081	-	100%	1,009	1,009
Property payments	6,862	(1,097)	19	5,784	5,784	-	100%	5,594	5,594
Travel and subsistence	2,271	(403)	-	1,868	1,868	-	100%	970	970
Training and development	813	(703)	-	110	110	-	100%	-	-
Operating payments	205	(84)	-	121	121	-	100%	17	17
Venues and facilities	892	(312)	-	580	580	-	100%	143	143

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

Programme 3: TRADE AND SECTOR DEVELOPMENT									
2022/23								2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	59,154	4,190	10,132	73,476	61,493	11,983	83.7%	50,307	50,307
Departmental agencies and accounts	59,051	4,190	9,193	72,434	60,451	11,983	83.5%	47,283	47,283
Departmental agencies	59,051	4,190	9,193	72,434	60,451	11,983	83.5%	47,283	47,283
Public corporations and private enterprise	-	-	-	-	-	-	-	3,000	3,000
Private enterprises	-	-	-	-	-	-	-	3,000	3,000
Other transfers to private enterprises	-	-	-	-	-	-	-	3,000	3,000
Households	103	-	939	1,042	1,042	-	100%	24	24
Social benefits	103	-	939	1,042	1,042	-	100%	24	24
Payment for capital assets	205	-	-	205	109	96	53.2%	207	197
Machinery and equipment	205	-	-	205	109	96	53.2%	207	197
Transport equipment	18	17	-	35	28	7	80.0%	99	99
Other machinery and equipment	187	(17)	-	170	81	89	47.6%	108	98
Total	82,110	-	10,151	92,261	80,182	12,079	86.9%	70,562	70,458

3.1 TRADE AND INVESTMENT PROMOTION									
2022/23								2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	6,652	(487)	-	6,165	6,165	-	100%	5,613	5,613
Compensation of employees	3,023	(539)	-	2,484	2,484	-	100%	2,978	2,978
Goods and services	3,629	52	-	3,681	3,681	-	100%	2,635	2,635
Transfers and subsidies	49,754	4,190	9,896	63,840	51,857	11,983	81.2%	44,307	44,307
Departmental agencies accounts	49,651	4,190	8,957	62,798	50,815	11,983	80.9%	44,283	44,283
Households	103	-	939	1,042	1,042	-	100%	24	24
Payments for capital assets	45	-	-	45	7	38	15.6%	35	35
Transport Equipment	14	-	-	14	7	7	50.0%	35	35
Machinery and equipment	31	-	-	31	-	31	-	-	-
Total	56,451	3,703	9,896	70,050	58,029	12,021	82.8%	49,955	49,955

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

3.2 SECTOR DEVELOPMENT

2022/23								2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	6,711	(2,324)	-	4,387	4,387	-	100.0%	4,405	4,405
Compensation of employees	4,014	(41)	-	3,973	3,973	-	100.0%	4,205	4,205
Goods and services	2,697	(2,283)	-	414	414	-	100.0%	200	200
Transfers and subsidies	9,400	-	236	9,636	9,636	-	100.0%	3,000	3,000
Departmental agencies and accounts	9,400	-	236	9,636	9,636	-	100.0%	3,000	3,000
Public corporations and Private enterprises	-	-	-	-	-	-	-	-	-
Payments for capital assets	80	(5)	-	75	17	58	22.7%	-	-
Machinery and equipment	80	(5)	-	75	17	58	22.7%	-	-
Total	16,191	(2,329)	236	14,098	14,040	58	99.6%	7,405	7,405

3.3 STRATEGIC INITIATIVES

2022/23								2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	24	163	-	187	187	-	100%	2,678	2,678
Compensation of employees	-	162	-	162	162	-	100%	2,030	2,030
Goods and services	24	1	-	25	25	-	100%	648	648
Transfers and subsidies	-	-	-	-	-	-	-	3,000	3,000
Public corporations and private enterprises	-	-	-	-	-	-	-	3,000	3,000
Payments for capital assets	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Total	24	163	-	187	187	-	100%	5,678	5,678

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

3.4 OFFICE OF THE CHIEF DIRECTOR									
2022/23								2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	9,364	(1,542)	19	7,841	7,841	-	100%	7,352	7,258
Compensation of employees	472	(3)	-	469	469	-	100%	1,183	1,183
Goods and services	8,892	(1,539)	19	7,372	7,372	-	100%	6,169	6,075
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	80	5	-	85	85	-	100%	172	162
Transport equipment	4	17	-	21	21	-	100%	64	64
Machinery and equipment	76	(12)	-	64	64	-	100%	108	98
Total	9,444	(1,537)	19	7,926	7,926	-	100%	7,524	7,420

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

Programme 4: BUSINESS REGULATION AND GOVERNANCE									
2022/23								2021/22	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Corporate Governance	-	9	168	177	177	-	100%	1,761	1,761
2. Consumer Protection	11,040	(9)	443	11,474	11,474	-	100%	11,301	11,209
3. Liquor Regulations	15,277	-	86	15,363	15,363	-	100%	14,217	14,217
4. Gambling and equipment	17,570	-	57	17,627	17,627	-	100%	16,447	16,447
Total for sub programmes	43,887	-	754	44,641	44,641	-	100%	43,726	43,634
Economic classification									
Current payments	11,756	-	633	12,389	12,389	-	100%	13,271	13,179
Compensation of employees	8,027	-	(19)	8,008	8,008	-	100%	9,698	9,611
Salaries and wages	7,017	-	-	7,017	7,017	-	100%	8,422	8,335
Social Contributions	1,010	-	(19)	991	991	-	100%	1,276	1,276
Goods and services	3,729	-	652	4,381	4,381	-	100%	3,573	3,568
Administrative fees	21	-	9	30	30	-	100%	22	22
Advertising	130	-	(36)	94	94	-	100%	211	211
Minor assets	5	-	(5)	-	-	-	-	5	-
Bursaries: Employees	-	-	-	-	-	-	-	7	7
Catering: Departmental activities	10	-	58	68	68	-	100%	-	-
Communication	138	-	(9)	129	129	-	100%	167	167
Computer Services	2	-	(1)	1	1	-	100%	-	-
Legal services	18	-	(16)	2	2	-	100%	24	24
Contractors	-	-	168	168	168	-	100%	-	-
Fleet services	394	-	23	417	417	-	100%	162	162
Consumable supplies	9	-	6	15	15	-	100%	8	8
Consumable: stationery, printing and office supplies	34	-	(7)	27	27	-	100%	40	40
Operating leases	1,617	-	348	1,965	1,965	-	100%	1,333	1,333
Property payments	1,026	-	-	1,026	1,026	-	100%	1,262	1,262
Travel and subsistence	285	-	142	427	427	-	100%	324	324
Operating payments	5	-	5	10	10	-	100%	8	8
Venues and facilities	35	-	(33)	2	2	-	100%	-	-

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE									
2022/23								2021/22	
	Adjust ed Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	32,017	-	-	32,017	32,017	-	100%	30,187	30,187
Departmental agencies and accounts	32,017	-	-	32,017	32,017	-	100%	30,187	30,187
Departmental agencies	32,017	-	-	32,017	32,017	-	100%	30,187	30,187
Payment for capital assets	114	-	121	235	235	-	100%	268	268
Machinery and equipment	114	-	121	235	235	-	100%	268	268
Transport equipment	95	-	113	208	208	-	100%	212	212
Other machinery and equipment	19	-	8	27	27	-	100%	56	56
Total	43,887	-	754	44,641	44,641	-	100%	43,726	43,634

4.1 CORPORATE GOVERNANCE									
2022/23								2021/22	
	Adjust ed Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	9	168	177	177	-	100%	1,761	1,761
Compensation of employees	-	9	-	9	9	-	100%	1,742	1,742
Goods and services	-	-	168	168	168	-	100%	19	19
Payments for capital assets	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Total	-	9	168	177	177	-	100%	1,761	1,761

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

4.2 CONSUMER PROTECTION									
2022/23								2021/22	
	Adjust ed Appro priatio n	Shifting of Funds	Virement	Final Appropri ation	Actual Expen diture	Variance	Expen diture as % of final appropri ation	Final Appropri ation	Actual expen diture
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	10,992	(9)	389	11,372	11,372	-	100%	11,158	11,066
Compensation of employees	8,027	(9)	(19)	7,999	7,999	-	100%	7,956	7,869
Goods and services	2,965	-	408	3,373	3,373	-	100%	3,202	3,197
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	48	-	54	102	102	-	100%	143	143
Machinery and equipment	48	-	54	102	102	-	100%	143	143
Total	11,040	(9)	443	11,474	11,474	-	100%	11,301	11,209

4.3 LIQUOR REGULATION									
2022/23								2021/22	
	Adjust ed Appro priatio n	Shifting of Funds	Virement	Final Appropri ation	Actual Expen diture	Variance	Expen diture as % of final appropri ation	Final Appropri ation	Actual expen diture
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	451	-	42	493	493	-	100%	191	191
Goods and services	451	-	42	493	493	-	100%	191	191
Transfers and subsidies	14,772	-	-	14,772	14,772	-	100%	13,932	13,932
Departmental agencies and accounts	14,772	-	-	14,772	14,772	-	100%	13,932	13,932
Payments for capital assets	54	-	44	98	98	-	100%	94	94
Machinery equipment	54	-	44	98	98	-	100%	94	94
Total	15,277	-	86	15,363	15,363	-	100%	14,217	14,217

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

4.4 GAMBLING AND BETTING									
2022/23								2021/22	
	Adjust ed Appro priatio n	Shifting of Funds	Virement	Final Appropri ation	Actual Expen diture	Variance	Expen diture as % of final appropri ation	Final Appropri ation	Actual expen diture
Economic classification								R'000	R'000
Current payments	313	-	34	347	347	-	100%	161	161
Goods and services	313	-	34	347	347	-	100%	161	161
Transfers and subsidies	17,245	-	-	17,245	17,245	-	100%	16,255	16,255
Departmental agencies and accounts	17,245	-	-	17,245	17,245	-	100%	16,255	16,255
Payments for capital assets	12	-	23	35	35	-	100%	31	31
Machinery equipment	12	-	23	35	35	-	100%	31	31
Total	17,570	-	57	17,627	17,627	-	100%	16,447	16,447

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

Programme 5: ECONOMIC PLANNING									
2022/23								2021/22	
	Adjust ed Appro prio tion n	Shifting of Funds	Virement	Final Appropri ation	Actual Expen diture	Variance	Expen diture as % of final appropri ation	Final Appropri ation	Actual expen diture
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1.Policy and Planning	6,949	(49)	(773)	6,127	6,027	100	98.4%	3,985	3,985
2.Research and Development	-	-	-	-	-	-	-	2,599	2,599
3.Knowledge Management	7,673	3	(312)	7,364	6,834	530	92.8%	6,003	6,003
4.Monitoring and Evaluation	-	7	-	7	7	-	100%	3,712	3,712
5.Office of the Chief Director	5,505	39	(196)	5,348	5,348	-	100%	5,193	4,608
Total for sub programmes	20,127	-	(1,281)	18,846	18,216	630	96.7%	21,492	20,907
Economic classification									
Current payments	17,497	-	(972)	16,525	16,525	-	100%	19,471	19,318
Compensation of employees	12,423	-	(520)	11,903	11,903	-	100%	14,873	14,845
Salaries and wages	11,045	(15)	(456)	10,574	10,574	-	100%	13,154	13,126
Social Contributions	1,378	15	(64)	1,329	1,329	-	100%	1,719	1,719
Goods and services	5,074	-	(452)	4,622	4,622	-	100%	4,598	4,473
Administrative fees	185	(7)	-	178	178	-	100%	175	65
Advertising	15	-	(15)	-	-	-	-	48	48
Minor assets	33	(33)	-	-	-	-	-	15	-
Bursaries: Employees	-	-	-	-	-	-	-	17	17
Catering: Departmental activ-	180	111	(2)	289	289	-	100%	70	70
Communications	184	(24)	(15)	145	145	-	100%	233	233
Computer Services	43	-	(37)	6	6	-	100%	-	-
Consultants: Business and advisory services	155	-	(155)	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	150	150
Fleet services	-	6	-	6	6	-	100%	40	40
Consumable supplies	34	1	(4)	31	31	-	100%	6	6
Consumable: stationery, printing and office supplies	85	(8)	(8)	69	69	-	100%	28	28
Operating leases	1,049	31	-	1,080	1,080	-	100%	1,009	1,009
Property payments	1,493	175	4	1,672	1,672	-	100%	1,331	1,331
Travel and subsistence	1,115	(3)	(31)	1,081	1,081	-	100%	1,284	1,284
Training and development	276	(195)	(81)	-	-	-	0%	156	156
Operating payments	-	5	-	5	5	-	100%	4	4
Venues and facilities	227	(59)	(108)	60	60	-	100%	32	32

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

Programme 5: ECONOMIC PLANNING									
	2022/23							2021/22	
	Adjust ed 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
Transfers and subsidies	1,500	-	38	1,538	1,538	-	100%	1,500	1,500
Departmental agencies and accounts	44	(44)	-	-	-	-	0%	-	-
Departmental agencies	44	(44)	-	-	-	-	0%	-	-
Higher education institutions	1,456	(956)	-	500	500	-	100%	500	500
Public corporations and private enterprise	-	1,000	-	1,000	1,000	-	100%	1,000	1,000
Private enterprises	-	1,000	-	1,000	1,000	-	100%	1,000	1,000
Other transfers to private enterprises	-	1,000	-	1,000	1,000	-	100%	1,000	1,000
Households	-	-	38	38	38	-	100%	-	-
Social Benefits	-	-	38	38	38	-	100%	-	-
Payment for capital assets	1,130	-	(347)	783	153	630	19.5%	521	89
Machinery and equipment	1,130	-	(347)	783	153	630	19.5%	521	89
Transport equipment	-	-	-	-	-	-	-	13	13
Other machinery and equipment	1,130	-	(347)	783	153	630	19.5%	508	76
Software and tangible assets	-	-	-	-	-	-	-	-	-
Total	20,127	-	(1,281)	18,846	18,216	630	96.7%	21,492	20,907

5.1 POLICY AND PLANNING

	2022/23							2021/22	
	Adjust ed Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	6,879	(49)	(811)	5,989	5,989	-	100%	3,985	3,985
Compensation of employees	5,973	(42)	(520)	5,411	5,411	-	100%	3,701	3,701
Goods and services	876	(7)	(291)	578	578	-	100%	284	284
Transfers and Subsidies	-	-	38	38	38	-	100%	-	-
Households	-	-	38	38	38	-	100%	-	-

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

Payments for capital assets	100	-	-	100	-	100	-	-	-
Machinery and equipment	100	-	-	100	-	100	-	-	-
Total	6,949	(49)	(773)	6,127	6,027	100	98.4%	3,985	3,985

5.2 RESEARCH AND DEVELOPMENT

2022/23								2021/22	
	Adjust ed Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	2,599	2,599
Compensation of employees	-	-	-	-	-	-	-	2,449	2,449
Goods and services	-	-	-	-	-	-	-	150	150
Payments for capital assets	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	2,599	2,599

5.3 KNOWLEDGE MANAGEMENT

2022/23								2021/22	
	Adjust ed Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5,493	3	(162)	5,334	5,334	-	100.0%	4,503	4,503
Compensation of employees	4,529	3	-	4,532	4,532	-	100.0%	4,077	4,077
Goods and services	964	-	(162)	802	802	-	100.0%	426	426
Transfers and subsidies	1,500	-	-	1,500	1,500	-	100.0%	1,500	1,500
Departmental agencies and accounts	44	(44)	-	-	-	-	-	-	-
Higher education instates	1,456	(956)	-	500	500	-	100.0%	500	500
Public corporations and private enterprise	-	1,000	-	1,000-	1,000	-	100.0%	1,000	1,000
Payments for capital assets	680	-	(150)	530	-	530	-	-	-
Machinery and equipment	680	-	(150)	530	-	530	-	-	-
Software and other tangible assets	-	-	-	-	-	-	-	-	-
Total	7,673	3	(312)	7,364	6,834	530	92.8%	6,003	6,003

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

5.4 MONITORING AND EVALUATION									
	2022/23							2021/22	
	Adjust ed Appro priatio n	Shifting of Funds	Virement	Final Appropri ation	Actual Expen diture	Variance	Expen diture as % of final appropri ation	Final Appropri ation	Actual expen diture
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	7	-	7	7	-	100%	3,699	3,699
Compensation of employees	-	-	-	-	-	-	-	2,742	2,742
Goods and services	-	7	-	7	7	-	100%	957	957
Payments for capital assets	-	-	-	-	-	-	-	13	13
Machinery and equipment	-	-	-	-	-	-	-	13	13
Total	-	7	-	7	7	-	-	3,712	3,712

5.5 OFFICE OF THE CHIEF DIRECTOR									
	2022/23							2021/22	
	Adjust ed Appro priatio n	Shifting of Funds	Virement	Final Appropri ation	Actual Expen diture	Variance	Expen diture as % of final appropri ation	Final Appropri ation	Actual expen diture
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5,155	39	1	5,195	5,195	-	100%	4,685	4,532
Compensation of employees	1,921	39	-	1,960	1,960	-	100%	1,904	1,876
Goods and services	3,234	-	1	3,235	3,235	-	100%	2,781	2,656
Payments for capital assets	350	-	(197)	153	153	-	100%	508	76
Machinery and equipment	350	-	(197)	153	153	-	100%	508	76
Total	5,505	39	(196)	5,348	5,348	-	100%	5,193	4,608

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

Programme 6. TOURISM									
2022/23								2021/22	
	Adjust ed Appro prio n	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
Sub programme									
1.Tourism planning	9,727	-	(330)	9,397	9,397	-	100%	6,061	6,061
2.Tourism Growth and Development	51,056	(368)	(2,065)	48,623	48,623	-	100%	62,293	62,204
3.Tourism Sector Transformation	-	-	-	--	-	-	-	1,411	1,411
4.Office of the Chief Director	8,411	368	38	8,817	8,817	-	100%	7,663	7,581
Total for sub programmes	69,194	-	(2,357)	66,837	66,837	-	100%	77,428	77,257
Economic classification1									
Current payments	40,238	-	(3,099)	37,139	37,139	-	100%	43,475	43,438
Compensation of employees	11,894	(1)	(337)	11,556	11,556	-	100%	11,796	11,775
Salaries and wages	10,255	57	(470)	9,842	9,842	-	100%	10,102	10,081
Social Contributions	1,639	(58)	133	1,714	1,714	-	100%	1,694	1,694
Goods and services	28,344	1	(2,762)	25,583	25,583	-	100%	31,679	31,663
Administrative fees	221	34	(21)	234	234	-	100%	151	151
Advertising	13	-	-	13	13	-	100%	131	131
Minor assets	16	(12)	-	4	4	-	100%	60	44
Bursaries: Employees	-	-	-	-	-	-	-	2	2
Catering: Departmental activities	218	(7)	-	211	211	-	100%	150	150
Communication(G&S)	129	52	(5)	176	176	-	100%	267	267
Computer services	17	(1)	(8)	8	8	-	100%	2	2
Consultants: Business and advisory services	8,031	(140)	(2,485)	5,406	5,406	-	100%	3,123	3,123
Legal services	-	-	-	-	-	-	-	27	27
Contractors	10,677	(206)	(127)	10,344	10,344	-	100%	20,005	20,005
Fleet services	189	104	-	293	293	-	100%	145	145
Consumable supplies	33	9	(11)	31	31	-	100%	26	26
Consumable: stationery, printing and office supplies	150	29	(79)	100	100	-	100%	44	44
Operating leases	1,069	12	-	1,081	1,081	-	100%	1,009	1,009
Property payments	4,495	(92)	10	4,413	4,413	-	100%	4,153	4,153
Travel and subsistence	2,648	(102)	(36)	2,510	2,510	-	100%	1,820	1,820
Training and development	261	(3)	-	258	258	-	100%	372	372
Operating payments	46	10	-	56	56	-	100%	23	23
Venues and facilities	129	314	-	443	443	-	100%	169	169
Rental and Hiring	2	-	-	2	2	-	100%	-	-

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

Programme 6: Tourism									
	2022/23							2021/22	
	Adjust ed Appro prio tion	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
Transfers and subsidies	28,582	-	714	29,296	29,296	-	100%	32,854	32,765
Provinces and Municipalities	-	-	258	258	258	-	100%	500	500
Municipalities	-	-	258	258	258	-	100%	500	500
Municipal bank accounts	-	-	258	258	258	-	100%	500	500
Departmental agencies and accounts	27,532	85	456	28,073	28,073	-	100%	28,418	28,418
Departmental agencies	27,532	85	456	28,073	28,073	-	100%	28,418	28,418
Public corporations and private enterprise	1,050	(85)	-	965	965	-	100%	3,905	3,816
Private enterprises	1,050	(85)	-	965	965	-	100%	3,905	3,816
Other transfers to private enterprises	1,050	(85)	-	965	965	-	100%	3,905	3,816
Households	-	-	-	-	-	-	-	31	31
Social benefits	-	-	-	-	-	-	-	31	31
Payments for capital assets	374	-	28	402	402	-	100%	1,099	1,054
Buildings and other fixed structures	-	-	-	-	-	-	-	483	483
Buildings	-	-	-	-	-	-	-	483	483
Machinery and equipment	374	-	28	402	402	-	100%	616	571
Transport equipment	200	18	28	246	246	-	100%	261	261
Other machinery and equipment	174	(18)	-	156	156	-	100%	355	310
Total	69,194	-	(2,357)	66,837	66,837	-	100%	77,428	77,257

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

6.1 TOURISM PLANNING									
	2022/23							2021/22	
	Adjust ed Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	9,727	-	(330)	9,397	9,397	-	100%	5,991	5,991
Compensation of employees	5,407	-	(118)	5,289	5,289	-	100%	4,783	4,783
Goods and services	4,320	-	(212)	4,108	4,108	-	100%	1,208	1,208
Transfer and subsidies	-	-	-	-	-	-	-	31	31
Households	-	-	-	-	-	-	-	31	31
Payments for capital assets	-	-	-	-	-	-	-	39	39
Machinery and equipment	-	-	-	-	-	-	-	39	39
Total	9,727	-	(330)	9,397	9,397	-	100%	6,061	6,061

6.2 TOURISM GROWTH AND DEVELOPMENT									
	2022/23							2021/22	
	Adjust ed Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	22,445	(368)	(2,779)	19,298	19,298	-	100%	28,987	28,987
Compensation of employees	4,664	(203)	(219)	4,242	4,242	-	100%	4,192	4,192
Goods and services	17,781	(165)	(2,560)	15,056	15,056	-	100%	24,795	24,795
Transfers and subsidies	28,582	-	714	29,296	29,296	-	100%	32,823	32,734
Provinces and municipalities	-	-	258	258	258	-	100%	500	500
Departmental agencies and accounts	27,532	85	456	28,073	28,073	-	100%	28,418	28,418
Public corporations and private enterprises	1,050	(85)	-	965	965	-	100%	3,905	3,816
Payments for capital assets	29	-	-	29	29	-	100%	483	483
Buildings and other fixed structures	-	-	-	-	-	-	-	483	483
Machinery and equipment	29	-	-	29	29	-	100%	-	-
Total	51,056	(368)	(2,065)	48,623	48,623	-	100%	62,293	62,204

APPROPRIATION STATEMENT

For the year ended the 31 March 2023

6.3 TOURISM SECTOR TRANSFORMATION									
2022/23								2021/22	
	Adjust ed Appro priatio n	Shifting of Funds	Virement	Final Appropri ation	Actual Expen diture	Variance	Expen diture as % of final appropri ation	Final Appropri ation	Actual expen diture
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	1,411	1,411
Compensation of employees	-	-	-	-	-	-	-	982	982
Goods and services	-	-	-	-	-	-	-	429	429
Total	-	-	-	-	-	-	-	1,411	1,411

6.4 OFFICE OF THE CHIEF DIRECTOR									
2022/23								2021/22	
	Adjust ed Appro priatio n	Shifting of Funds	Virement	Final Appropri ation	Actual Expen diture	Variance	Expen diture as % of final appropri ation	Final Appropri ation	Actual expen diture
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	8,066	368	10	8,444	8,444	-	100%	7,086	7,049
Compensation of employees	1,823	202	-	2,025	2,025	-	100%	1,839	1,818
Goods and services	6,243	166	10	6,419	6,419	-	100%	5,247	5,231
Payments for capital assets	345	-	28	373	373	-	100%	577	532
Machinery and equipment	345	-	28	373	373	-	100%	577	532
Total	8,411	368	38	8,817	8,817	-	100%	7,663	7,581

NOTES TO THE APPROPRIATION STATEMENT

For the year ended the 31 March 2023

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration				
Goods and Services	19,890	17,768	122	0.61%
Payments for Capital Assets	3,042	2,816	226	7.43%

Goods were received prior to year-end, but payment could not be effect since the closure of the BAS system. These commitments were active on LOGIS as at 31 March 2023 which obligates the DEDaT to process the payment. A roll-over request was submitted to Provincial Treasury for the unspent funds amounting to R 121 000. Orders amounting to R 226 000 was issued to several service providers. These Capital Goods were received prior to year-end, but payment could not be effect since the closure of the BAS system. These commitments were active on LOGIS as at 31 March 2023 which obligates the DEDaT to process the payment. A roll-over request was submitted to Provincial Treasury for the unspent funds amounting to R 226 000.

Integrated Economic Development Services

Goods and Services	9,163	8,791	372	4.06%
Transfers and Subsidies	25,245	23,907	1,338	5.30%

An underspending, amounting to R372 000 was realised on Goods and Services, These funds will be surrender to Provincial Treasury. An under spending, amounting to R1 338 000 was realised on Transfers & Subsidies Integrated Economic Development Services. These funds are to assist Kidja to have financial systems in place and to assist NCEDA with commitments. A roll-over request was submitted to Provincial Treasury for the unspent funds amounting to R1 338 000.

Trade and Sector Development

Transfers and Subsidies	73,476	61,493	11,983	16.31%
Payments for Capital Assets	205	109	96	46.83%

NOTES TO THE APPROPRIATION STATEMENT

For the year ended the 31 March 2023

An under spending, amounting to R11 983 000 was realised on Trade and Sector Development. These funds is to assist NCEDA with commitments on projects and new office accommodation. A roll-over request was submitted to Provincial Treasury for the unspent funds amounting to R11 983 000. An underspending, amounting to R96 000 was realised on Payments for Capital Assets. These funds will be surrender to Provincial Treasury.

Economic Planning

Payments for Capital Assets	783	153	630	80.46%
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An underspending, amounting to R630 000 was realised on Payments for Capital Assets. These funds will be surrender to Provincial Treasury.

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	103,251	103,251	-	0%
Goods and services	75,093	74,599	494	0.65%
Transfers and subsidies				
Provinces and municipalities	2,158	2,158	-	0.0%
Departmental agencies and accounts	158,299	144,978	13,321	8.42%
Households	1,137	1,137	-	0.0%
Payments for capital assets				
Machinery and equipment	5,074	3,985	1,089	21.45%
Machinery and equipment	32	32	-	0.0%

An under spending, amounting to R492 000 was realised on Goods & Services. Orders amounting to R121 000 were issued to several service providers. Goods were received prior to year-end, but payment could not be effect since the closure of the BAS system. These commitments were active on LOGIS as at 31 March 2023 which obligates the DEDaT to process the payment. A roll-over request was submitted to Provincial Treasury for the unspent funds amounting to R 121 000. An under spending, amounting to R13 322 000 was realised on Transfers & Subsidies in Trade and Sector Development and Integrated Economic Development Services. A roll-over request was submitted to Provincial Treasury for the unspent funds amounting to R13 322 000.

An under spending, amounting to R 1 090 000 was realised on Payments for Capital Assets. Orders amounting to R 226 000 was issued to several service providers. These Capital Goods were received prior to year-end, but payment could not be effect since the closure of the BAS system. These commitments were active on LOGIS as at 31 March 2023 which obligates the DEDaT to process the payment. A roll-over request was submitted to Provincial Treasury for the unspent funds amounting to R 226 000.

NOTES TO THE APPROPRIATION STATEMENT

For the year ended the 31 March 2023

4.3	Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
		R'000	R'000	R'000	R'000
	Expanded Public Works Programme Integrated Grant for Provinces-Economic Development and Tourism	1,900	1,900	-	0.0%

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
STATEMENT OF THE FINANCIAL PERFORMANCE
For the year ended the 31 March 2023

	<i>Note</i>	2022/23 R'000	2021/22 R'000
REVENUE			
Annual appropriation	<u>1</u>	345,044	333,506
Departmental revenue	<u>2</u>	-	2,236
TOTAL REVENUE		345,044	335,742
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>3</u>	103,249	101,002
Goods and services	<u>4</u>	74,771	70,599
Total current expenditure		178,020	171,601
Transfers and subsidies			
Transfers and subsidies	<u>5</u>	148,273	154,546
Total transfers and subsidies		148,273	154,546
Expenditure for capital assets			
Tangible assets	<u>6</u>	3,806	2,346
Intangible assets		32	-
Total expenditure for capital assets		3,838	2,346
TOTAL EXPENDITURE		330,131	328,493
SURPLUS/(DEFICIT) FOR THE YEAR		14,913	7,249
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		14,913	5,013
Annual appropriation		14,913	5,013
Departmental revenue and NRF Receipts	<u>2</u>	-	2,236
SURPLUS/(DEFICIT) FOR THE YEAR		14,913	7,249

STATEMENT OF FINANCIAL POSITION

For the year ended the 31 March 2023

	<i>Note</i>	2022/23 R'000	2021/22 R'000
ASSETS			
Current assets		60,926	59,185
Cash and cash equivalents	<u>7</u>	20,725	10,454
Prepayments and advances	<u>8</u>	160	134
Receivables	<u>9</u>	40,041	41,597
Non-current assets		6,852	6,852
Prepayments and advances		56	56
Receivables	<u>9</u>	6,796	6,796
TOTAL ASSETS		67,778	59,037
Current liabilities		21,862	11,635
Voted funds to be surrendered to the Revenue Fund	<u>10</u>	19,479	9,579
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>11</u>	2,214	1,921
Payables	<u>12</u>	169	135
TOTAL LIABILITIES		21,862	11,635
NET ASSETS		45,916	47,402
Represented by:			
Recoverable revenue		45,916	47,402
TOTAL		45,916	47,402

STATEMENT OF CHANGES IN NET ASSETS

For the year ended the 31 March 2023

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Recoverable revenue			
Opening balance		47,402	54,096
Transfers:		(1,486)	(6,694)
Debts revised		(1,486)	(6,694)
Closing balance		45,916	47,402
TOTAL		45,916	47,402

CASH FLOW STATEMENT

For the year ended the 31 March 2023

	<i>Note</i>	2022/23 R'000	2021/22 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		373,406	358,014
Annual appropriated funds received	<u>1.1</u>	345,044	333,506
Departmental revenue received	<u>2</u>	28,362	24,508
Net (increase)/decrease in working capital		1,564	(2,877)
Surrendered to Revenue Fund		(33,082)	(27,369)
Current payments		(178,020)	(171,601)
Transfers and subsidies paid		(148,273)	(154,546)
Net cash flow available from operating activities		15,595	1,621
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>6</u>	(3,838)	(2,346)
Net cash flows from investing activities		(3,838)	(2,346)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(1,486)	3,484
Net cash flows from financing activities		(1,486)	3,484
Net increase/(decrease) in cash and cash equivalents		10,271	2,759
Cash and cash equivalents at beginning of period		10,454	7,695
Cash and cash equivalents at end of period	<u>7</u>	20,725	10,454

PART A: ACCOUNTING POLICIES

<p>Summary of significant accounting policies</p> <p>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.</p> <p>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.</p> <p>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.</p>	
1	<p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	<p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p>
3	<p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
4	<p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p>Foreign currency translation</p> <p>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.</p>
6	<p>Comparative information</p>
6.1	<p>Prior period comparative information</p> <p>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.</p>
6.2	<p>Current year comparison with budget</p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
7	<p>Revenue</p>
7.1	<p>Appropriated funds</p> <p>Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p>

	<p>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.</p> <p>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.</p>
7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy.</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
8.4	Leases
8.4.1	Operating leases

	<p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	<p>Aid Assistance</p>
9.1	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
9.2	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p><Indicate when prepayments and advances are expensed and under what circumstances.></p>
12	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>

13	Investments Investments are recognised in the statement of financial position at cost.
14	Financial assets
14.1	Financial assets (not covered elsewhere) 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. 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.
14.2	Impairment of financial assets 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.
15	Payables Payables recognised in the statement of financial position are recognised at cost.
16	Capital Assets
16.1	Immovable capital assets 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. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
16.2	Movable capital assets 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. 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. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

16.3	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	<p>Project Costs: Work-in-progress</p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
17	Provisions and Contingents
17.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>

17.4	Capital commitments Capital commitments are recorded at cost in the notes to the financial statements.
18	Unauthorised expenditure Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: <ul style="list-style-type: none"> • Approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • Approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • Transferred to receivables for recovery. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
19	Fruitless and wasteful expenditure 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. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off. 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.
20	Irregular expenditure Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off. 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.
21	Changes in accounting estimates and errors Changes in accounting estimates are applied prospectively in accordance with MCS requirements. 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.
22	Events after the reporting date 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.

23	<p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
24	<p>Departures from the MCS requirements</p> <p>Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.</p>
25	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
26	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
27	<p>Related party transactions</p> <p>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The full compensation of key management personnel is recorded in the notes to the financial statements.</p>
28	<p>Inventories</p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>

29	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
30	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>
31	<p>Transfer of functions</p> <p>Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.</p> <p>Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.</p>
32	<p>Mergers</p> <p>Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.</p> <p>Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.</p>

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended the 31 March 2023

1. Annual Appropriation

1.1 Annual Appropriation

	Final Appropriation	2022/23 Actual Funds Received	Funds not requested/not received	Final Appropriation	2021/22 Appropriation received	Funds not requested/not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	72,489	72,489	-	63,891	63,891	-
Integrated Economic Development Services	57,237	57,237	-	58,866	58,866	-
Trade and Sector Development	82,110	82,110	-	65,453	65,453	-
Business Regulation and Governance	43,887	43,887	-	44,594	44,594	-
Economic Planning	20,127	20,127	-	22,501	22,501	-
Tourism	69,194	69,194	-	78,201	78,201	-
Total	345,044	345,044	-	333,506	333,506	-

The Department received 100% of the appropriated funds for the 2022/2023 financial year from the Northern Cape Provincial Treasury

1.2 Conditional Grants

	Note	2022/23 R'000	2021/2022 R'000
Total grants received	28	1,900	1,960

Conditional grants were used for the intended purpose in EPWP projects. Total grants were received from the Department of Public works and Infrastructure.

2. Departmental Revenue

	Note	2022/23 R'000	2021/22 R'000
Tax revenue		27,972	23,733
Sales of goods and services other than capital assets	2.1	172	115
Fines, penalties and forfeits	2.2	177	175
Transactions in financial assets and liabilities	2.3	41	485
Total revenue collected		28,362	24,508
Less: Own revenue included in appropriation	13	28,362	22,272
Departmental revenue collected		-	2,236

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended the 31 March 2023

2.1 Sales of Goods and Services other than Capital Assets

	<i>Note</i>	2022/23	2021/2022
	2	R'000	R'000
Sales of goods and services produced by the department		172	115
Sales by market establishment		110	56
Administrative fees		1	-
Other sales		61	59
Total		172	115

The increase in sales by market establishment is due to rent collected at KIDJA from leasing out of office accommodation.

2.2 Fines, Penalties and Forfeits

	<i>Note</i>	2022/23	2021/22
	2	R'000	R'000
Fines		12	6
Penalties		165	169
Total		177	175

Fines paid during the year under review were as a result of business transgressors and penalties paid are due the license holders paying for the annual liquor late.

2.3 Transactions in Financial Assets and Liabilities

	<i>Note</i>	2022/23	2021/22
	2	R'000	R'000
Other Receipts including Recoverable Revenue		41	485
Total		41	485

3. Compensation of Employees

3.1 Salaries and Wages

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Basic salary		69,419	67,756
Performance award		-	-
Service Based		65	65
Compensative/circumstantial		918	835
Periodic payments		313	417
Other non-pensionable allowances		19,001	18,717
Total		89,716	87,790

3.2 Social Contributions

	Note	2022/23 R'000	2021/22 R'000
Employer contributions			
Pension		8,820	8,610
Medical		4,697	4,585
Bargaining council		16	17
Total		<u><u>13,533</u></u>	<u><u>13,212</u></u>
 Total Compensation of Employees		 <u><u>103,249</u></u>	 <u><u>101,002</u></u>
Average number of employees		<u><u>143</u></u>	<u><u>161</u></u>

Increase in basic salary is due to the cost of living adjustment implemented for officials as well as new appointments.

4. Goods and Services

	Note	2022/23 R'000	2021/22 R'000
Administrative fees		1,383	518
Advertising		1,272	1,788
Minor assets	4.1	660	142
Bursaries (employees)		628	673
Catering		1,780	607
Communication		1,499	1,734
Computer services	4.2	1,314	1,096
Consultants: Business and advisory services		6,246	3,159
Legal services		28	204
Contractors		11,478	20,169
Agency and support / outsourced services		15	18
Audit cost – external	4.3	3,653	3,178
Fleet services		1,300	671
Consumables	4.4	1,793	1,287
Operating leases		11,883	11,685
Property payments	4.5	16,278	15,892
Rental and hiring		25	189
Travel and subsistence	4.6	9,620	5,828
Venues and facilities		1,552	479
Training and development		1,816	886
Other operating expenditure	4.7	548	396
Total		<u><u>74,771</u></u>	<u><u>70,599</u></u>

The increase is due to the relaxation of covid-19 restrictions and can be specifically seen in the following items: travel and subsistence, catering, training and development as well travel and subsistence. Furthermore, included in the total amount of goods and services is the amount on COVID-19 expenditure of R 6,300.00

4.1 Minor Assets

	Note 4	2022/23 R'000	2021/22 R'000
Tangible Assets		544	61
Machinery and equipment		544	61
Intangible Assets		116	81
Software		116	81
Total		660	142

The increase is due to the procurement of IT equipment as well as office furniture.

4.2 Computer Services

	Note 4	2022/23 R'000	2021/22 R'000
SITA computer services		1,096	1,096
External computer service providers		218	-
Total		1,314	1,096

4.3 Audit Cost – External

	Note 4	2022/23 R'000	2021/22 R'000
Regularity audits		3,653	3,178
Total		3,653	3,178

4.4 Consumables

	Note 4	2022/23 R'000	2021/22 R'000
Consumable supplies		953	616
Uniform and clothing		2	37
IT consumables		310	229
Other consumables		641	350
Stationery, printing and office supplies		840	671
Total		1,793	1,287

Included in the total amount on the line item for other Consumables is the refreshments and groceries procured for Chief Directors.

4.5 Property Payments

	<i>Note</i> 4	2022/23 R'000	2021/22 R'000
Municipal services		3,972	4,018
Property maintenance and repairs		-	838
Other		12,306	11,036
Total		16,278	15,892

Included under the line-item, OTHER is the total cost for security services, Cleaning as well as gardening services expenditure incurred during the financial year.

4.6 Travel and Subsistence

	<i>Note</i> 4	2022/23 R'000	2021/22 R'000
Local		8,312	5,133
Foreign		1,308	695
Total		9,620	5,828

The increase on the total amount is due to the easing of Covid -19 restrictions as officials were able to travel to different regions.

4.7 Other Operating Expenditure

	<i>Note</i> 4	2022/23 R'000	2021/22 R'000
Other		548	396
Total		548	396

5. Transfers and Subsidies

		2022/23 R'000	2021/22 R'000
Provinces and municipalities	<i>Note</i> 28, 29	2,158	2,460
Departmental agencies and accounts	<i>Annexure 1B</i>	138,193	143,007
Higher education institutions	<i>Annexure 1C</i>	500	500
Public corporations and private enterprises	<i>Annexure 1D</i>	6,285	7,816
Households	<i>Annexure 1G</i>	1,137	763
Total		148,273	154,546

The decrease is due to the surrendering of R5,6 million of the blended fund to Provincial Treasury during the budget adjustment process.

6. Expenditure for Capital Assets

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Tangible Assets		3,806	2,346
Buildings and other fixed structures	26	-	483
Machinery and equipment	24	3,806	1,863
Intangible Assets		32	-
Software	25	32	-
Total		3,838	2,346

The increase in machinery and equipment is due to procurement of office furniture as well as computer equipment for the year under review.

6.1 Analysis of funds utilised to acquire capital assets – 2022/23

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	3,806	-	3,806
Machinery and equipment	3,806	-	3,806
Intangible assets	32	-	32
Software	32	-	32
Total	3,838	-	3,838

6.2 Analysis of funds utilised to acquire capital assets – 2021/22

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible Assets	2,346	-	2,346
Buildings and other fixed structures	483	-	483
Machinery and equipment	1,863	-	1,863
Total	2,346	-	2,346

6.3 Finance Lease Expenditure included in Expenditure for Capital Assets

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Tangible Assets			
Machinery and equipment		1,190	986
Total		1,190	986

7. Cash and Cash Equivalents

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General Account		20,721	10,452
Cash on hand		<u>4</u>	<u>2</u>
Total		<u>20,725</u>	<u>10,454</u>

8. Prepayments and Advances

	<i>Note</i>	<i>Note</i>	2022/23 R'000	2021/22 R'000
Travel and subsistence			56	39
Prepayments (Not expensed)		8.2	104	95
Advances paid (Not expensed)		8.1	<u>56</u>	<u>56</u>
Total			<u>216</u>	<u>190</u>

Analysis of Total Prepayments and Advances

Current prepayments and advances		160	134
Non-current prepayments and advances	8.1	<u>56</u>	<u>56</u>
Total		<u>216</u>	<u>190</u>

Prepayments (not expensed) amounting to R95 000 were made as a refundable deposit on commencement of the lease and R56 000 relates to municipal services. Furthermore, the balance on Travel and Subsistence is less than 30 days and will be cleared in April 2023. (see Annexure 8A)

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8.1 Advances Paid (Not Expensed)

	Note	Balance as at 1 April 2022	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2023
		R'000	R'000	R'000	R'000	R'000
Other entities	8	56	-	-	-	56
Total		56	-	-	-	56

	Note	Balance as at 1 April 2021	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2022
		R'000	R'000	R'000	R'000	R'000
Other entities	8	56	-	-	-	56
Total		56	-	-	-	56

8.2 Prepayments (Not Expensed)

	Note	Balance as at 1 April 2022	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2023
		R'000	R'000	R'000	R'000	R'000
Goods and services	8	95	-	-	9	104
Total		95	-	-	9	104

	Note	Balance as at 1 April 2021	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2022
		R'000	R'000	R'000	R'000	R'000
Goods and services	8	95	-	-	-	95
Capital assets		483	(483)	-	-	-
Total		578	(483)	-	-	95

9. Receivables

		2022/23			2021/22		
	Note	Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	9.1		6,796	6,796	-	6,796	6,796
Staff Debt	9.2	-	-	-	2	-	2
Other receivables	9.3	40,041	-	40,041	41,595	-	41,595
Total		40,041	6,796	46,837	41,597	6,796	48,393

The restatement on receivables is due to the recalculation on transfer made to the SMME'S (EGDF and TGDF) for determining whether funds were used for its intended purpose.

9.1 Claims Recoverable

	Note	2022/23	2021/22
		R'000	R'000
Private enterprises	9	6,796	6,796
Total		6,796	6,796

The amount of R 6, 796 million was impaired due to the irrecoverable amount from a company that went under liquidation. The amount is also included in the closing balance of R19 857 million of the total impairment amount.

9.2 Staff debt

	Note	2022/23	2021/22
		R'000	R'000
Debt Account	9	-	2
Total		-	2

9.3 Other Receivables

	Note	2022/23	2021/22
		R'000	R'000
SAL: Reversal Control		65	65
SAL: Tax Debt		13	23
SAL: Income Tax		10	10
SAL: Insurance Deductions		2	2
Disallowance with a debit balance		831	889
DEBTS – Transfer payments to SMMEs		39,120	40,606
Total		40,041	41,595

9.4 Impairment of Receivables

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Estimate of impairment of receivables		19,857	21,497
Total		19,857	21,497

Included in the total impairment balance of R 19, 857 million is the irrecoverable amount from SMME's of R 13, 061 million and the non-current receivable that was classified as being highly irrecoverable due to the company being under liquidation to the amount of R 6. 796 million.

The methodology that was used for the impairment of the SMME's balance is the assumption that all SMME's could not be classified under the same risk profile. They were classified as either high risk or medium to low risk.

10. Voted Funds to be Surrendered to the Revenue Fund

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Opening balance		9,579	7,626
As restated		9,579	7,626
Transfer from statement of financial performance (as restated)		14,913	5,013
Paid during the year		(5,013)	(3,060)
Closing balance		19,479	9,579

10.1 Reconciliation of Unspent Conditional Grants

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Total conditional grants received		1,900	1,960
Total conditional grants spent		(1,900)	(1,960)
Due by the Provincial Revenue Fund		-	-

11. Departmental Revenue and NRF Receipts to be Surrendered to the Revenue Fund

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Opening balance		1,921	1,722
As restated		1,921	1,722
Transfer from Statement of Financial Performance (as restated)		-	2,236
Own revenue included in appropriation		28,362	22,272
Paid during the year		(28,069)	(24,309)
Closing balance		2,214	1,921

The closing balance of departmental revenue and NRF receipts to be surrendered to the revenue funds amounting to R 2, 214 million will be paid over to Provincial Treasury after the year end book closure

12. Payables – Current

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Clearing Accounts	12.1	167	131
Other payables	12.2	2	4
Total		169	135

The increase is due to the Government Employee Housing scheme (GEHS) that is payable to the Departmental Official after withdrawal was made on PERSAL

12.1 Clearing Accounts

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
SAL: GEHS Refund Control Acc	12	167	131
Total		167	131

12.2 Other Payables

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Disallowance Miscellaneous -Liquor License		2	4
Penalty Fees		2	4
Total		2	4

13. Net Cash Flow Available from Operating Activities

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		14,913	7,249
Add back non cash/cash movements not deemed operating activities		682	(5,628)
(Increase)/decrease in receivables		1,556	3,446
(Increase)/decrease in prepayments and advances		(26)	445
Increase/(decrease) in payables – current		34	124
Expenditure on capital assets		3,838	2,346
Surrenders to Revenue Fund		(33,082)	(27,369)
Own revenue included in appropriation		28,362	22,272
Net cash flow generated by operating activities		<u>15,595</u>	<u>1,621</u>

14. Reconciliation of Cash and Cash Equivalents for Cash Flow Purposes

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Consolidated Paymaster General account		20,721	10,452
Cash on hand		4	2
Total		<u>20,725</u>	<u>10,454</u>

15. Contingent Liabilities and Contingent Assets

15.1 Contingent Liabilities

	Note	2022/23 R'000	2021/22 R'000
Liable to			
Nature			
Claims against the department	Annex 3B	568	568
Intergovernmental payables		195	-
Total		763	568

Included in the claims against the department is Fleet Damages repairs of R53 000 and R15 000 for Pemberley Investment of which the case is still at court. Furthermore, the R500 000 disclosed relate to the litigation by employees who took the department to the labour court. The amounts disclosed for intergovernmental payables are due to Provincial Treasury and Premiers Office.

16. Capital Commitments

	Note	2022/23 R'000	2021/22 R'000
Machinery and equipment		369	681
Total		369	681

The decrease is due to bulk procurement for office furniture and computer equipment during the year.

17. Accruals and Payables not Recognised

17.1 Accruals

			2022/23 R'000	2021/22 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	1,421	98	1,519	2,671
Capital assets	258	-	258	85
Total	1,679	98	1,777	2,756

	Note	2022/23 R'000	2021/22 R'000
Listed by programme level			
Administration		737	632
Integrated Economic Development Services		437	377
Trade and Sector Development		164	716
Business Regulation and Governance		73	77
Economic Planning		109	444
Tourism		257	510
Total		1,777	2,756

17.2 Payables not Recognised

			2022/23 R'000	2021/22 R'000
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	291	-	291	172
Total	291	-	291	172

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Listed by programme level			
Administration		291	17
Integrated Economic Development Services		-	28
Trade and Sector Development		-	88
Economic Planning		-	10
Tourism		-	29
Total		291	172

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	<i>Annex 5</i>	-	38
Total		-	38

18. Employee Benefits

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Leave entitlement		4,714	5,027
Service bonus		2,701	2,726
Performance awards		-	-
Capped leave		1,263	1,317
Other		-	11
Total		8,678	9,081

Included in the leave entitlement is the negative amount of R161, 537 for leave owed to the Department. Furthermore, the amount for performance rewards is set out as 0% for the financial year 2022/2023.

19. Lease commitments

19.1 Operating Leases

2022/23	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	11,619	-	11,619
Later than 1 year and not later than 5 years	-	-	54,538	-	54,538
Later than five years	-	-	30,878	-	30,878
Total lease commitments	-	-	97,035	-	97,035

2021/22	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	10,910	-	10,910
Later than 1 year and not later than 5 years	-	-	51,209	-	51,209
Later than five years	-	-	45,826	-	45,826
Total lease commitments	-	-	107,945	-	107,945

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

Company	Location	End date of contract
Ocean Echo Properties	Khaya La Bantu	31 August 2030
Columbia Falls Properties	Metlife Towers	30 November 2029

19.2 Finance leases **

	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2022/23					
Not later than 1 year	-	-	-	919	919
Later than 1 year and not later than 5 years	-	-	-	1,194	1,194
Total lease commitments	-	-	-	2,113	2,113

	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2021/22					
Not later than 1 year	-	-	-	944	944
Later than 1 year and not later than 5 years	-	-	-	1,076	1,076
Total lease commitments	-	-	-	2,020	2,020

The Finance Leases has increased due to the fact that we had eight (8) new copiers as at 31 March 2023. Fleet Services has decreased.

20. Unauthorised, Irregular and Fruitless and Wasteful Expenditure

	Note	2022/23 R'000	2021/22 R'000
Unauthorised expenditure		-	-
Irregular expenditure		110	4.394
Fruitless and wasteful expenditure		25	4
Total		135	4,398

Fruitless and wasteful expenditure incurred relates to no shows for accommodation and flights and Irregular expenditure relates to the non-compliance with SCM prescripts. No unauthorised expenditure was incurred for the year under review.

21. Related Party Transactions

Payments made	<i>Note</i>	2022/23 R'000	2021/22 R'000
Goods and services		769	348
Expenditure for capital assets		133	126
Total		902	474

The department has an administrative role over the following public entities of the department, to whom funds are transferred to via transfer payments as disclosed in Note 9 and Annexure 1B a) Northern Cape Tourism Agency, b) NCEDA, c) NCGB d) NCLB. The department pays the contract of car rental of NCLB and NCLG on their behalf for the period under review. 2) The department serves as trustee on the Board of Trustees of Frances Baard SMME to whom funds were transferred via transfer payments, 3) The department serves as a trustee on the Board of Trustees of KIDJA and during the financial year under review 4) The department serves as trustee on the board of Trustees of Kimberley International Diamond and Jewellery Academy. 5) Northern Cape Provincial Treasury - Executive authority provides political and strategic direction to the Northern Cape Provincial Treasury; thus the Provincial Treasury and Economic Development are regarded as related parties. 6) The note on key management personnel also falls under the chapter 15 of the MCS related party disclosures (refer to note 34) for details.

22. Key Management Personnel

	2022/23 R'000	2021/22 R'000
Political office bearers (provide detail below)		
Officials:		
Level 15	1,796	2,498
Level 14 (incl CFO if at lower level)	11,371	9,583
Total	13,140	12,081

The level 15 is the Head of Department. Three (3) Directors who are on level 13 acted in the positions of Chief Directors at level 14. The above-mentioned officials had the authority and responsibility for planning, directing and controlling the activities of the department.

23. Provisions

	Note	2022/23	2021/22
Urban Econ Development Economists		-	-
Total		<u>-</u>	<u>-</u>

The provision for Urban Econ Development Economists was settled during November 2021 after settlement was reached with the service provider.

23.1.1 Reconciliation of Movement in Provisions – 2022/23

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	-	-	-	-
Closing balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

23.1.2 Reconciliation of Movement in Provisions – 2021/22

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	309	-	-	309
Settlement of provision	(150)	-	-	(150)
Unused amount reversed	(159)	-	-	(159)
Closing balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

24. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	17,242	-	2,616	3,063	16,795
Computer equipment	7,018	-	1,215	1,887	6,346
Furniture and office equipment	5,545	-	707	954	5,298
Other machinery and equipment	4,679	-	694	222	5,151
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	<u>17,242</u>	<u>-</u>	<u>2,616</u>	<u>3,063</u>	<u>16,795</u>

The Department procured new furniture and bulk IT equipment were procured. The Department disposed by means of donation during the period under review. Missing items were written-off.

Movable Tangible Capital Assets under investigation

	Number	Value
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	89	1,408

The items under investigation refers to items which were not successfully verified during the full asset count. A investigation process will be followed to trace these items.

24.1.1 Movement for 2021/22

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	16,232	220	878	88	17,242
Computer equipment	6,481	136	427	26	7,018
Furniture and office equipment	5,460	84	63	62	5,545
Other machinery and equipment	4,291	-	388	-	4,679
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	16,232	220	878	88	17,242

24.1.2 Prior Period Error

	Note	2020/21 R'000
Relating to 2021/22		220
Relating to 2021/22 for computer equipment		136
Relating to 2021/22 for Furniture and office Equipment		84
Total		220

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24.2 Minor Assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2023

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	2,077	-	3,955	-	6,032
Additions	-	116	-	544	-	660
Disposals	-	19	-	486	-	505
TOTAL MINOR ASSETS	-	2,174	-	4,013	-	6,187

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Number of minor assets at cost	-	454	-	2,875	-	3,329
TOTAL NUMBER OF MINOR ASSETS	-	454	-	2,875	-	3,329

Minor Capital Assets Under Investigation

	Number	Value
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	58	79

The department conducted a full asset count. Missing items were identified during the count. The department is currently moving floors during the renovation of the Metlife Towers Building. The department is currently investigating to trace these missing items.

Minor Assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2022

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	1,993	-	3,945	-	5,938
Additions	-	84	-	62	-	146
Disposals	-	-	-	52	-	52

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TOTAL MINOR ASSETS	-	2,077	-	3,955	-	6,032
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
NUMBER OF MINOR ASSETS	-	430	-	3,001	-	3,431
TOTAL					-	
NUMBER OF MINOR ASSETS	-	430	-	3,001	-	3,431

24.2.1 Prior Period Error

	<i>Note</i>	2021/22
Relating to 2021/22		4
Relating to 2021/22 for intangible assets		3
Relating to 2021/22 for machinery and equipment		1
Total		4

24.3 Movable Assets Written-Off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2023

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	23	-	3,173	-	3,196
TOTAL MOVABLE ASSETS WRITTEN OFF	-	23	-	3,173	-	3,196

25. INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
SOFTWARE	504	32	-	536
SERVICES AND OPERATING RIGHTS	51	-	-	51
TOTAL INTANGIBLE CAPITAL ASSETS	555	32	-	587

25.1.1 Movement for 2021/22

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	504	-	-	-	504
SERVICES AND OPERATING RIGHTS	51	-	-	-	51
TOTAL INTANGIBLE CAPITAL ASSETS	555	-	-	-	555

26. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	4,778	-	-	4,778
Other fixed structures	4,778	-	-	4,778
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	4,778	-	-	4,778

26.1.1 Movement for 2021/22

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	9,594	-	483	5,299	4,778
Other fixed structures	9,594	-	483	5,299	4,778
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	9,594	-	483	5,299	4,778

27. Prior Period Errors

Correction of Prior Period Errors

<i>Note</i>	Amount bef error correction	2020/21 Prior period error	Restated Amount
	R'000	R'000	R'000
Expenditure: Compensation of Employees, Goods and Services and Tangible assets			
Goods and services			
Minor assets –			
Intangible Assets	81	3	84
Machinery and equipment	61	1	62
Expenditure for Capital Assets			
Computer Equipment	6,882	136	7,018
Furniture and office equipment	5,461	84	5,545
Net effect	12,485	224	12,709

The restatement is due to the assets that were previously written off but which was recovered during the year under review whilst verifications were performed.

<i>Note</i>	Amount bef error correction	Prior period error	Restated Amount
	R'000	R'000	R'000
Assets: Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets			
Prepayments and advances			
Prepayments (not expensed)	-	95	95
Advances paid (not expensed)	151	(95)	56
Receivables-transfer to SMME's	45,695	(5,089)	40,606
Impairment – Transfer to SMME's	17,066	(2,365)	14,701
Net effect	62,912	(7,454)	55,458

The restatement on receivables due to the recalculation on transfers and subsidies made to SMME's (EGDF and TGDF) as well invoices submitted by the SMME's to clear the debt.

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	Amount bef error correction	Prior period error	Restated Amount
	R'000	R'000	R'000
Liabilities: Payables Current			
Other payables	135	(131)	4
Clearing account	-	131	131
Net effect	135	-	135

The restatement is due to the assets that were previously written off but which was recovered in the year under review.

Other: Accruals

Accruals and payables not recognised

Payables not recognised	172	38	210
Included in the above totals are the following:			
Confirmed balances with other departments	237	(199)	38
Net effect	409	(161)	248

28 STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2021/22	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjust - ments	Other Adjust - ments	Total Availa ble	Amount receive d by depart- ment	Amount spent by depart- ment	Under / (Over spend ing)	% of availabl e funds spent by depart- ment	Divisi on of Reven ue Act	Amount spent by departme nt
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000

Expanded

Public

Works

Programm

e

TOTAL

1,900	-	-	-	1,900	1,900	1,900	-	100.0%	1,960	1,960
1,900	-	-	-	1,900	1,900	1,900	-	100.0%	1,960	1,960

Conditional grants were used for EPWP projects as well as Tourism projects as disclosed in note 5 and Annexure 1A

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
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29 STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

	2022/23							2021/22	
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Richtersveld Municipality	-	-	258	258	258	-	-	-	-
Sol Plaatje Municipality	900	-	-	900	900	-	-	510	510
Namakwa District Municipality	1,000	-	-	1,000	1,000	-	-	450	450
Pixley ka Seme District Municipality	-	-	-	-	-	-	-	1,000	1,000
DAWID KRUIPER MUNICIPALITY	-	-	-	-	-	-	-	500	500
TOTAL	1,900	-	258	2,158	2,158	-	-	2,460	2,460

Transfers to Municipalities were used for Conditional grants for EPWP projects as well as Tourism projects as disclosed in note 29 and Annexure 1A

30 Broad Based Black Economic Empowerment Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

31 COVID 19 Response Expenditure

	<i>Note</i>	2022/23	2021/22
	<i>Annexure</i>	R'000	R'000
	<i>11</i>		
Goods and services		6	73
Total		6	73

The expenditure incurred was relating to the procurement of PPE materials during the pandemic of Covid-19.

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
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ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2021/22	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent 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
Richtersveld Municipality	-	-	258	258	258	-	-	258	258	-	100.0%	-	-
Sol Plaatje Municipality	900	-	-	900	900	-	-	900	900	-	100.0%	510	510
Namakwa District municipality	1,000	-	-	1,000	1,000	-	-	1,000	1,000	-	100.0%	450	450
Pixley Ka Seme District municipality	-	-	-	-	-	-	-	-	-	-	100.0%	1,000	1,000
Dawid Kruiper Municipality	-	-	-	-	-	-	-	-	-	-	100.0%	500	500
TOTAL	1,900	-	258	2,158	2,158	-	-	2,158	2,158	-		2,460	2,460

Transfers to Municipalities were used for Conditional grants for EPWP projects as well as Tourism projects as disclosed in note 5 as well as note 28 and 29

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
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ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2021/22
	Adjusted Appropriatio n	Roll Over s	Adjust ments	Total Availabl e	Actual Transfer	% of Available funds Transferred	Final Appropriatio n
	R'000	R'000	R'000	R'000	R'000	%	R'000
Northern Cape Gambling Board	17,245	-	-	17,245	17,245	100.0%	16,255
NCEDA	51,261	-	-	51,261	51,261	100.0%	50,083
Northern Cape Liquor Board	14,772	-	-	14,772	14,772	100.0%	13,932
NCTA tourism Promotion Dev	26,436	-	-	26,436	26,436	100.0%	25,152
Northern Cape SMME Trust	27,288	-	914	28,202	27,288	100.0%	8,694
Mc Gregor Museum	300	-	-	300	300	100.0%	166
Tourism Grading Council SA	-	-	-	-	-	100.0%	500
Roads and Public Works	650	-	-	650	650	100.0%	1,000
National Empowerment Fund Trust	-	-	-	-	-	-	27,225
SKA SA	241	-	-	241	241	100.0%	-
TOTAL	138,193	-	914	139,107	138,193		118,737

Transfer to public entities and other projects to departmental agencies.

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
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ANNEXURE 1C

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2021/22
	Adjusted Appropriatio n	Roll Overs	Adjust -ments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	Final Appropriatio n
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Sol Plaatje University	500	-	-	500	500	-	100%	500
TOTAL	500	-	-	500	500	-		500

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ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRI VATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2021/22
	Adjuste d Appro- piation Act	Roll Overs	Adjustm ents	Total Availabl e	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropria tion
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000

Private Enterprises

Transfers

Northern Cape		-							
Cricket NPC	-		-	-	-	-	-	-	1,000
Namakwa 4x4									
Exploration	-	-	-	-	-	-	-	-	150
Booker TC Enterprise	-	-	-	-	-	-	-	-	200
Oupa's at Oupa									
Tavern	-	-	-	-	-	-	-	-	160
Teemaneng Running									
Club	-	-	-	-	-	-	-	-	87
Kimberley Diamond									
and Jewellery									
Incubator	4,320	-	-	4.320	4,320	100.0%	-	-	3,000
SiGMA International	-	-	-	-	-	-	-	-	500
MOB Entertainment	-	-	-	-	-	-	-	-	230
Sol Plaatjie Local									
Football Association	-	-	-	-	-	-	-	-	810
Blue Diamond Lodge	-	-	-	-	-	-	-	-	90
DCVW Solutions PTY	-	-	-	-	-	-	-	-	100
Heavenly Dine									
General Trading CC	-	-	-	-	-	-	-	-	69
Ibhotwe Guest House	-	-	-	-	-	-	-	-	98
Maikemesetso					-				
Transport and Project	-	-	-	-	-	-	-	-	28
Meriting Guest House	-	-	-	-	-	-	-	-	97
Steinkorf Investment	-	-	-	-	-	-	-	-	97
Alexkor RMC JV	409	-	(409)	-	-	-	-	-	100
Northern Cape									
Entrepreneurship									
Academy	198	-	(198)	-	-	-	-	-	-
Tourism Routes	225	-	(225)	-	-	-	-	-	-
Galeshewe Activity									
Route SMME's	195	-	(194)	1	-	-	-	-	-
SKA Carnavon									
Exploratorium	200	-	(200)	-	-	-	-	-	-
SMME's									
							-	-	-

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
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CEO Consultancy	81	-	-	81	81	100.0%	-	-	-
Karoo Oasis Route	225	-	-	225	224	100.0%	-	-	-
Mmogo and Daughter			-						
Services	62	-	-	62	62	100.0%	-	-	-
Sisonke Performing									
Arts	43	-	-	43	43	1000%	-	-	-
SNE and BSUI									
Porterry	20	-	-	20	20	100.0%	-	-	-
Zenzeleni Networks	44	-	-	44	44	100.0%	-	-	-
	914	-	(914	-	-	-	-	-	-
MLAB Southern	956	-	-	956	956	100.0%	-	-	-
Africa									
ZIKMO Promotions	-	-	535	535	535	100.0%	-	-	-
Sub total	7,892	-	(1,605)	6,287	6,285	100.0%	-	-	6,816
TOTAL	7,892	-	(1,605)	6,287	6,285	100.0%	-	-	6,816

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
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ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2022/23
	Adjusted Appropriation Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
GEPP (Penalty)	-	-	877	877	877	100.0%	591
P Wildermans	-	-	-	-	-	-	8
O Molusi	-	-	-	-	-	-	24
K V Marumo	-	-	-	-	-	-	31
O Legae	-	-	-	-	-	-	98
NC Provincial Government	-	-	-	-	-	-	11
SS De Vos	35	-	-	35	35	100.0%	-
BS Morukhu	22	-	-	22	22	100.0%	-
F Links	103	-	-	103	103	100.0%	-
Yedwa Transport	-	-	63	63	63	100.0%	-
NN Nyembe	-	-	37	37	37	100.0%	-
TOTAL	160	-	977	1,137	1,137		763

Leave gratuity due to retirement and resignation of employees and a settlement agreement.

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ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

Nature of Liability	Opening Balance	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance
	1 April 2022				31 March 2023
	R'000				R'000
Claims against the department					
Northern cape fleet management	53	-	-	-	53
Pemberley Investment Limited	15	-	-	-	15
GXOTHA SN & OTHERS (Departmental Officials)	500	-	-		500
Subtotal	568	-	-	-	568
TOTAL	568	-	-	-	568

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
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ANNEXURE 4

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2022/23	
							Receipt date up to six (6) working days after year end	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022		Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000

Department

Free State:
Office of the
Premier

-	5	-	-	-	5	-	-
-	5	-	-	-	5	-	-
TOTAL	5	-	-	-	5	-	-

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
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ANNEXURE 5

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2022/23 *	
							Payment date up to six (6) working days before year end	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022		Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Northern cape	-	38	95	-	95			
provincial						38		
Treasury								
Office of the	-	-	100	-	100	-		
Premier	-	38	-	-	195	38		-
Sub total	-	38	195	-	195	38		-
TOTAL	-	38	195	-	195	38		-

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ANNEXURE 8A

INTER-ENTITY ADVANCES PAID (note 8)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000

OTHER INSTITUTIONS

Sol Plaatje (refundable deposit electricity)

Subtotal

TOTAL

56	56	-	-	56	56
56	56	-	-	56	56
56	56	-	-	56	56

ANNEXURE 11

COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2022/23					2021/22
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees						
Goods and services	-	6	-	-	6	73
List all applicable SCOA level 4 items						
Cons Hous Sup: Wash /Clean	-	6	-	-	6	43
Cons supp: Medical Supplies	-	-	-	-		30
TOTAL COVID 19 RESPONSE EXPENDITURE	-	6	-	-	6	73

The expenditure incurred was relating to the procurement of PPE materials during the pandemic of Covid-19.

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Metlife Towers, Corner of Stead and Knight Street
Private Bag X6108, KIMBERLY 8300
Tel: 053 839 4000 Fax: 053 831 3668
E-mail: tpalm@ncpg.gov.za
Website: <http://www.northern-cape.gov.za/dedat>