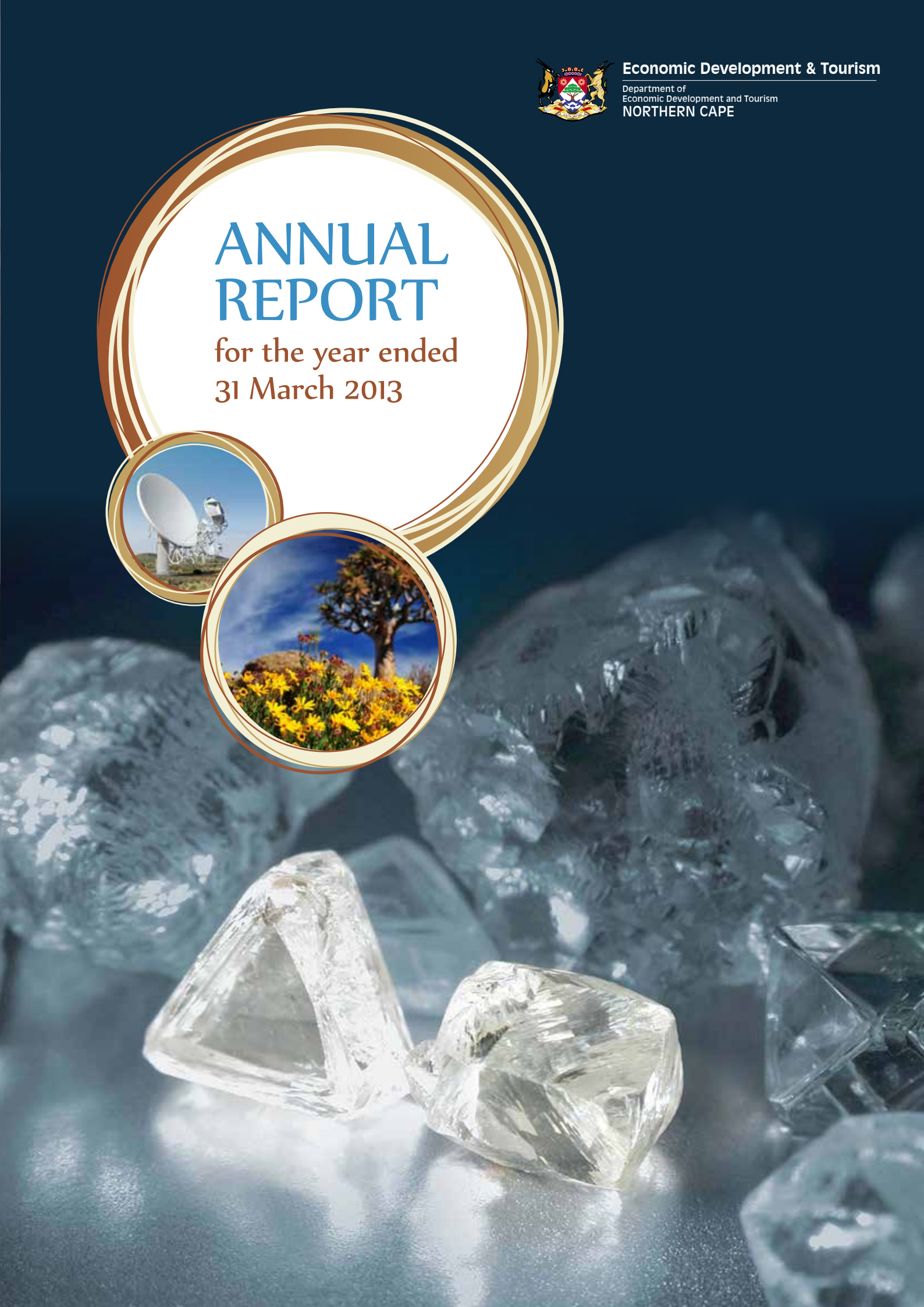




ANNUAL REPORT

for the year ended
31 March 2013





Mr. John Block, MPL
MEC for Finance, Economic
Development and Tourism



Mr. P.M. Seboko
Head of Department: Economic
Development and Tourism



Mr. K. Packirisamy
Chief Financial Officer



Adv. M. Phera
Chief Operations Officer



Mr. D. Christians
Executive Manager:
Integrated Economic
Development Services



Mr. S. Mabilo
Executive Manager:
Economic Planning



Mrs. L. Wyngaardt
Executive Manager:
Trade and Sector
Development



Mrs. D. Samson
Executive Manager:
Tourism

CONFIRMATION OF ACCURACY AND FAIR PRESENTATION OF THE FINANCIAL ANNUAL REPORT

I hereby acknowledge that the annual report of Department of Economic Development and Tourism has been submitted to the Auditor-General for auditing in terms section 40(1)(c) of the PFMA

I acknowledge my responsibility for the accuracy of the records and the fair presentation of the annual report and confirm, to the best of my knowledge and belief, the following:

Annual Financial statements

- ◆ the annual financial statements have been prepared in accordance with GRAP/ modified cash basis of accounting as prescribed in the National Treasury Framework and relevant guidelines specified / issued by the National Treasury.
- ◆ all amounts appearing on the annual report and information in the annual report are consistent with the financial statements submitted to the Auditor-General for audit purposes.

Performance Information

- ◆ the performance information fairly reflects the operations, the actual outputs against planned targets for performance indicators as per the strategic and annual performance plan of the department for the financial year ended 31 March 2013.
- ◆ has been reported on in accordance with the requirements of the guidelines on the annual report as issued by National Treasury.
- ◆ a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of performance information.

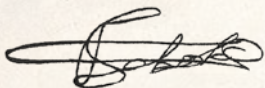
Human Resource Management

- ◆ the human resource information contained in the respective tables in Part D of the annual report, fairly reflects the information of the department for the financial year ended 31 March 2013.
- ◆ the human resource information is in accordance with the guidelines on the annual report as issued by National Treasury.

General

The annual report is complete and accurate and is free from any omissions.

Yours faithfully



Accounting Officer

Mr. P. Seboko

Date: 31 May 2013

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PART A:
GENERAL
INFORMATION



PART A: GENERAL INFORMATION

1.1 DEPARTMENT GENERAL INFORMATION

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8300

TELEPHONE NUMBER/S : 053 839 4000

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WEBSITE ADDRESS : w.w.w.econ.ncape.gov.za



1.2 LIST OF ABBREVIATIONS/ ACRONYMS

AGSA	Auditor General of South Africa
MEC	Member of Executive Council
BBBEE	Black Broad Based Economic Empowerment
HOD	Head of Department
CFO	Chief Financial Officer
PFMA	Public Finance Management Act
TR	Treasury Regulations
DEDaT	Department of Economic Development and Tourism
DTI	Department of Trade and Industry
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply chain Management
SEZ	Special Economic Zone
SIP	Strategic Integrated Project
IDZ	Industrial Development Zone
IPAP	Industrial Policy Action Plan
EU	European Union
EDD	Economic Development Department
IEDS	Integrated Economic Development Services
SITA	State Information Technology Agency
M&E	Monitoring and Evaluation
EPWP	Expanded Public Works Programme
PGDS	Provincial Growth and Development Strategy
EconSIF	Economic Sector Implementation Forum
EXCO	Executive Council
SAHRC	South African Human Rights Commission
NCOP	National Council of Provinces
DPSA	Department of Public Service and Administration
JTG	John Taolo Gaetsewe District
MPAT	Management Performance Assessment Tool
DPME	Department of Performance Monitoring and Evaluation
SEDA	Small Enterprise Development Agency
IT	Information Technology
LAN	Local Area Network
WAN	Wide Area Network
DHCP	Dynamic Host Configuration Protocol
KIDJA	Kimberley International Diamond and Jewellery Academy
MPRDA	Mineral and Petroleum Resources Development Act
NCMD	Northern Cape Mining Desk
NCEDA	Northern Cape Economic Development, Trade and Investment Promotion Agency
NIP	National Infrastructure Plan
NIPF	National Industrial Policy Framework
FDI	Foreign and Domestic Investment
PMPI	Preferential Mining Procurement Initiative
MQA	Mining Qualifications Authority
REIPPP	Renewable Energy Independent Producer Procurement Programme
RIDP	Regional Industrial Development Plan
SDT	State Diamond Trader
SADPMR	South African Diamond and Precious Metals Regulator
CEO	Chief Executive Officer

1.3 STRATEGIC OVERVIEW

Vision

Promotion of Economic Growth and Development in the Northern Cape Province based on DE²BS i.e. Diversification, Empowerment, Employment, Business Creation and Sustainable Development.

Mission Statement

The Creation of an enabling Environment for Economic Growth and Economic Development in the Northern Cape Province

Values and Principles

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

- ◆ Learning and Innovation
- ◆ Professionalism
- ◆ Teamwork
- ◆ Trustworthiness
- ◆ Integrity
- ◆ Honesty

Service delivery in the department is driven by the following principles.

- ◆ Batho Pele
- ◆ Accountability
- ◆ Representability
- ◆ 4 Es (Effectiveness, Efficient, Economy and Excellence)

Strategic outcome orientated goals

Programme 1: Administration

Strategic Outcome Oriented Goal 1	Provide leadership, strategic management and economic advice in accordance with government legislation, regulations and policies.
Goal statement	To ensure an effective, compliant and competent department that will provide technical support and economic policy advice to the province.
Justification	The department has to work within a particular legislative framework and hence this goal is essential to ensure that the department is compliant and able to provide the necessary technical support and economic policy advice to the province.
Links	This goal will focus the resources and operations of the department on the achievement of the departmental vision and mission which include: <ol style="list-style-type: none"> 1. Obtain provincial economic growth of between 4 – 6% 2. Halving unemployment by 50% by 2014.

Programme 2: Integrated Economic Development Services

Strategic Outcome Oriented Goal 2	Accelerated growth and transformation of the economy to create decent work and sustainable livelihood.
Goal statement	To promote and support sustainable integrated economic development through the development of enterprises, local economies and the empowerment of historically disadvantaged individuals (HDI's).
Justification	This programme seeks to support and facilitate integrated economic development through the active promotion of the development of enterprises, local economies and economic empowerment of Historically Disadvantaged Individuals (HDI's) through the development of partnerships with key stakeholders in the province.
Links	<ul style="list-style-type: none"> - Strategic Priority 1 (SP 01) in the Medium Term Strategic Framework - Creates an enabling environment for economic growth and development in the Northern Cape. - A reduction in the level of unemployment (aimed at empowering HDI's) to 50% by 2014. - Sustained Small and Medium enterprise. - To reduce the inequality gap between the rich and poor.

Programme 3: Trade and Sector Development

Strategic Outcome Oriented Goal 3	The stimulation, facilitation and/or increase of economic growth through sector development and trade and investment promotion and the diversification of the energy sector.
Goal statement	To stimulate economic growth through industry development and trade investment promotion.
Justification	This programme seeks to accelerate sustainable economic development by facilitating export from and investment into the province while simultaneously promoting economic diversification and industrial expansion. Strategically position key sectors for successful planning and the efficient allocation of resources.
Links	<p>Establishment of the State Diamond Trader in Kimberley.</p> <p>Expand on the establishment of the Manufacturing centres, with emphasis on sector and diversifying the economy of the province and attracting long term investment.</p> <p>Export development and readiness which is part of the department's main priorities as stipulated in the PGDS.</p> <p>Sustained small scale mining through development of the mining industry and small scale mining sub sector.</p> <p>Benefits will include Solar Energy for rural communities, far from the national electricity grid, remote schools and clinics, energy for rural water supply, solar passive designed housing and solar water heating for households in urban and rural settings and commercial applications.</p> <p>Large-scale utilization of Solar Energy will also reduce the emissions of carbon dioxide, thus contributing to an improved environment both locally and worldwide.</p>

Programme 4: Business Regulation and Governance

Strategic Outcome Oriented Goal 4	A fair regulated trade environment and good governance
Goal statement	To ensure an equitable, socially responsible business environment that allows for predictability.
Justification	It contributes to an environment conducive to economic growth and job creation.
Links	<p>Poverty alleviation through social grants and other initiatives.</p> <p>Well informed consumers cognisant of their rights.</p> <p>Reduction in the level of alcohol abuse.</p> <p>Reduction in prevalence of irresponsible gambling.</p>

Programme 5: Economic Planning

Strategic Outcome Oriented Goal 5	Sustainable economic development
Goal statement	To develop provincial economic policies and strategies to achieve and measure sustainable economic development.
Justification	This programme seeks to support and facilitate the transformation, diversification and growth of the provincial economy by developing economic policies and strategies informed by relevant economic research so that they are in alignment with the NSDP, NCPGDS and IDP's.
Links	Structured organisational policies aligned to all spheres of government. Research and analysis of departmental needs for informed decision making. Efficient ICT and expanded broadband capacity.

Programme 6: Tourism

Strategic Outcome Oriented Goal 6	To Improve the impact of tourism on the economy of the northern
Goal statement	To Manage the development and promotion of the Northern Cape as a competitive tourist destination.
Justification	This programme seeks to support and facilitate integrated economic development through the active promotion of the development of enterprises, local economies and economic empowerment of Historically Disadvantaged Individuals (HDI's) through the development of partnerships with key stakeholders in the province.
Links	<ul style="list-style-type: none"> - Strategic Priority 1 (SP 01) in the Medium Term Strategic Framework. - Creates an enabling environment for economic growth and development in the Northern Cape. - A reduction in the level of unemployment (aimed at empowering HDI's) to 50% by 2014. - Sustained Small and Medium enterprise. - To reduce the inequality gap between the rich and poor.



1.4 LEGISLATIVE MANDATES

The mandate of the Department of Economic Development and Tourism is derived directly and indirectly from national and provincial legislation as well as national and provincial departmental policies, strategies, plans and delegations. The core mandate of the Department is drawn from the Constitution, which compels Government to "create an enabling environment for economic growth and development". The Department takes the lead responsibility and custodianship over economic policy formulation provincially. The Northern Cape Growth and Development Strategy (NCPGDS) and its related sector strategies also are vehicles through which the Department realises its mandate.

The following directive commands the mandate of the department;

Direct Mandates

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

- ◆ Constitution of RSA, 1996 (Chapters 2, 3, 6, 7, 9, 10, 13, 14, Schedule 4-6);
- ◆ Entire PSA, PSR, as amended;
- ◆ Entire PFMA & TR, as amended;
- ◆ Division of Revenue Act;

Relevant line function legislation and regulations (National and Provincial, e.g. legislation pertaining to small businesses, companies, competition, gambling, liquor, consumer protection, local government, inter-governmental relations, development and planning, mining, minerals, manufacturing, empowerment, fishing, marine resources, environment, financing and development funding, health, environmental and other standards and procedures, statistics, information, security, human resource management and development, labour, etc., including court decisions).

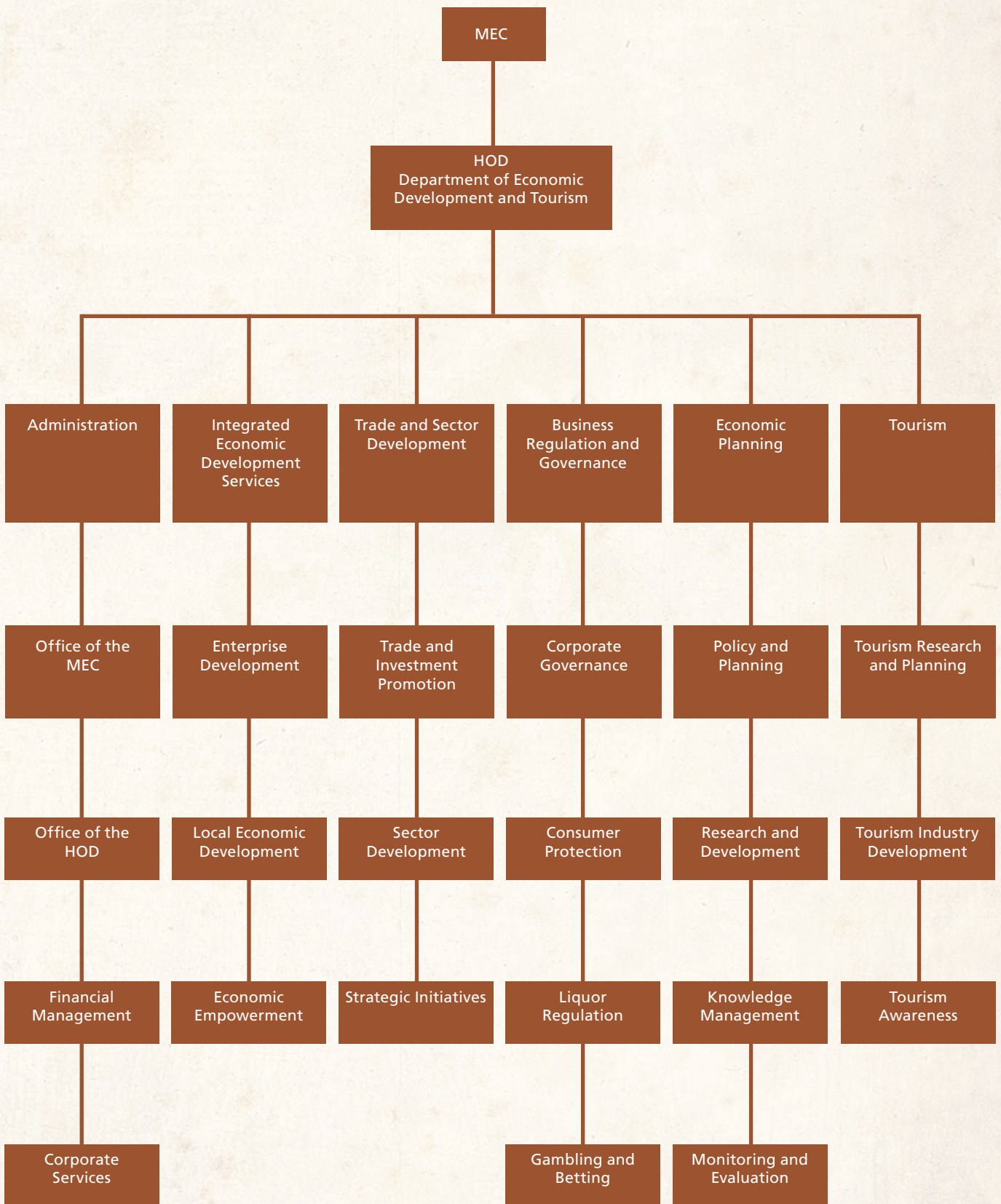
Indirect Mandates-National and Provincial Government policies

These include (White papers, Green papers, Frameworks, Guidelines, Manuals, etc.), Strategies and Plans, for example:

- ◆ National Government Programme of Action, 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, Northern Cape Innovation Fund policy, Departmental policies on security, information management, HIV and AIDS, etc.;
- ◆ International, National and local Multi-party Agreements and Memoranda of Understanding;
- ◆ 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.

1.5 ORGANISATIONAL STRUCTURE



1.6 ENTITIES REPORTING TO THE DEPARTMENT

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

Table 1.6.1: Public Entities reporting to the Department

Name of entity	Legislation	Financial Relationship	Nature of Operations
NC Liquor Board	Northern Cape Liquor Act, 2008 Amendment of the Act 2010	The department support the entities through transfers (financial) to assist with execution of their operations.	To regulate the liquor industry in the Province, promote responsible consumption of liquor and reduce the socio-economic problems emanating from the abuse of alcohol.
NC Gambling Board	Northern Cape Gambling Act, 2008		To regulate the Gambling industry throughout the province and to protect the rights punters.
NCEDA	NCEDA Act, 2008		To provide for the establishment of an economic development, for the Northern cape province. It is a response to the challenge of translating high-level investment and business opportunities in the area into actual business operations.
NCTA	NC Tourism Act, 2008		The marketing and promotion of the Northern Cape as a Tourism destination of choice domestically and Internationally.

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 to regulate the gambling industry in the Northern Cape Province.

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), and is primarily concerned to promote and maintain an effective and efficient regulatory system for the liquor industry.

Nceda is a statutory body established in terms of the Northern Cape Economic Development Trade and Investment Promotion Act, (Act no 4 of 2008), and is primarily concerned to promote Trade and Investment opportunities of the province.

The Northern Cape Tourism Authority (NCTA) is a statutory body established in terms of the Tourism Act, 2008 (Act No2 of 2008) responsible for the marketing and promotion of the Northern Cape as a Tourism destination of choice domestically and internationally.

1.7 FOREWORD OF THE MEC

The Department of Economic Development and Tourism, Annual Report 2012/13 presents the achievements and challenges of the department in relation to the financial year under review. The report provides an account to both the public and legislature on the performance of the Department and allows for the transparent scrutiny of the performance of the department, as audited by the Office of Auditor-General.

In that spirit, we invite all stakeholders in our sphere of responsibility to read and engage with this report, with a view to raise the performance of the Department in the best interests of the Northern Cape Province.

Our primary sectors, in particular mining, are increasing with the expansion of the Gamagara mining corridor. The indications for our agricultural sector are positive, as the potential for agro-processing becomes realised in the Province. The secondary sector of manufacturing continues to receive our earnest attention and we expect the feasibility studies on the regional incubators to have a positive result. We continue to establish ourselves as a destination for extreme sports and for the second year running, hosted a successful Maloof Money Cup. The adrenalin of skateboarding is however, exceeded by our preparations to host the Bloodhound at Hakskeenpan in the Mier Municipality, an attempt to break the current land speed record of 1 600 kilometres per hour.

The combination of economic development, social welfare and environmental protection, under the umbrella of the Green Economy, has opened new prospects for the Provinces growth and development. The benefits of our clear skies have seen us awarded the Square-Kilometre Array (SKA) with Australia and placed us at the top of geographic areas destined to produce solar energy.

All the public entities within our frame of responsibility have been established and are functional, entrusting the responsibility of service delivery to specialist bodies functioning in terms of the law and requirements of good governance in terms of King Code for Corporate Governance (King III).

We continue to chart a course to better the life of our people through economic development and job creation, our main mandates in terms of Outcome 4. In this regard we call on all employees of our department and public entities to regard their work as public servants as a calling and choice, to serve the interests of our people and communities.

As our government programmes, not least the National Development Plan, strive to eradicate poverty, create full employment and reduce inequality. It is our loyal, professional and dedicated public servants who are critical to the successful implementation of our programmes, with the collaboration of our private, civil and labour sectors



A handwritten signature in black ink, consisting of the letters 'JF' and 'B' in a stylized, cursive font.

J F BLOCK
MEC for Finance, Economic Development and Tourism

1.8 REPORT OF THE ACCOUNTING OFFICER



During the period under review, the Department continued to raise the growth and development thresholds of the Province. The potential emerging from the mining expansion, SKA, agri-processing and solar energy has opened new horizons for the province, which will serve as the building blocks for the transition of our society and economy. In addition, the entities of the Department, in particular, NCEDA has attracted investments to the value of R 852 million for the Malt plant and the sub-acute hospital. A Provincial Trade and Investment Promotion Strategy will be developed in the 2013/14 financial year by the Northern Cape Economic Development Agency.

Building upon the emergent potentialities, the Department has been involved in the facilitation of Malt Plant, Solar Park, the Electronics Hub and the SEZ initiatives. These are high impact projects that have the potential to stimulate the establishment of new businesses and massive jobs opportunities for the benefit of the province.

Diamonds have been the heart of our province. To ensure we benefit from that history our diamond strategy, saw a successful outbound mission undertaken to Armenia. The mission secured the registration of one company, a diamond dealer, as well as a diamond beneficiation license. Towards the building of capacity for the diamond industry a Graduation ceremony was held in November for KIDJA students that had completed the diamond cutting and polishing learnership and MQA accredited courses.

We will be hosting the BRICS Expo and Investment Conference in Kimberley during the month of November 2013. We will facilitate and organise two trade outbound missions to targeted markets in conjunction with the DTI and will distribute trade and investment marketing material and paraphernalia for the province. Provincial trade and investment opportunities will be published in two publications nationally, regionally in SADC and internationally.

We continue to market ourselves as the Province of Extreme Sports and Adventure, hence another successful Maloof Money Cup world skateboarding championship was staged in the province in September 2012. This international event was preceded by a number of Skateboarding for hope build-up projects throughout the country, including our Province. Due to lessons learnt in the first competition, the second championship came with much improvement in the management of the project and significant enhancements in the infrastructure of the Skate Park.

To ensure good governance we are subjected to the Monitoring and Performance Assessment Tool (MPAT) by National Department of Performance Monitoring and Evaluation (DPME). In terms of this process we can report that we are fully compliant in two key performance areas (KPA) namely strategic management and governance, and accountability. The process found that we were partially compliant on financial management and human resource management, and employee systems.

The new financial year, coincides with the general election in 2014. The Department endeavours to complete all the projects that will make meaningful impact in the lives of our communities.

The 2012/13 financial year saw the Consumer Protection Act coming into effect in April and provided for the establishment of an Office of the Consumer Protector and a Consumer Court, which were established with the filling of the Consumer Protector and Chairperson of the Consumer Court positions.

During the 2012/13 financial year, the Department was faced with a few challenges relating to entities reporting to the Department.



Upon implementation of the Gambling Act, the Board experienced challenges which were identified as constraints to the gambling industry and as such, amendments were proposed. This has resulted in draft amendments to the Gambling Act that still has to follow the process to the Legislature and is anticipated to be concluded by December 2013.

A Northern Cape general Laws amendment bill was introduced in the Northern Cape Provincial legislature in February 2013. The amendment bill is aimed at amending the Northern Cape Liquor Act, 2008, the Northern Cape Gambling Act, 2008, the Northern Cape Tourism Entity Act, 2008, and the Northern Cape Consumer Protection Act, 2012. This amendment will delete certain disqualifications to serve as functionaries of entities created by these Acts; and to provide for matters connected there with. The above mentioned acts are administered by the Department, with each act creating a public entity which either has a board or other functionary governing the entity. In each of the above Acts, it is a standard requirement for such functionaries to permanently reside in the Province to qualify for appointment or to remain eligible to serve in those positions.

In the forthcoming financial year we will target the Black Business Supplier Development Programme (BBSDP) of the DTI in order to increase the pool of resources available to entrepreneurs in the province. This will assist our enterprises to prepare for large scale opportunities that may arise from the different Strategic Integrated Projects (SIPs) to be implemented in the province.

In order to promote industry development and manufacturing in particular, the establishment of manufacturing clusters is going to be a key intervention. Business plans for agro-processing and minerals beneficiation clusters as outlined in the Integrated Manufacturing Strategy will be finalised and implementation is anticipated to start in April 2014. A feasibility study for the clothing and textiles cluster will be ready in October 2013 and the business cases will be calculated.

A handwritten signature in black ink, appearing to read 'P M Seboko', written over a horizontal line.

P M SEBOKO
Accounting officer
Department of Economic Development and Tourism



PART B:
PERFORMANCE
INFORMATION



PART B: PERFORMANCE INFORMATION

2.1 ACCOUNTING OFFICER'S STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

Statement of Responsibility for Performance Information for the year ended 31 March 2013

The Accounting Officer is responsible for the preparation of the department's performance information and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the performance information of the department for the financial year ended 31 March 2013



P M SEBOKO

Accounting officer

Department of Economic Development and Tourism



2.2 AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor General has conducted some audit procedures on the performance information for usefulness and reliability, compliance with laws and regulations and internal control, but an opinion is not expressed on the performance information.

Refer to page 168 of the Report of the Auditor General, included in Part E: Financial Information.

2.3 OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.3.1 Service Delivery Environment for 2012/13

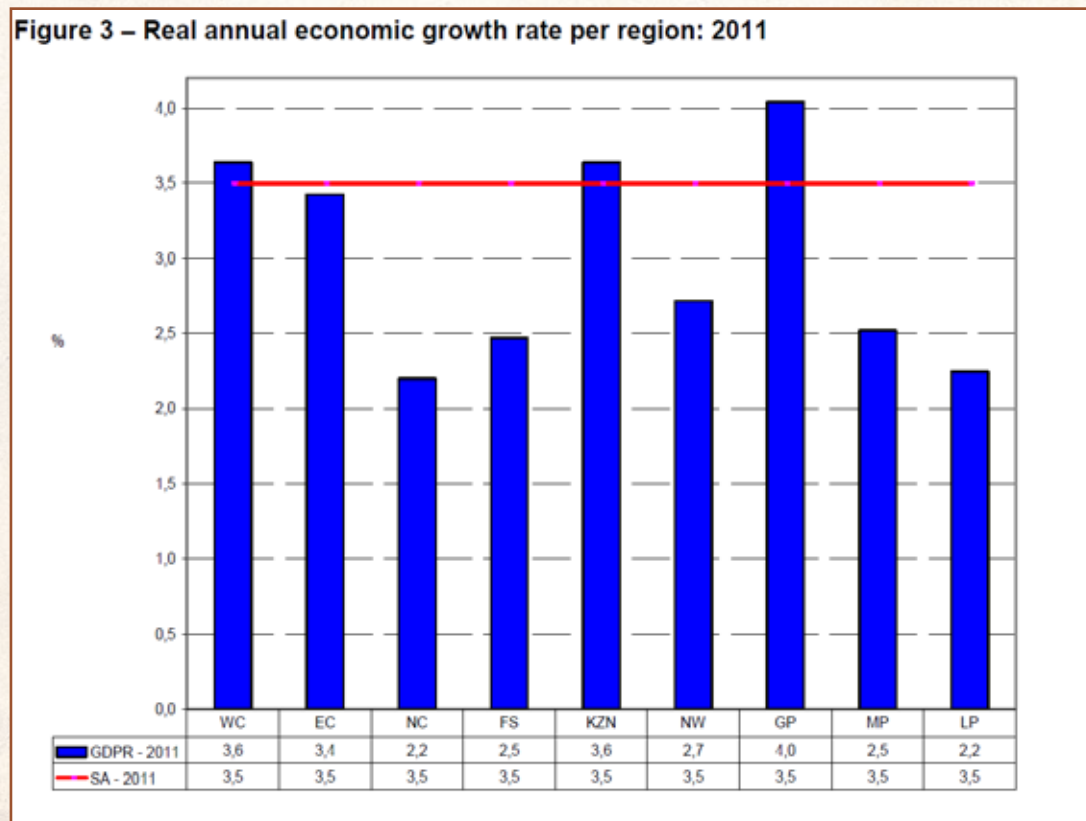
2.3.1.1 Economic Overview

National GDP

In 2011, Gauteng recorded the highest real annual economic growth rate of 4,0%. Both Western Cape and KwaZulu-Natal lie second with 3,6% each respectively. The Northern Cape economy grew by 2,2% in 2011. This is a slight decrease from 2,4% in 2010. Gauteng, KwaZulu-Natal and the Western Cape are the only provinces that outperformed the national economic growth rate of 3,5% in 2011, the rest of the provinces performed below the national average. This is illustrated in Figure 1.

The average real annual economic growth rate for the Northern Cape for 2001 to 2011 was 2,4%, compared to the national rate of 4,0% for the same period. The real annual economic growth rate of the Northern Cape (2,2%) is very close to the average real annual economic growth rate of the Northern Cape for 2001 to 2011.

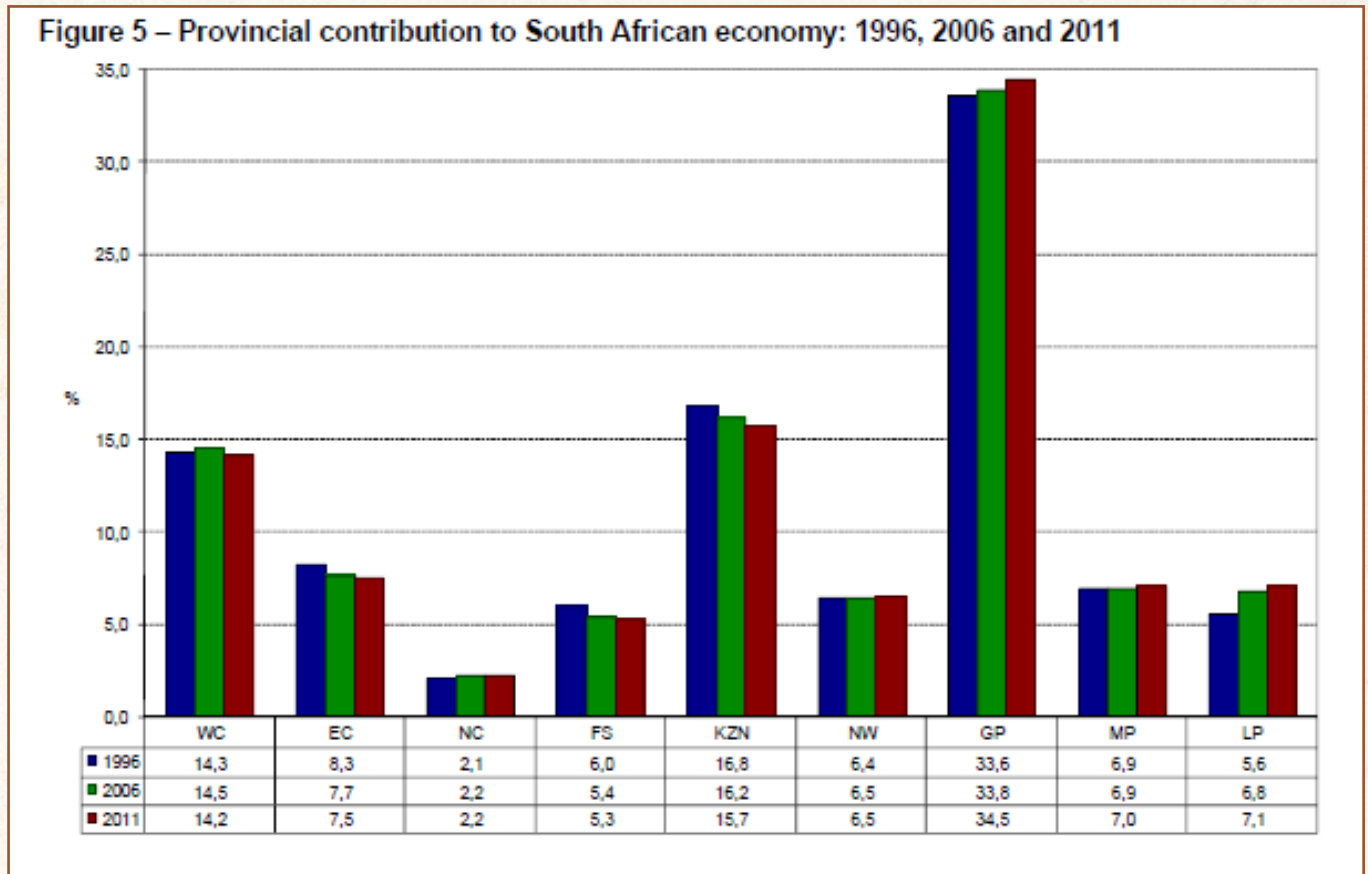
Figure 1: Real annual economic growth rate per region (2011)



Source: Statistics South Africa GDP

Gauteng remains the largest contributing province to the South African economy. Gauteng, KwaZulu-Natal and the Western Cape collectively contribute nearly two thirds (64,4%) to the national economy. The Northern Cape contributes 2,2% to national economic output. This is illustrated in Figure 2.

Figure 2: Provincial contribution to the South African economy



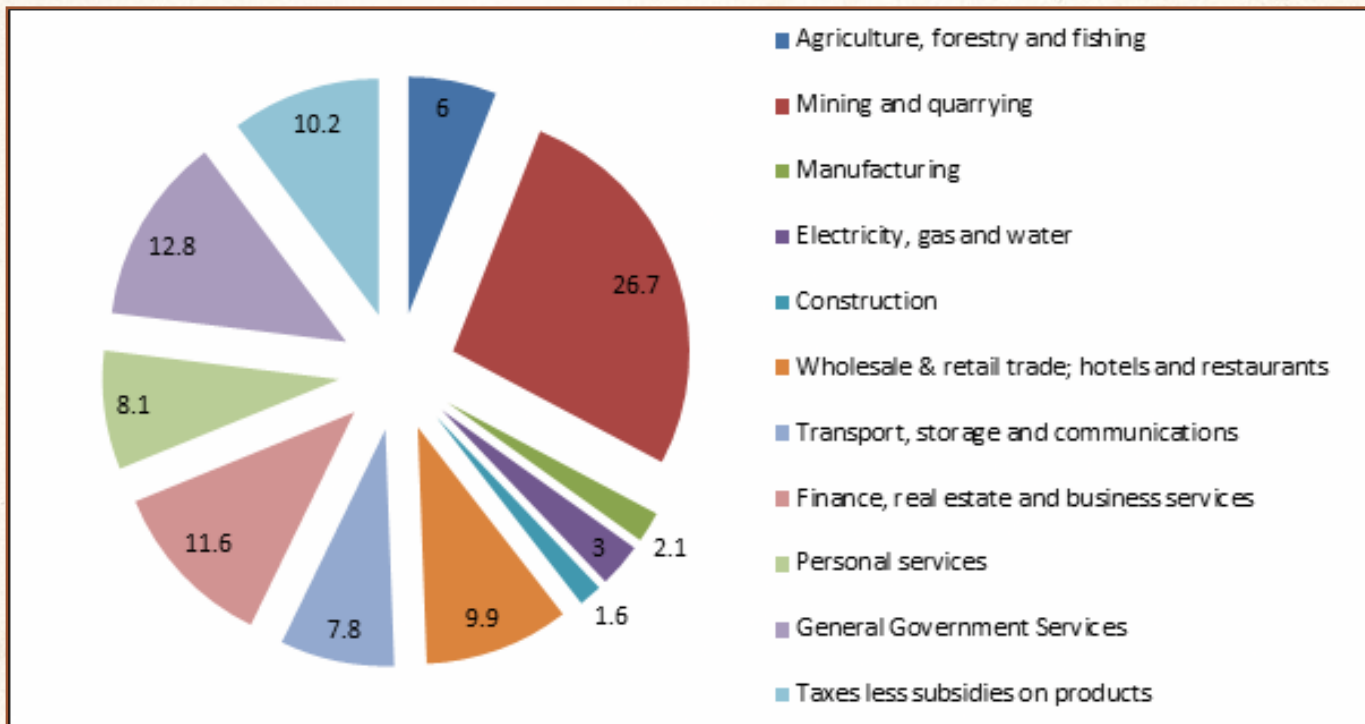
Source: Statistics South Africa GDP

Provincial GDP

The structure of the Northern Cape economy has remained unchanged and is still driven by the Primary Industries. Mining and quarrying remained the biggest economic sector contributing 26,7% to Provincial GDP as illustrated in Figure 2. With the great mining expansions in the John Taolo Gaetsewe District, it is expected that mining will continue to be the biggest economic sector in the province.

Manufacturing still contributes a very small proportion to the Northern Cape economy of only 2,1%. General government services are the second largest sector provincially.

Figure 3: Northern Cape provincial GDP – sector contributions (2011)



Source: Statistics South Africa GDP

Table 1: Percentage change in sectors (2007-2011) (constant 2005 prices)

Industry	2007	2008	2009	2010	2011
Primary Industries	-0,5	-2,9	-7,9	4,2	-2,2
Agriculture, forestry and fishing	3,0	10,6	-2,6	0,1	-1,8
Mining and quarrying	-1,2	-6,0	-9,4	5,3	-2,4
Secondary Industries	6,2	3,4	0,1	3,3	1,1
Manufacturing	5,3	3,6	-5,5	7,3	1,7
Electricity, gas and water	2,7	-0,4	0,2	1,6	0,7
Construction	13,9	8,0	12,8	-2,7	0,3
Tertiary Industries	5,5	4,0	-0,8	1,5	4,0
Whole sale, retail, motor trade and accommodation	4,9	1,5	-5,4	2,1	6,1
Transport, storage and communication	6,8	3,0	-0,9	0,9	2,6
Finance, real estate and business services	6,4	6,9	-1,1	1,0	3,4
Personal Services	6,0	4,2	0,9	1,0	3,0
General Government services	3,9	3,7	2,3	2,3	4,5
All industries at basic price	3,6	1,7	-2,9	2,4	1,9
Taxes less subsidies on products	6,9	1,9	-5,7	2,3	4,4
GDPR at market prices	3,9	1,7	-3,2	2,4	2,2

Source: Statistics South Africa GDP

In 2009 most of the sectoral growth rates were negative because of the global economic crisis. In 2010 one can see how the provincial economy was recovering with positive growth in all sectors with the exception of construction showing a contraction.

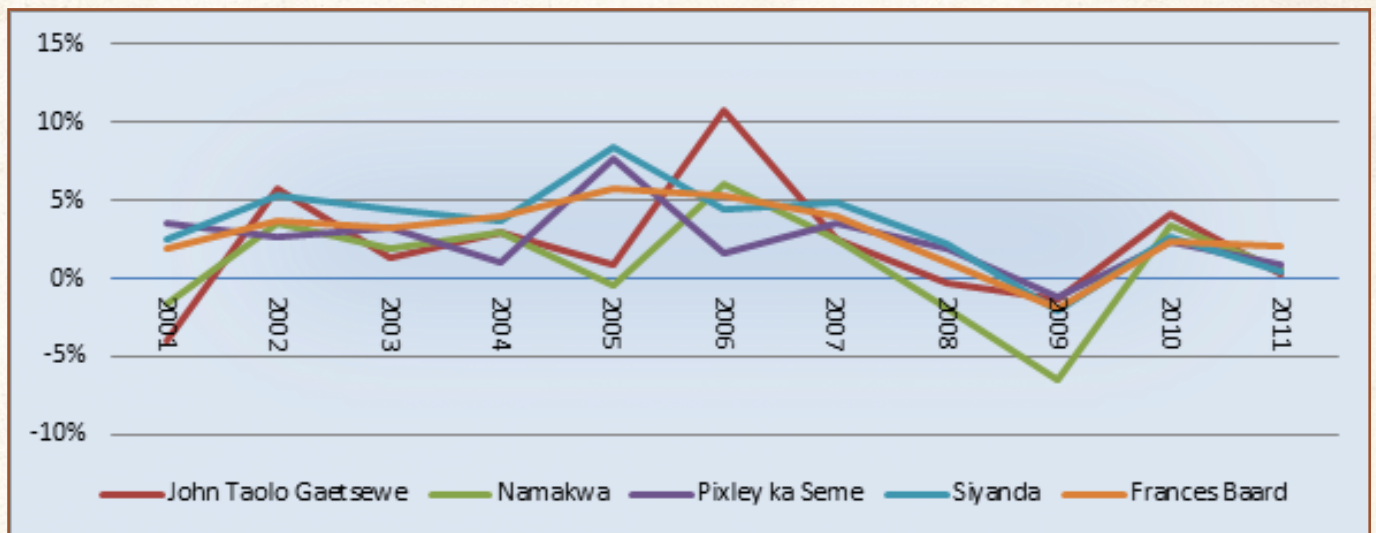
The negative growth in Primary Industries in 2011 could be due to the prolonged financial and banking crisis in the Euro Zone and decreased economic growth in China which are big export countries for the Province.

In 2010 and 2011 all sectors making up Tertiary Industries showed positive growth. This could be an indication of the recovery of the provincial economy.

Manufacturing is still a very small sector in the Northern Cape economy; however, it grew at 7,3% in 2010 and 1,7% in 2011.

Economic Growth by District Municipality

Figure 4: Economic Growth Rates of the District Municipalities



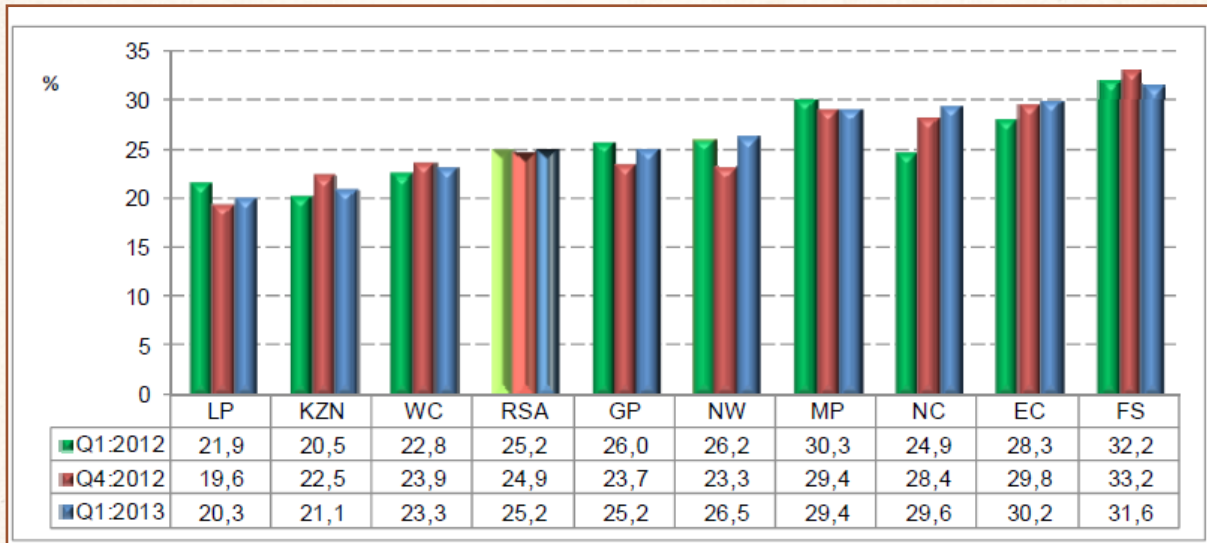
Source: Quantec

All five of the districts within the province show positive economic growth following the period of the economic crisis of 2008/09. This indicates an increase in the district GDPs as well as that the district economies were starting to recover from the crisis. In 2011 however, all five of the districts experienced very low or 0% growth.

National Unemployment

For the first quarter of 2013 (January to March 2013), the national unemployment rate increased by 0,3 of a percentage point from the previous quarter. Three of the nine provinces experienced a decrease in their unemployment rates. The unemployment rate of the Northern Cape increased by 1,2 percentage points.

Figure 5: National unemployment (Quarter 1 2013)



Source: Statistics South Africa Quarterly Labour Force Survey

Provincial Unemployment

Table 2: Provincial Unemployment (Quarter 1 2013)

	Jan-Mar 2012 ('000)	Apr-Jun 2012 ('000)	Jul-Sep 2012 ('000)	Oct-Dec 2012 ('000)	Jan-Mar 2013 ('000)	ΔQ-Q ('000)	ΔY-Y ('000)	ΔQ-Q (%)	ΔY-Y (%)
Population 15-64 yrs.	725	727	730	732	734	2	9	0.3%	1.2%
Labour Force	382	401	414	408	406	-2	24	-0.5%	6.3%
Employed	286	281	290	292	286	-6	0	-2.1%	0.0%
Unemployed	95	120	124	116	120	4	25	3.4%	26.3%
Not economically active	343	327	315	324	329	5	-14	1.5%	-4.1%
Discouraged work seekers	34	30	30	28	23	-5	-11	-17.9%	-32.4%
Other	310	296	285	296	306	10	-4	3.4%	-1.3%
Rates									
Unemployment rate	24.9%	29.9%	30.0%	28.4%	29.6%	1.2	4.7		
Employed (Absorption) rate	39.4%	38.7%	39.7%	39.9%	39.0%	-0.9	-0.4		
Labour force participation rate	52.6%	55.2%	56.7%	55.7%	55.3%	-0.4	2.7		

Source: Statistics South Africa Quarterly Labour Force Survey

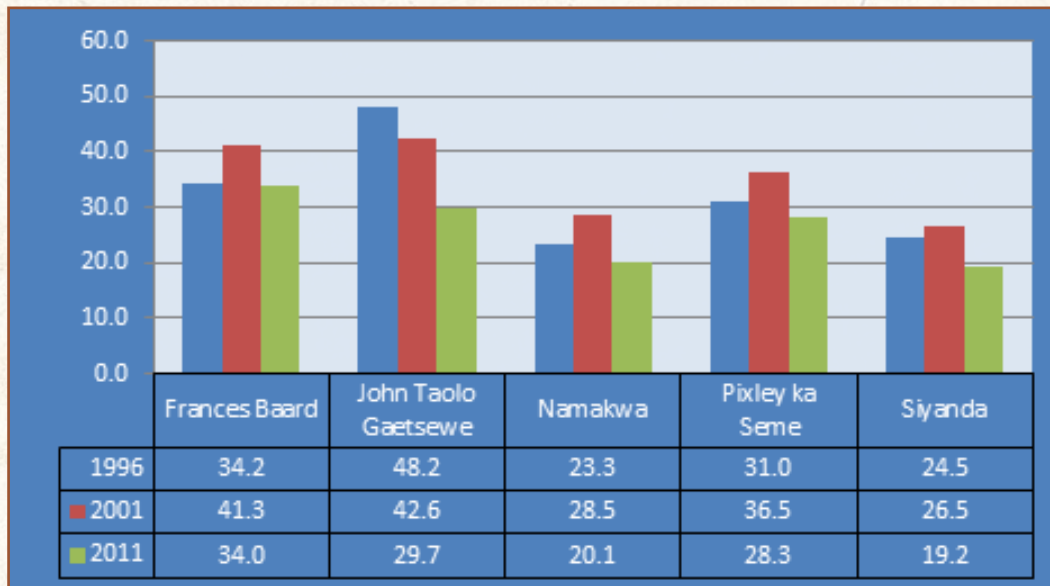
For the first quarter of 2013, the unemployment rate increased from 28,4% to 29,6%. On a quarterly basis, the working age population increased by 2 000, the number of employed people decreased by 6 000 and the number of unemployed people increased by 4 000.

When looking at the annual changes (from the first quarter of 2012 to the first quarter of 2013) in employment per sector, employment increased in mining (4 000), construction (2 000), trade (5 000), finance (1 000) and community and social services (1 000). Employment decreased in agriculture (1 000), manufacturing (5 000), utilities (1 000) and private households (5 000). Total employment was unchanged on an annual basis.¹

¹ Due to rounding numbers do not add up to totals.

District Unemployment

Figure 6: Unemployment at district level



Source: Statistics South Africa Census 2011

All of the districts showed a decrease in their unemployment rates from 2001 to 2011. The mining expansion in the John Taolo Gaetsewe District reduced unemployment substantially by 18,5% over the period.

Census 2011

Population

According to the results of the 2011 Census, the total national population was 51 770 560 and the Northern Cape population was 1 145 861 in 2011. The percentage distribution of the population for the Northern Cape remained constant at 2,2%. The Northern Cape had a population growth rate of 1,4% between 2001 and 2011.

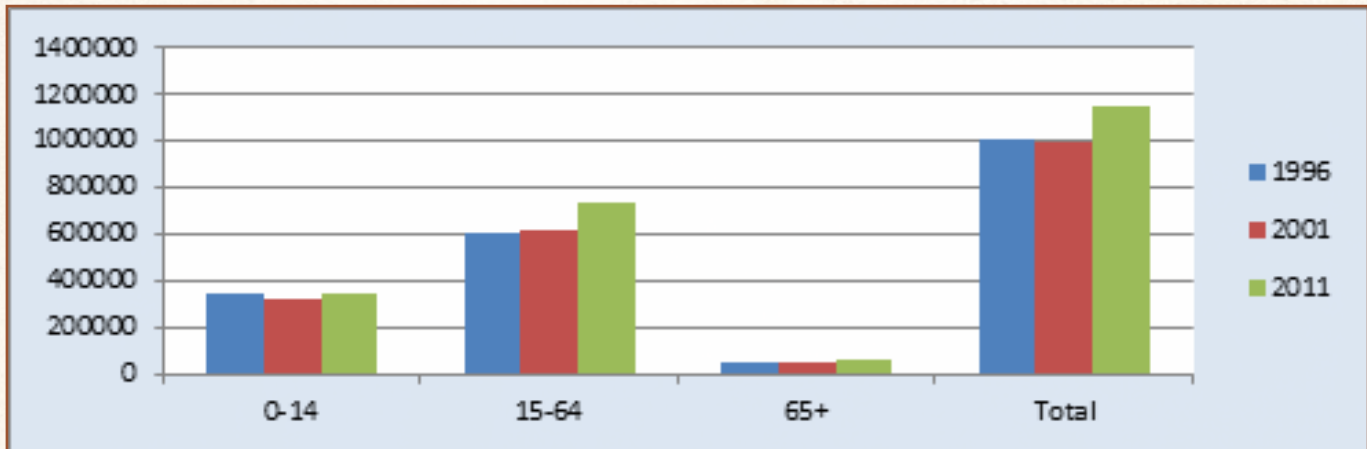
Table 3 below shows that the Black African population group constitute the majority (over 50%) of the Northern Cape population. The proportion of the Black African population has also increased at each interval mentioned below. The proportion Coloured population decreased slightly over the period from 1996 to 2011. The proportion of White population also showed a decrease over the review period.

Table 3: Northern Cape population distribution by population group

	1996	2001	2011
Black African	44,9%	46,5%	51,2%
Coloured	43,7%	42,9%	40,9%
Indian or Asian	0,2%	0,2%	0,7%
White	11,2%	10,3%	7,2%

Source: Statistics South Africa Census 2011

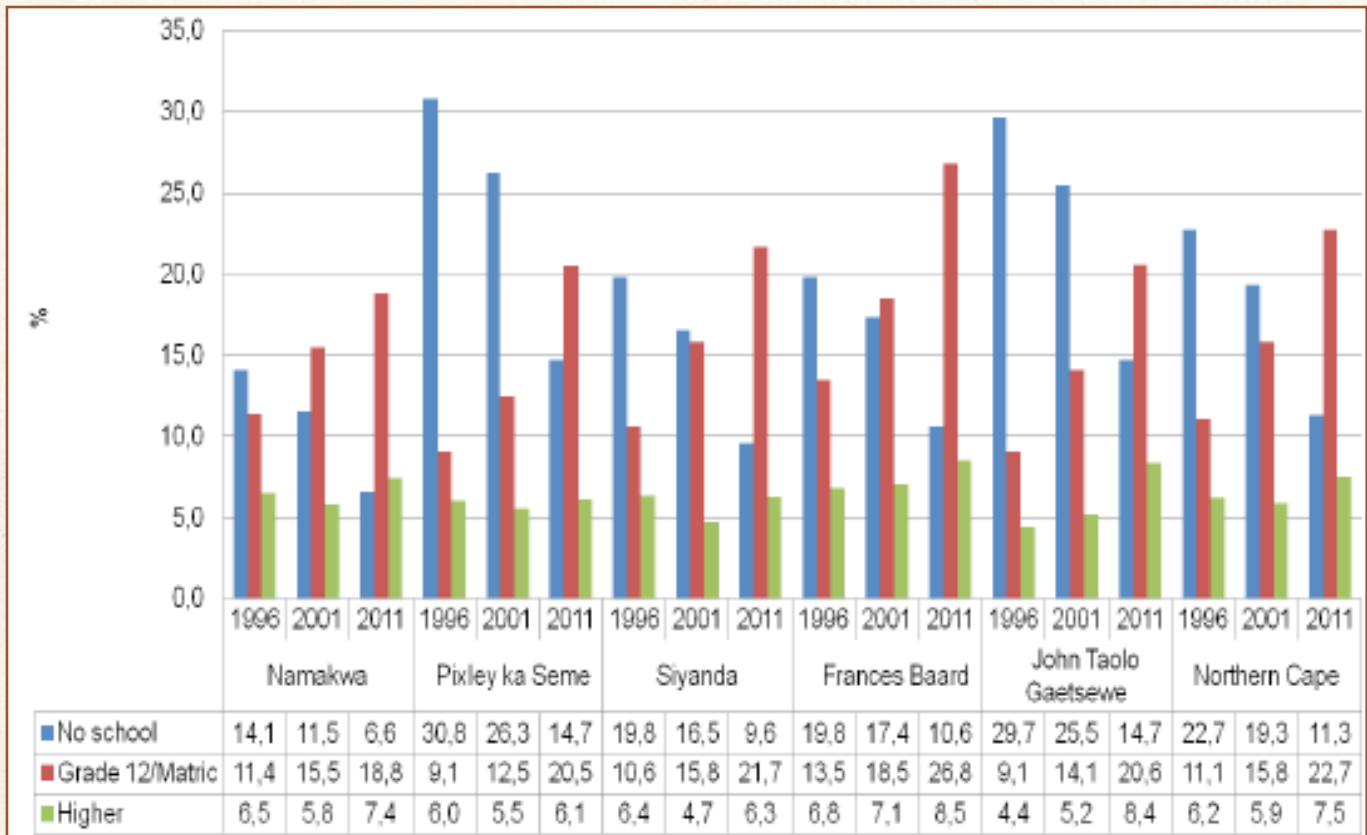
Figure 7: Distribution of Northern Cape population by functional age groups



Source: Statistics South Africa Census 2011

The largest population increase is in working age population. This has implications for unemployment (or employment) as more people are at the age where they look for work. The increase in people in the 65+ category also has implications pertaining to increased spending on social grants. Education

Figure 8: Distribution of population aged 20 and older by highest level of education



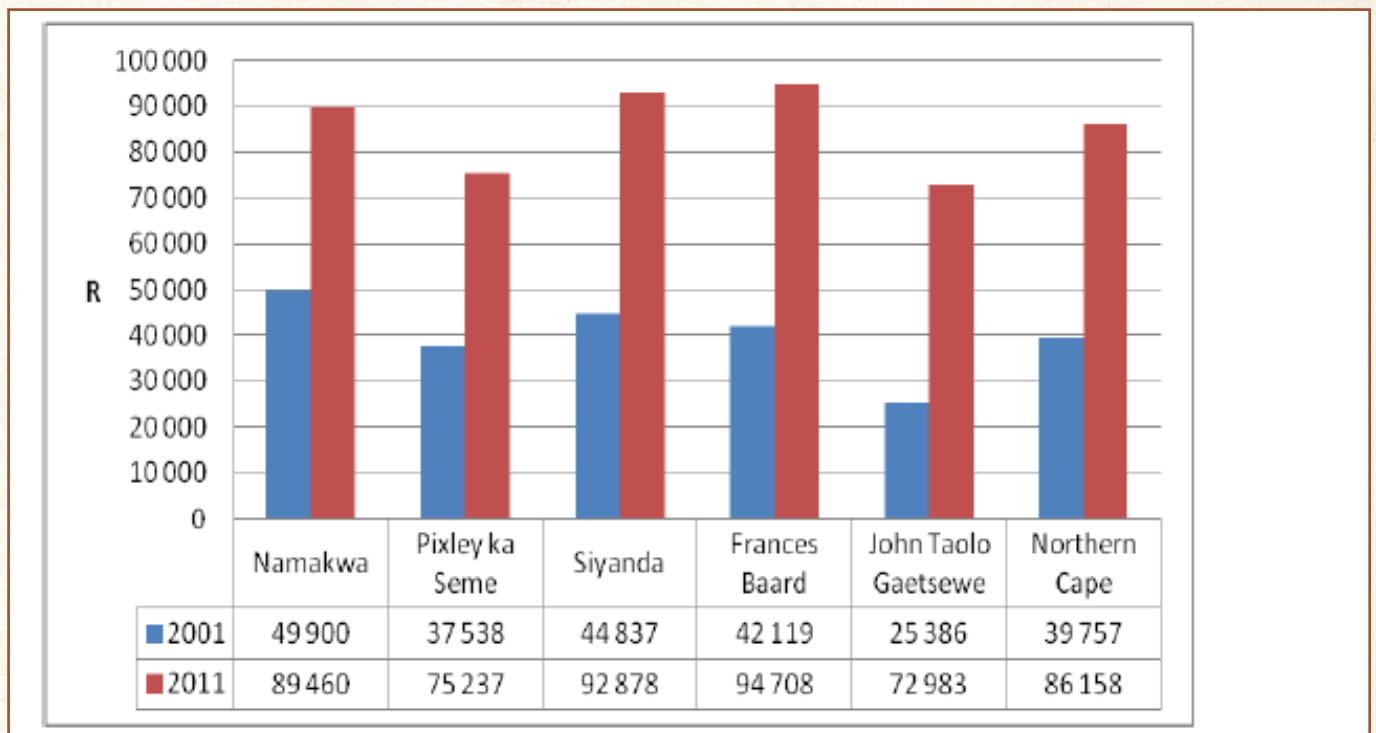
Source: Statistics South Africa Census 2011

The proportion of the population with no schooling declined across all five of the districts. There was an increase in the percentage of people who completed Grade 12. With Grade 12 being a prerequisite for many employers to make a person employable as well as increasing the possibility of tertiary education, this is good for the Northern Cape economy. Higher education increased (from 1996 to 2011) in Namakwa, Pixley ka Seme, Frances Baard and John Taolo Gaetsewe Districts. Frances Baard has the highest percentage of people with Grade 12 and higher education.

Average Household Income

As is evident in Figure 3.3.1, there has been a significant increase in the average household income from 2001 to 2011 in all of the district municipalities as well as in the province. The average household income for the period under review has more than doubled in the province from R39 757 to R86 158. The province only lags Gauteng and the Western Cape in terms of average household income. The increase in the average household income could be due to the decrease in unemployment across all districts for the period under review as well as increases in social grants.

Figure 9: Distribution of average household income by district municipality



Source: Statistics South Africa Census 2011

Migration

Table 4: Province of birth by province of usual residence

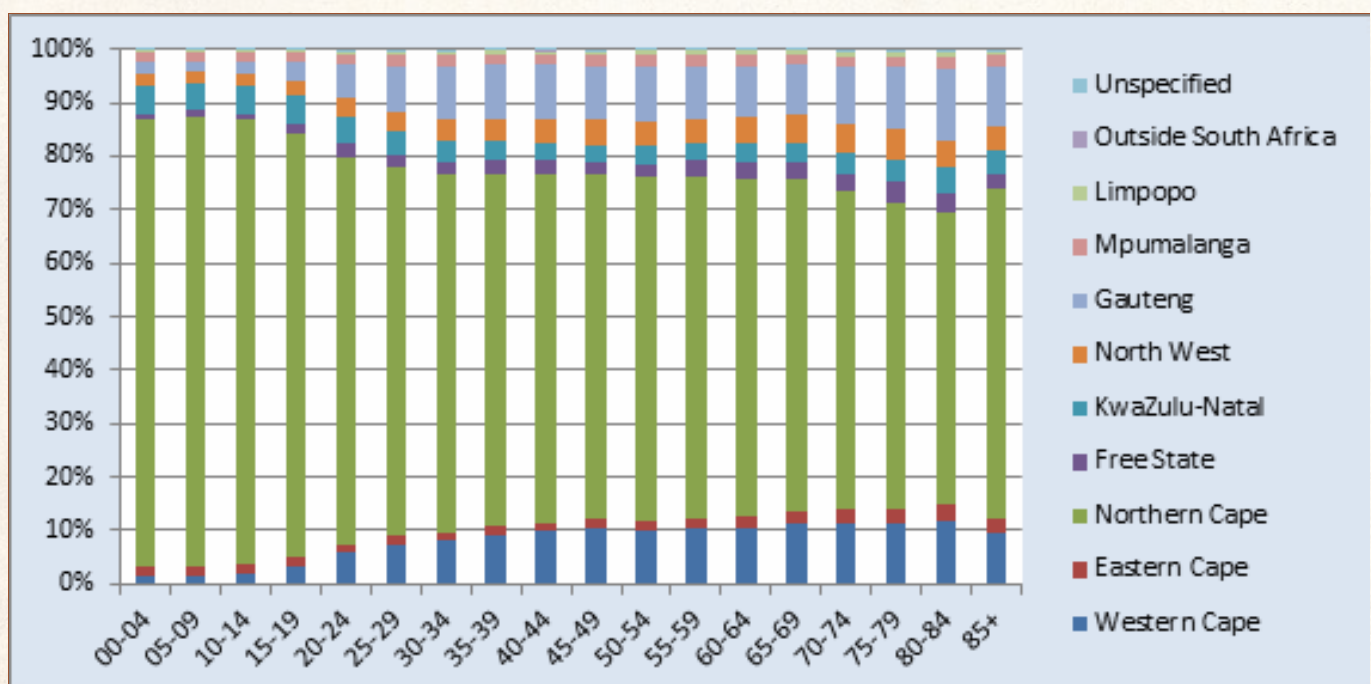
Province of birth	Province of usual residence									Out-mi-gration	In-mi-gration	Net-mi-gration	Turn over
	Western Cape	Eastern Cape	North-ern Cape	Free State	Kwa-Zulu-Natal	North West	Gauteng	Mpuma-langa	Limpopo				
Western Cape	4 018 091	104 038	26 972	19 276	32 349	14 946	183 295	16 816	19 954	417 646	1 556 649	1 139 003	1 974 295
Eastern Cape	887 871	5 962 091	22 100	66 864	278 627	91 929	528 399	62 289	20 768	1 958 847	381 467	-1 577 380	2 340 314
Northern Cape	84 250	23 141	951 651	27 390	57 930	46 309	90 840	26 112	6 241	362 213	163 606	-198 607	525 819
Free State	46 622	23 476	20 737	2 307 171	37 263	95 359	377 450	47 135	18 484	666 526	332 311	-334 215	998 837
KwaZulu-Natal	61 093	44 955	8 890	26 990	9 118 900	34 298	692 568	104 753	13 006	986 553	781 153	-205 400	1 767 706
North West	17 450	7 175	40 961	26 227	22 301	2 672 138	414 183	31 619	30 180	590 096	731 474	141 378	1 321 570
Gauteng	165 632	82 795	17 380	70 431	122 432	162 164	6 627 707	179 985	127 355	928 174	5 179 842	4 251 668	6 108 016
Mpumalanga	23 124	14 623	3 958	12 086	43 877	41 134	505 628	3 148 304	77 287	721 717	783 773	62 056	1 505 490
Limpopo	15 236	7 044	3 263	16 115	20 752	96 387	1 277 734	165 028	4 793 131	1 601 559	474 700	-1 126 859	2 073 259
Outside South Africa	255 371	74 220	19 345	66 932	165 622	148 948	1 109 745	150 036	161 425				

Source: Statistics South Africa Census 2011

Lifetime migration looks at the movements of people based on where the person was born and where they currently reside. When looking at migration from the place of birth, the Northern Cape had negative migration. This means that more people migrated out than in over time. The largest number of migrants to the Northern Cape were born in North West (40 961). Most people migrating out of the Northern Cape migrated to Gauteng (90 840) and Western Cape (84 250). With Gauteng and Western Cape having two of the largest economies, this could be due to increased economic and tertiary study opportunities.

The increase in outward migration from age 20 could be a sign of youth looking for the increased economic opportunities in Gauteng and the Western Cape. This is a cause for concern, because skills (both educational and experience) are leaving the province.

Figure 10: Migration out of Northern Cape per age interval



Source: Statistics South Africa Census 2011

Conclusion

The structure of the provincial economy has remained unchanged. Provincial economic growth and the provincial share of national economic output have remained fairly static in the period under review. GDP-R growth averaged 2,2% in 2011 and the provincial contribution to national output was 2,2% in 2011, the same as it was in 2006. The provincial economy is fairly diversified although more than a quarter of GDP-R is attributable to the mining and quarrying sector. The other contributing sectors to provincial GDP-R include general government services; finance; real estate and business services; wholesale and retail trade; hotels and restaurants as well as personal services.

In terms of employment it is apparent that the mining expansion in the John Taolo Gaetsewe District had a substantial impact on unemployment in the district and the province. In terms of the Census of 2011 results it is also apparent that unemployment has eased across all of the districts since 2001. The province is negatively affected by outmigration, particularly of the younger generation as they leave for greater tertiary study and employment opportunities.

There was a significant increase in the average household income across all districts (2001-2011).

2.3.1.2 Integrated Economic Development Services

IEDS is responsible for the promotion and support of sustainable integrated economic development through developing enterprises, local economies and empowering historically disadvantaged individuals. This is a very wide mandate requiring substantial resources and dedicated officials. The programme receives an allocation of R56, 763 million in 2012/13, of this amount, R32,550 million was committed towards the Economic Growth and Development Fund (EGDF). The EGDF has been actively supporting enterprises that show great potential for creating employment.

In the year under review, the EGDF supported a number of flagship projects with the potential to create sizeable numbers of jobs. The Diamond Bed Factory has created 20 permanent and 10 temporary jobs following expansion to increase chair and couch

production in addition to beds. We made a second payment to Eternal City Trading for their biscuit factory in Douglas and this resulted in 15 jobs created. In addition the EGDF supported various micro and small enterprises in the province the majority of which are manufacturing enterprises.

One of the successful entrepreneurial stories is the pig farming project in Phillipstown called Chicaina Pig Farming. The department has been supporting this project and has seen it grow. The department has committed funding of R2 million to the project in the 2012/13 financial year, we have been able to proceed with implementation of Phase 2 and the existing stock has been sold. Fencing of the premises has been completed. Forty sows and three boars of genetically superior stock have been purchased to increase the reproduction rate. This is part of our effort to the War on Poverty Campaign championed by Deputy President Kgalema Motlanthe.

A weaning house and farrow building is being planned pending the outcome of an Environmental Impact Assessment (EIA) study. Furthermore, feed mix and a pig feed mixer has been purchased and office equipment was procured. The project is positioning itself to supply feed to cooperatives in the province. The department will provide mentoring services to the business over a twelve month period including training on finance, marketing and general administration. Five permanent and ten temporary jobs were created from these expansions.

Our efforts on township revitalisation include the provision of space for micro enterprises; we have completed transforming the old taxi rank in Griekwastad into a trading centre for this purpose. The work is complete and the facility is ready to be operationalised.

The programme undertook the Provincial SMME Pilgrimage between February-March 2012 under the theme: *"Cooperative Enterprises Build a Better World"*. The objective of the pilgrimage was to serve as a rural economic empowerment mechanism and "One Stop Shop" service for SMMEs operating in remote parts of the province. The main goal was to ensure broad information dissemination and sharing and improving accessibility to SMME services. The attendance across the five districts was quite impressive with the highest attendance being in

John Taolo Gaetsewe at 432 and the lowest in Pixley ka Seme District at 185.

Last year the province hosted the International Day of Cooperatives in Kimberley. The event took place and we partnered with the Department of Trade and Industry (DTI). The Minister of Trade and Industry, Dr. Rob Davies attended and Deputy Minister Thabethe also attended the gala event. The Minister, Executive Mayor Ntlangula and MEC John Block visited Future Creations and Dinatla Bakery local cooperatives.

We conducted B-BBEE legislation workshops and on how to obtain verification certificates training across the province. Five information sessions were held on B-BBEE Codes of Good Practice and 15 HDIs assisted to obtain verification certificates. Sectors that were assisted include construction, manufacturing, hospitality, retail and supplies and general traders.

The Department instituted the Provincial LED Strategy in 2010 and the key prerequisites coming from this was to have LED strategies in all municipalities, have competent LED officials in all municipalities, identify and support catalyst projects and activate public private partnership through the LED Forum system. Key to all the above mentioned is anchoring all of this in Municipal LEDs and IDPs. To enable this, the Department has 5 District LED Support managers and this has seen the enhancement of the District Municipality's KPA 3: LED component, in all municipalities.

The department undertook to train 40 municipal and provincial LED officials through our collaboration with the Development Bank of Southern Africa (DBSA) and the Local Government SETA. Thirty eight (38) of the enrolments completed their training and were awarded certificates in November 2012.

Regarding projects, as part of LED:

- ◆ The Department has secured over R40 million for the Dikgatlong rural investment that will build a bridge to link Wildeklaar and Pniel and is expected to be rolled out over the next 3 years. This investment will be a crucial catalyst for employment creation, agricultural production and agro-processing.
- ◆ The Department facilitated in partnership with Siyanda District Municipality and Vaal University of Technology premises and funding for the Northern Cape Technology

Innovation Station and welding training facility in Upington. This project will be rolled out in the coming financial year to enable and advance manufacturing and providing skills for key investments in the province.

- ◆ The Department has been involved in the National Infrastructure Plan projects coordinated by the PICC which include the SKA, Sishen-Saldanha and Hotazel Coega railway corridors respectively. An advance in terms of these projects was the launch of the Kgalagadi Manganese Sintering plant: the biggest in the world!
- ◆ The key outcomes in all these projects are to ensure advancement of localization in terms of employment; suppliers; and broad-based economic empowerment, including ownership were possible.
- ◆ Work on the Gamagara Mining Corridor Infrastructure Master Plan is on track, Phase 2 of 3 is complete and it is anticipated that the Master Plan will be completed by June 2013. The Department is very grateful for the funding and support from the Sishen Iron Ore Company Community Development Trust (SIOC CDT) on this project.
- ◆ Upgrades and maintenance of the Port Nolloth and Hondeklip Bay harbours and fish factories is being managed by the Namakwa District Municipality. This work is well on track and currently 107 people are employed and it is foreseen that Department of Agriculture, Forestry and Fisheries (DAFF) will extend their footprint in this area.
- ◆ Two project feasibility studies are underway for placement of regional incubators and one for agro-processing, are being finalised in the districts Pixley Ka Seme, John Taolo Gaetsewe and Frances Baard.
- ◆ Another key investment is the Kathu Industrial Supplier Park which being finalised and developed in partnership between Anglo American, the IDC and the Department.

EPWP forms part of the Regional and Local Economic Development Sub-programme which undertakes EPWP reporting and EPWP project support. The Department created a total of 1,100 temporary job opportunities in the 2012/13 financial year at an estimated total cost of R5,077 million. Of these, 254 job opportunities were successfully captured on the official national reporting portal.

The scope and nature of these projects include destination promotion, enterprise development, buildings renovation, community projects, public participation and general maintenance. One of the highlights was the launch of the Prieska Community cleaning projects after the existing Prieska Woodcraft Cooperative was restructured.

2.3.1.3 Trade and Sector Development

Through NCEDA, the Province will proactively attract, facilitate and retain foreign investment and promote exports and market access through the application of best practice methodology and focused targeting. In the financial year 2012/2013 the Department in conjunction with NCEDA attracted R859 million of foreign direct investment (FDI) and domestic investment to the Province. In 2013/2014 the Department in conjunction with NCEDA aims to attract R60 million of FDI and Domestic investment to the Province and will assist 20 companies with exports through exporter development training and assistance in retention and expansion of existing markets and aggressively looking at accessing new markets especially the BRIC (Brazil, Russia, India and China) countries.

During 2012/13 seventy two students received MQA accredited training at KIDJA, this exceeded the planned target of 30 people trained. Seventy two learners that included seven from the SADC region (three from Namibia and four from Zimbabwe) were trained in rough evaluation and diamond cutting and polishing. Training in rough evaluation and cutting and polishing enables learners to estimate polished outcome from the rough stone and to cut and polish rough diamonds. In November (month of disability) twenty four disabled learners started on a six months diamond polishing learnership. This training commenced on 5 November 2012 and ended on 30 April 2013. KIDJA's first graduation ceremony was held on 30 November 2012 at the Mittah Sepherephere Convention Centre, where 96 Mining Qualifications Authority Sector Education Authority (MqaSETA) certificates were awarded to students that successfully completed their training.

The exit strategy for KIDJA students has been developed that will assist them in being placed in the sector.

The logo that will brand Kimberley diamonds and

jewellery was presented to the Technical Cluster and was approved and referred to the Economic Cluster. The brand can only be registered, launched and marketed once it has been approved by all the relevant stakeholders.

A business plan for the establishment of the Kimberley Diamond and Jewellery Hub has been developed.

Quarterly reports have been submitted to the dti updating them on how the Employment Creation Fund has been spent. The dti conducted an oversight visit to the Kimberley Diamond and Jewellery Centre and KIDJA in June 2012 and were impressed with progress on both these projects. Plans for renovations to the existing infrastructure which includes the construction of additional ablution facilities that will be able to service 150 people and the construction of the additional infrastructure has been approved. A contractor was appointed in October and the construction of the additional ablution facilities has been completed. A proposal requesting funding for the establishment of a diamond cutting and polishing incubation centre was submitted to Small Enterprise Development Agency (SEDA). SEDA then committed R4.2 Million over the MTEF towards this project. The incubation centre will function as an exit strategy for KIDJA learners and SMME's in the industry.

On 16 to 19 April 2012 a successful outbound mission was undertaken to Armenia. The following materialized from this mission: company registration done, diamond dealer's license acquired, diamond beneficiation license acquired. On 21 May 2012 a meeting was held with the CEO of the State Diamond Trader (SDT) in order to have the foreign company registered as a client of the SDT. This further resulted in a follow-up visit by the SDT on 29 May 2012 to the Kimberley Diamond and Jewellery Centre at 25 Villiers street Kimberley, in order to gain more insight into the project between the Department of Economic Development and Tourism and the Diamond Company and Jewellery Company of Armenia and thus the diamond strategy of the Province as such. A list of the top 17 graduates from the Kimberley International Diamond and Jewellery Centre (KIDJA) has been submitted to the Armenian's. The Armenian's will select 10 for further training and employment once they understand the Armenian production lines processes and standards. The Armenian's will gradually increase their intake until such point and time that the full quota of 150 students have been achieved.

A draft agreement between the Department and the foreign company has been compiled. The purpose of the agreement is to serve as an exit strategy for KIDJA students. The authorized representative license has been acquired from South African Diamond and Precious Metals Regulator, all compliance documents for the foreign company has been submitted to the State Diamond Trader (SDT). Once the SDT approves all the compliance documents, the foreign company will receive their first allocation of rough diamonds. KIDJA is in the process of applying for the work permits for the Foreign Company instructors.

The Academies 2013/14 plans include amongst others to obtain electrical compliance certification for the electrical specifications work required by the foreign companies. The application for a Jewellery Permit for the foreign company is at an advanced stage. In addition, KIDJA is sourcing additional suppliers of rough diamonds for the foreign company's instructors to commence further training of the KIDJA graduates.

One of the highlights this year has been the decision taken by National Government to approve Upington for a Special Economic Zone status. A feasibility study will subsequently be conducted, to determine the competencies that will be located in the SEZ. The study is expected to be completed by the end of the 2013 / 2014 financial year. Dti is leading the process of appointing service providers. In addition, a Provincial Project Committee has been established which will be followed by the establishment of a broader consultative steering committee. The province will through these structures be involved in the process of the feasibility study.

The establishment of a Malt Production Plant, which was facilitated by the Department, will be constructed in the first quarter of the next financial year. A Cooperatives Development Model has been developed for the identified emerging farmers in Frances Baard. The Pniel, Droogfontein and the Research Station in Jan Kemp Dorp, owned by the Provincial Department of Agriculture, Land Reform and Rural Development has been earmarked to be used as incubation centres for the development of Cooperatives. The Plant was officially launched during November this year.

The envisaged Malt Plant, Solar Park, the Electronics Hub and the SEZ initiatives are high impact projects

that have the potential to establish new businesses and create massive jobs opportunities for the benefit of the province. Therefore, the skills development programme that the Department has introduced in 2012/2013, is an attempt to prepare the necessary skills base that will be required for these projects and other business spin-offs that will accrue as a consequence. This programme relates to the training of SMME's on Computer Aided Design (CAD) and Computer Aided Manufacturing (CAM) to enhance their skills on manufacturing and make them more competitive nationally and globally. Seven SMME's are currently benefiting from this intervention with an additional three that will join the programme in January 2013.

The implementation of the Technology Localisation Plan by the Department of Science and Technology will enhance the competitive urge of the local manufacturing companies of the province. This Plan provides for Technology Assistance Packages to those companies that have been identified as having short-comings, in their abilities to be able to access procurement opportunities that emanate from government mega-projects such as the SKA, Solar Park, the SEZ and the Electronics Hub. Two companies have been bench-marked from this initiative and based on the outcome of the analysis, an assistance package will then be developed by the Department of Science and Technology to address their identified short-comings.

The process of establishing Manufacturing Centres has commenced with the appointment of service providers to conduct feasibility studies and develop business plans for the establishment

of an Agro-processing Cluster and a Minerals Beneficiation Cluster. These clusters will enhance the industrial base of the province.

All the above-mentioned achievements in this financial year link directly to industrial development, skills development and jobs creation.

The purpose of the Northern Cape Mining Desk (NCMD) is to develop and empower the mining industry in the province. The department, jointly with The Northern Cape Mine Managers Association has identified Provincial Procurement Projects to stimulate local procurement opportunities for the mining sector. In 2012/2013 financial year a Procurement SMME Portal was launched in order to

ensure accessibility to both local mining procurement opportunities and Provincial local supplier's data base. An Engineering mining consortium has been established for the manufacturing of engineering mining products.

2.3.1.4 Business Regulation and Governance

The programme Business Regulation and Governance is responsible for regulating the operations of liquor outlets as well as gambling and betting establishments. This is done through the Northern Cape Liquor and Gambling Boards respectively and the Provincial Consumer Protector. The inspection services of these entities conduct effective policing of establishments to ensure that operators do not break the law. The challenges of alcohol abuse in the province and the prevalence of foetal alcohol syndrome (FAS) must be kept in check to lessen other social ills in our communities.

This function was allocated R22, 015 million in the 2012/13 financial year which later, during the adjustments, was adjusted to R25, 522 million. The adjustment was primarily due to the establishment of the Consumer Protection Office and the Consumer Court, which received R 2,5 million. The resources allocated to the Programme were utilised mainly as transfers to the Liquor, Gambling and Consumer Protection entities, while the Department has resources for the monitoring and evaluation function that needs to be performed on the entities.

During the financial year 2012/13, the Consumer Protector and Chairperson of the Consumer Court and the Registrar were appointed. The Consumer Protection unit managed to resolve 260 consumer complaints. This is a far cry from the annual target of 3000, which was revised to 1500 and reflects the need for additional resources for the establishment of regional service points, if the target is to be reached. The closure of the Namaqualand Legal Advice Service Centre also contributed to the target not being attained.

During the financial year 2012/13, the Liquor Board received 540 new license applications across the spectrum of different types of licenses. The Board approved 520 licenses, the balance being refused or postponed. The majority 351 (68%) were occasional license application and 91 (17.7%) were permanent license applications.

In terms of existing licenses 1,750 licenses were issued with renewal notices valid for the year 2013. Two existing licenses were referred to formal hearings of which one was finalised and one is still outstanding. Regarding compliance we targeted 2,500 license inspections and managed to conduct 1,138 in the 2012/13 financial year. This represents a success rate of 57% and we intend to improve upon this.

On liquor education and awareness programmes, the Department through the Liquor Board managed to hold 19 education and awareness sessions, 17 in clinics and 2 school-based campaigns. We held Sobriety Week in conjunction with the Arrive Alive Campaign by the national and provincial transport departments, two such campaigns were held. The National Liquor Regulator Forum Compliance and Enforcement sub-committee meeting was held in Kimberley with representation by all nine provincial liquor boards, the SAPS, municipalities and other stakeholders.

The Liquor Board has experienced resource constraints that affect their operations. This was further exacerbated by ineffective prioritisation regarding the utilisation of the scarce resources at their disposal.

The Gambling Board revised the licensing conditions of operators and re-issued licenses to operators in the 2012/13 financial year. In terms of rolling out limited payout machines (LPMs), the department issued a request for proposals (RFPs), thus far six route operators have responded.

The sub-programme Regulation Services do not have a dedicated resource to affect the functions to be performed in the execution of its mandate. Even so, the unit has harnessed the available resources to identify three barriers in the broader business environment and has addressed two of these. The target for the year is four per barrier. The project to review the Business Act has resulted in a Business Bill that is currently a very topical policy issue and is to be resolved in the coming financial year.

For the financial year 2013/14, the Programme is allocated R 27, 393 million. This represents an increase of R5, 378 million which is allocated to the Provincial Consumer Protector to fully operationalize the entity. Since the increase in budget has been assigned to the Consumer Protector, it implies that the Liquor Board will be faced with the same challenges in 2013/14 as it faced in 2012/13 and it is therefore incumbent upon

the Department to lobby for funding specifically for the Liquor Board in the budget process later this year.

2.3.1.5 Economic Planning

The effects of the global economic crisis emanating from the financial crisis in the United States with the collapse of well-known banking and insurance institutions have been lingering in the world economy. The primary negative effect of this has been on the external channel of the South African and provincial economy with a reduction in exports to the also badly affected areas in the Euro Zone. In addition, strikes in the platinum mining sector have resulted in some retrenchments. The possibility of similar events in the iron ore industries, in the JTG mining areas, is also an ever present threat. This has been compounded by a marginal slowdown in the Chinese economy which is the main destination for our mineral and mining commodity exports. Furthermore, the impact of the raised banking capital requirements coming from the Basel 3 requirements had a negative effect on bank lending causing a reduction in aggregate demand in the economy.

The challenge of unsecured lending by bank and non-banking financial institutions has also had a negative effect on the economy. This has led to high levels of indebtedness by workers and is a possible threat to consumption and ongoing domestic demand in the economy. The result of these negative developments is the potential lower government revenues and therefore lower government spending, in this time of economic hardship. Lower government spending will result in reduced direct job creation by government, reduced spending on essential services to the public and also lower public sector investments. However, the planned infrastructure spending by the state in terms of the National Infrastructure Plan, will improve investments in higher education infrastructure and technology-intensive investments such as the SKA. This will boost provincial economic growth, increase the prospects for mineral commodity output and job creation.

2.3.1.6 Tourism

The Northern Cape Provincial Growth and Development Strategy (PGDS) identified tourism "as a crucial and vibrant sector that must contribute to improving the long term socio-economic wellbeing of the people of the province". To give effect to the PGDS, the Tourism Programme conducted

intensive research to develop the Northern Cape Tourism Master Plan. The Northern Cape Provincial Government has recognised the provincial tourism master plan as a strategic tool that will provide overall direction for future tourism development and unlock the significant potential that tourism holds in terms of socio-economic development and the preservation of natural and cultural resources in the province.

The master plan was up for review with the sole intention to examine the current status of tourism, measure our ability to implement the plan and provide recommendations for improved tourism sector performance in the future.

The past year has seen aggressive tourism marketing, product development, tourism spatial planning and institutional alignment to lay the basis for tourism growth in the province.

The extreme brand positioning was realised in terms of visitor spending, youth development and positioning the province as a world class extreme sport destination. To this end, special events have been carefully selected to enhance the provincial extreme brand positioning in the form of Maloof Money Cup, Kalahari Desert Speed week, Bloodhound and the Green Kalahari Canoe Marathon to mention but a few. The long lasting benefits of hosting these events must be seen in terms of profiling the province through the media houses and internet social network sites, social cohesion, as well as promoting youth development through sports and educational advancement in the area of scarce and critical skills for mathematics and science.

Efforts to strengthen the tourism sector were done through the development of routes, job creation and SMME development initiatives. In addition, the support and assistance to rural festivals and events has strengthened the Provincial tourism sector.

The development of primary tourism routes has been the cornerstone to create visitor experience and to ensure that tourism visitor figures grow steadily. Instead of having fragmented stand-alone tourism products, a cluster approach has been adopted in consultation with the tourism industry. The tourism industry has therefore seen the development of routes in the Karoo Hoogland and Cape to Namibia, amongst others.

2.3.2 Service Delivery Improvement Plan

Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Enterprise Development and Economic Empowerment: Provide development and support services to SMME's	SMME's	SMME's	SMME support services are available to SMME's Mondays to Fridays during office hours from Departmental offices at the Khaya La Bantu Building. Information on services provided to SMME's via information sessions, office visits, SMME pilgrimage which takes place on a daily to annual basis.	Achieved
Preferential Mining Procurement (PMPI) and Procurement Initiative (PPI): Provide Tender training and information to PDI's	SMME's	SMME's	PMPI information accessible on the PMPI website portal to all SMME's	PMPI (Preferential Mining Procurement Initiative) Launched in November 2011
Regional and Local Economic Development: Support to local and district Municipalities and communities to improve their economies	Local & District Municipalities	Local & District Municipalities	Support Services to municipalities are available Monday to Fridays during office hours from the RaLED offices at the Khaya La Bantu building in Kimberley or from LED Co-ordinators in the Districts	Achieved
Office of the Consumer Protector: Providing Consumer Education and awareness	Consumers in the Province	Consumers in the Province	Office of the Consumer Protector services are available to consumers Mondays to Fridays during office hours at the Departments' Khaya La Bantu building Services will at all times be offered in a very professional manner	Achieved



NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
NON-FINANCIAL PERFORMANCE INFORMATION
For the year ended 31 March 2013

Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Walk-in-clients/phone-in-clients on a daily basis.	SMME's	SMME's	Achieved
Exhibitions, once a quarter	SMME's	SMME's	Achieved
Annual Pilgrimages	SMME's	SMME's	Not achieved
Dissemination of information through brochures, newspaper & radio adverts once a quarter	SMME's	SMME's	Achieved
Local & district Forums established in all municipalities, meet on a quarterly basis	Local & District Municipalities	Local & District Municipalities	Achieved
Workshops & imbizo's on a quarterly basis for consumers	Consumers in the Province	Consumers in the Province	Achieved

Service delivery access strategy

Access Strategy	Actual achievements
SMME support services are available to SMME's Mondays to Fridays during office hours from Departmental offices at the Khaya La Bantu Building.	Achieved
Support Services to municipalities are available Monday to Fridays during office hours from the RaLED offices at the Khaya La Bantu building in Kimberley or from LED Co-ordinators in the Districts.	Achieved
Telephones, talk shows and seminars Office of the Consumer Protector services are available to consumers Mondays to Fridays during office hours at the Departments' Khaya La Bantu building.	Achieved

Service information tool

Types of information tool	Actual achievements
Information on services provided to SMME's via information sessions, office visits, SMME pilgrimage which takes place on a daily to annual basis.	Achieved
Information is disseminated via: LED Newsletter, Email, Website being considered at Provincial LED Forum. It is circulated as a minimum every quarter.	Achieved
Consumer rights & awareness through Radio, adverts, imbizo's Information on services provided to Consumers via information sessions, office visits, World Consumer Rights day Celebrations, etc.	Achieved

Complaints mechanism

Complaints Mechanism	Actual achievements
Handling of complaints for all customer services: Suggestion boxes available at all times during office hours. Acknowledgement of complaints within 48 hrs. Complaints investigated within 5 working days of receipt thereof. Feedback to complainant within 7 working days of receipt thereof. Continuous feedback to clients on the status and outcome of the processes.	Achieved

2.3.3 Overview of the organisational environment

2.3.3.1 Integrated Economic Development Services

The programme has had to weather some challenges during the year under review. These challenges were primarily related to restructuring efforts within the programme, two personnel leaving the programme for better employment prospects and one going on retirement. Of the 27 employees in the programme, 6 (22.2%) people left and 5 of these positions have not been filled yet, even though 2 employees have been appointed to the programme. Two of the employees that have left the department were secretaries that were responsible for the administrative support to be provided to the Office of the Executive Manager and the Senior Manager: Regional and Local Economic Development.

The programme has thus experienced a period of destabilization, exacerbated by the duration it takes to complete the recruitment process in the Department. While efforts to ensure that all vacant funded positions are filled are continuing, the lack of capacity in what is generally the service delivery arm of the Department does not auger well for the coming financial year, especially so since the Department does not have an undisputed and irrevocable presence in this vast province of ours. This can only be achieved if additional resources become a reality.

The open plan lay-out at Khaya-La-Banthu is not equipped for the demands of service delivery in terms of infrastructure, furniture, dining hall and a personnel guideline and training programme on how to professionally work in such a space is required. This has had a terrible effect on productivity, moral, absenteeism and number of sick leave days (number of chest and throat infections) in this financial year. The latter is due to the fact that the facility has a very poorly coordinated central climate control unit/s and is surrounded by industries that cause dust (mine dumps being excavated), smoke (hazardous smelting smoke from scrapyards), fumes from large vehicles and noise pollution.

In terms of institutional alignment and logistical support to service the 5 District and 27 Local Municipalities through the five LED district managers, combined with demands of extensive numbers of external stakeholders has not been optimal. The

rigid nature of the departmental process does not always enable the service units like Programme 2, 3 and 6 to function optimally and this inhibits their performance.

The tremendous compliance burden is also a huge concern seen as the operational units spend a sizeable amount of time on compliance issues instead of advancing their strategic mandates. Compliance and systems is a prerequisite but the manner and the approach is crucial: it must govern, enable, enhance and be rendered as a service.

Career path opportunities in the department are very limited which leads to a high turnover. Here the position of secretary and the RaLED flat structure is a worrying factor that simply adds to this concern.

2.3.3.2 Trade and Sector Development

The Trade and Sector Development Programme managed to make appointments in the Trade and Investment Promotion and Sector Development sub-programmes. A Manager: Trade and Investment Promotion was appointed towards the middle of the financial year in order to ensure that the work of the sub-programme is managed. The Senior Manager, Trade and Investment Promotion however resigned in the 3rd quarter of the financial year. This position has not been filled as the functions have predominantly been carried out by NCEDA whom have made various appointments, thus taking the pressure off the department. The Sector Development sub-programme has appointed a Manager: Manufacturing to catalyse manufacturing development in the Province. In addition, a secretary was appointed to support the administrative function within the Sector Development office. The programme achieved most of its targets during the period under review with minimal shortfalls in achievement due to the lack of capacity.

With regard to the Diamond Strategy:

The on-going construction of the Kimberley Diamond and Jewellery Incubation Centre will receive additional funding in the new fiscal year. Branding of Kimberley Diamonds and Jewellery project timelines/targets will be achieved, pending the approval of the logo by the relevant stakeholders. A funding unit has been established within the department, to identify funders that we can approach for funding. SEDA and the DTI have allocated funding for the project.

Challenges faced in achieving targets for 12/13:

Operationalization of one (1) cutting and polishing and jewellery manufacturing foreign company by 30 September 2012, has been delayed to this fiscal year, while their outstanding documentation is submitted:

- ◆ All compliance documents required from the SDT in order for the foreign company to become a client at the SDT have been submitted by the foreign company to the SDT, waiting on approval from the State Diamond Trader in order to allocate the first allocation of rough diamond supplies to the foreign company.
- ◆ The rough diamond supplies from the SDT will sustain the foreign company operation
- ◆ Only once the first allocation of rough diamond supplies is received from the SDT can the four foreign instructors commence with the process of further training ex- KIDJA students
- ◆ Waiting on the electrical specifications from the foreign company for their allocated factory at the Kimberley Diamond and Jewellery Centre

2.3.3.3 Business Regulation and Governance

The Business Regulation and Governance programme is the one programme that has undergone a tremendous transition over the past few years with the coming into operation of the Liquor and Gambling Acts and more recently the Consumer Protection Act. The unit is responsible for the monitoring and evaluation of the entities and has had to adapt to perform this function. The programme is under resourced with no personnel in the Liquor unit or the Regulation services unit and, due to the varied nature of the support to be provided to the entities, requires collaboration with other units in the Department e.g. Human resources and Finance, to provide an effective support service to the entities in a consistent and meaningful manner.

2.3.3.4 Economic Planning

The programme has been operating without two senior managers in two critical delivery areas for the first half of the financial year in the Policy and Planning and Research and Development units respectively. The officials were only appointed in the second half of the year and the implementation started thereafter. With the management team in place the programme has been able to make substantive progress across

delivery areas. Notwithstanding this, the Research and Development sub-programme still needs capacity as it is short of key personnel following the transfer of two officials to other programmes. Once the job evaluation process is finalised we will employ the required human resources.

The department experienced prolonged downtime on the network in the Metlife Towers Building with Internet and system access affected. This was as a result of ageing network infrastructure. We had to replace three network switches but due to unavailability of equipment the service providers had to procure and this resulted in a three month delay. Three cabling problems also had to be fixed as a result of ageing cabling equipment. However, once the equipment was received, IT Unit fixed the problem. A task team has been established between the department, the Provincial Treasury and Department of Environment and Nature Conservation in order to address the problem in Metlife Towers Building going forward.

2.3.3.5 Tourism

The Tourism Programme was faced with a number of challenges during the period under review. The third quarter has been a period of change, and even turmoil as we had to keep reprioritizing our budget due to the effect of the severe budget reprioritizations introduced to deal with the risk of Tourism Programme overspending. This had a significant effect to deliver on set plans and achieve targets.

The filling of two vacant posts has become critical in order to elevate the two Sub Programs for Tourism Industry Development and the Sub Program for Tourism Research and Planning to a Directorate level. The review process of the Tourism Master Plan and the subsequent alignment of it to the National Tourism Sector Growth Strategy will demand the dire need for a total review of the current Organizational Structure for the Tourism Program.

2.3.4 Key policy developments and Legislation changes

Key legislative changes in the 2012/13 financial year include the Infrastructure Development Draft Bill; Draft Special Economic Zone Bill; Draft Licensing of Businesses Bill and the Mineral and Petroleum Development Act (MPRDA) Draft Amendment Bill 2012 amongst others. Major development relating to the Renewable Energy Independent Producer Procurement Programme (REIPPP) in terms of the

Integrated Resource Plan (IRP) is taking place with projects numbering 47 in various phases of financial close, design and construction respectively. In addition, the latest derivative of the Industrial Policy Action Plan (IPAP3) has been unveiled by the Department of Trade and Industry (DTI) and the Regional Industrial Development plan (RIDP) respectively. The IPAP3 represents the fourth annual iteration of the action plan. The IPAP and National

Industrial Policy Framework (NIPF), supported by complementary policy frameworks seek to address the structural imbalances in the current South African growth path. The revised action plan identifies key action programmes that government must collectively implement for designated sectors in order to leverage opportunities for local procurement and thus accelerate opportunities for manufacturing and industrialization. Key achievements have been registered in sectors such as automotives, clothing, textiles, leather and footwear and business process services.

In terms of the RIDP, it is a manifestation of the priorities outlined in the NIPF and IPAP, with the objective of ensuring even more regional industrial development. This will be premised on the peculiar competitive and comparative advantages and natural endowments of each province and will be supported by the special economic zone (SEZ) policy; national infrastructure plan (NIP) and the strategic integrated projects (SIPs); as well enabling trade, investment and competition policies amongst others. The economic clusters, development corridors, growth sectors and catalytic projects identified per province will form the basis of an implementation plan for equitable industrial development in the country and will ensure integration with existing and planned government support programmes.

The MPRDA Draft Amendment Bill seeks to provide for the regulation of associated minerals; partitioning of rights and enhance provisions relating to beneficiation of minerals; to promote national energy security and streamline administrative processes the DEDaT seeks to promote value chain enhancement in the mining value chain and thereby ensure greater skills development and employment creation in the mining and minerals sector in the province. The Amendment Bill will enable these economic development objectives of the department are achieved through its enactment.

Government, through the Special Economic Zones Bill wants to ensure that the shortcomings of the

Industrial Development Zones (IDZ) policy are addressed and that each region has an opportunity at promoting critical sectors that have natural competitive advantages in the province. The SEZ Bill will provide for the designation, promotion, development, operation and management of SEZs including the establishment of an SEZ Fund. The province has applied for two SEZs based on the solar energy industry and mining/mineral beneficiation respectively. The former has been approved by the relevant board and it is hoped that the bill will create an enabling environment for a vibrant manufacturing sector centred around the SEZ and advanced manufacturing capabilities.

The Economic Development Department (EDD) is championing the Infrastructure Development Bill which will fast-track government's multi-billion rand infrastructure development programme as outlined in the National Infrastructure Plan (NIP). The plan contains the various strategic integrated projects (SIPs) numbering eighteen. The SIPs are packages of projects that are premised on catalytic economic growth interventions, enabling socio-economic development and cross-cutting interventions respectively. It is hoped that successful implementation of the SIPs will promote much needed infrastructure development, in addition catalyse economic growth, creating jobs and improve the quality of life and conducting business in the country.

The Infrastructure Development Bill provides for the facilitation and coordination of infrastructure development which is of significant economic or social importance to the republic; to ensure that Infrastructure development is given priority in planning, approval and implementation; and to ensure that development goals of the State are promoted through infrastructure development. The province stands to gain through the NIP as a number of SIPs will be fast-tracked through passing of the Bill. The Licensing of Businesses Bill has proved more controversial as it is believed that it will increase the compliance burden of businesses. The Bill seeks to provide for a simple and enabling framework for procedures for application of business licenses by setting national norms and standards. The DTI has been sent back to re-draft the bill following disapprovals that were raised. The Bill would have affected the business and regulatory function of the DEDaT as it relates to consumer protection, gambling and betting as well as liquor establishments for which the department issues operating permits.

Furthermore, the Tourism Bill seeks to provide for the development and promotion of sustainable tourism; to provide for the continued existence of the South African Tourism Board; provide for the establishment of a Tourism Grading Council; and to regulate the tourist guide profession. These legal provisions have implication for tourism promotion in the province as a mandate of the DEDaT and the necessary resources will have to be acquired in order to implement the provisions of the Bill.

The revision of the Treasury Regulations (1999) is also under way and will have wide ranging implication for financial management in the public service in terms of important responsibilities such as supply chain management. It is critical that these regulations be revised in order to improve financial management and address incidents of financial mismanagement including fraud and corruption.

The review of the national Business Act has resulted in the Business Bill that would have implications going forward. The Bill is promoting the registration of all businesses, formal and informal, in municipalities. The rationale is that it would enable better monitoring of businesses, whether they pay tax amongst other issues. The counter argument is that it would result in the assignment of a responsibility to the municipality that it does not have the capacity to implement. The Bill is to be concluded in 2013.

2.4 STRATEGIC OUTCOME ORIENTED GOALS

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

LED Strategies

The Northern Cape successfully progressed to define and analyse the province and its socio-economic context. The first step towards this was to develop the Provincial Growth and Development Strategy which was extended on by key sector strategies (i.e. mining, manufacturing, knowledge economy/inspire, agriculture) which included a dedicated Rural Development Strategy and Local Economic Development Strategy. This enabled the development of a Provincial Spatial Development Strategy.

This extensive strategy base provided the empirical defined profile of the Northern Cape with proposed interventions. This was broken down by the provincial

IGR and Cluster system which successfully combined all spheres of local government and provincial departments' efforts to assigned and implement these strategies in an integrated manner.

A consistent approach in terms of the key sectors and catalyst high impact initiatives was put in place to ensure these strategies reach the population on ground level. The provincial LED strategy was broken down into 32 Municipal LED strategies to enable each municipality to know and manage its competitive and comparative advantages, created LED capacity and competency, provincial and local LED forums to combine public and private planning and implementation cooperation and this ultimately leading to project realization.

All 32 municipalities developed LED strategies and the department provided direct support on development of 19 of the 32 LED Strategies.

Establishment of Regional and Local Economic Development Unit

To coordinate all of these a dedicated Regional and Local Economic Development unit has been put in place on provincial level with 5 District Managers to ensure hands on support in terms of LED to all 32 Municipalities.

Several priority sectors and projects like mining, agriculture and agro-processing, renewable energy, aquaculture, SKA, Gamagara Mining corridor etc. has been identified and are been broken down to ensure maximum localisation in line with the local communities capacity to participate. The Department even extended to create and apply a Provincial Economic Growth Fund to realise and enable these priorities.

LED Training

40 Provincial LED officials were taken through a 12 months accredited LED training session to enable better planning and implementation.

SMME Development and Support

- ◆ 4726 SMME's were assisted across all districts with new business registration, business advise, business plan development, business interventions through SEDA and access to domestic and international market.
- ◆ The outcome of attending international

tourism initiatives lead to 793 contracts; 56 strong leads; 101 partnership and 40 deals closed.

- ◆ 150 smallholder farmers have accessed markets for various commodities
- ◆ 43 SMME's accessed procurement opportunities.
- ◆ R1.3 Million spent on awarding 18 small tourism enterprise development grants.
- ◆ 9 Partnership for SMME's support established.

SMME Training

- ◆ 2050 small businesses received business related training including tendering.
- ◆ 15 SMME's received training on innovation thinking, business skills and End user computing from ICT e-SMME development.
- ◆ 15 SMME's received training on tender processes with the help of ICT e-SMME's development.
- ◆ Web profiles of 15 small businesses developed.
- ◆ 345 emerging small tourism entrepreneurs were trained in tourism business skills for Housekeeping.
- ◆ 24 BBBEE workshops conducted to improve access of knowledge on economic opportunities to women and youth.
- ◆ 37 tourist guides were trained on tour operator business management.
- ◆ 1356 person representing more than 250 tourism establishments were trained in customer care throughout the province.

Economic Growth and Development Fund Projects (EGDF)

EGDF have created 420 job opportunities that have benefited both youth and women.

i.e. Diamond Bed Factory; Eternal City trading; Garies granite plant; Chikaina Pig Farm, School of Magic; SMME support amongst others.

2.4.2 The stimulation, facilitation and/or increase of economic growth through sector development and trade and investment promotion and the diversification of the energy sector

Establishment of the Northern Cape Economic Development Agency

The Northern Cape Economic development, Trade and Investment Promotion Agency (NCEDA) was

implemented. The Agency was established to ensure promotion of foreign trade and investment, enterprise development, provision of funds and project management. The establishment of the Agency has seen the successful facilitation of significant investments, assistance of companies with exports and expansion of trade into new markets as well as the assessment of companies for export readiness which were predominantly performed by departmental staff. The Northern Cape Export Forum was also established during this reporting period.

Export readiness and assistance

Trade and Investment Promotion unit, NCEDA and SEDA facilitated the Export orientation course where 15 SMME's were trained for export readiness; Twenty four (24) companies have been put through export readiness assessments.

Ten (10) companies were assisted with their exports and two (2) companies had expanded their trade into new markets.

The unit successfully facilitated the investment of Orange River Poultry (R60 million) which will be rolled out in phases with an initial investment of R4 Million.

Continuous assistance is given to NCEDA in implementing their mandate and play a monitoring and evaluation function as well as strategy formulation with regard to Trade & Investment. Through NCEDA, the Province will proactively attract, facilitate and retain foreign investment and promote exports and market access through the application of best practice methodology and focused targeting.

Investment attracted

R87 million (FDI and domestic investment) was attracted for the project:

- ◆ The Diamond Bed Factory - R53 million.
- ◆ Riemvasmaak Agricultural Project - R24 million.
- ◆ the Vaalharts Catfish Project - R6 million.
- ◆ Lower Majeakgoro Pecan Nut Project - R2 million.
- ◆ Riemvasmaak Trust Tourism Project - R2 million.

Trade exhibitions

Three companies were assisted to participate at the Arts and Craft International Trade Fair in Italy through dti incentives schemes - Export Marketing and Investment Assistance (EMIA) Scheme. Thirteen

(13) companies were assisted with access to trade fairs/exhibitions i.e. SAITEX and Arts & Crafts Fair (Italy) and the facilitation of Sub-acute hospital project was undertaken (R9 million).

Manufacturing

Over the years concerted effort has been put towards the revitalisation and boosting of the manufacturing industry in the Province. As such several strategic initiatives have been embarked upon since 2009. During 2009 / 2010 the Department visited all districts municipalities to establish current and envisaged manufacturing initiatives that were available at the district and municipal level. The Report produced at the time revealed that most of the initiatives were still at the conceptual stages and still needed to be investigated further. Coupled to this was an attempt to establish whether the Districts had a database of manufacturers in the province and this was non-existent. Workshops were then held throughout the Province with manufacturers across industries to establish from them what could be the reasons for the sector not to perform at an expected level. Statistics showed at the time that the performance of manufacturing sector was stagnant over a period of 10 years in the province.

The reports derived from the above activities then gave a sufficient foundation for the Department to develop the Provincial Manufacturing Strategy. The strategic interventions outlined in the strategy were informed by the outcomes of engagements with districts as well as with industry stakeholders. Out of this process, then the Manufacturing Steering Committee of the province was established. This Committee became an extension of the Manufacturing Working Groups that were established in the previous year.

It is through this Committee that guidance was obtained that led to the identification of potential areas for Special Economic Zones in the province during 2011. As a result of this the Province was considered by National Government for a possible SEZ in Upington which will also include the solar corridor. Other initiatives of high impact that have been facilitated by the Department through the Manufacturing Committee are the Malt Production Plant in 2011, the Kalahari Meat Processing plant that will possibly be located in Groblershoop and Kathu. The construction of the Malt Plant is envisaged

to take place in 2013 and will be completed over a period of 18 months. While the Meat Plant at this stage is still going through a feasibility study to confirm a business case that was developed a few year earlier. Hopefully the study and business plan will be finalised by end of 2013.

Preferential Mining Procurement

Finalizing the development of the Northern Cape Mining Procurement Charter is currently in process.

A Business plan was completed on the establishment of a factory for the production of reflective gear and industrial overalls.

Mining Desk

The department is in the process of establishing a provincial mining desk. The purpose of the Northern Cape Mining Desk (NCMD) is to develop and empower the mining industry in the province, with specific emphasis on the small scale miners.

The Small Scale Mining Industry in the province can make a meaningful contribution in enhancing the Mining sector performance, hence the focus on small scale mining.

The Diamond Strategy

Diamond Beneficiation

ASGISA assigned the Northern Cape the Special Project of Processing Diamonds and Precious Stones. Based on this assignment the Province conducted detailed research and developed the Diamond Strategy with the primary intent of advancing beneficiation in terms of diamonds and jewellery for South Africa. The Diamond Strategy has the objective of establishing Kimberley as a Centre of Excellence focusing on the following 7 pillars:

- ◆ Jewellery Manufacturing
- ◆ Diamond cutting and Polishing
- ◆ Diamond and Jewellery Hub
- ◆ Diamond and Jewellery Academy
- ◆ Diamond Branding
- ◆ Relocation of State diamond trader
- ◆ Diamond and Jewellery Tourism

Jewellery Manufacturing

An Italian jewellery manufacturing company has been relocated to Kimberley. The factory has imported well over R 80 000 000 of equipment and will be able, when in full production, to produce over 5 tons of gold and silver jewellery per annum and employ an estimated 400 people.

Diamond Cutting and Polishing and Jewellery Manufacturing

A corporative agreement has been signed with a foreign company to set up diamond cutting and polishing and Jewellery manufacturing factories at the Kimberley Diamond and Jewellery Centre. The foreign company has been registered; Diamond dealer's license, Diamond beneficiation license and authorised representative has been obtained. KIDJA is in the process of applying for work permits for the four foreign instructors who will further train ex-KIDJA students in order to have them readily trained and be absorbed into the foreign company factories at the Kimberley Diamond and Jewellery Centre, the process is to serve as an exit strategy for KIDJA students. In the process of acquiring the jewellery permit for the foreign company. All compliance documents necessary for the foreign company to become a client at the State Diamond Trader have been submitted, waiting on approval and allocation of the first rough diamond supplies from the State Diamond Trader. It is envisaged that the project will create 150 jobs over the MTEF (3-5 year period).

Three local diamond cutting and jewellery manufacturing SMME's are operational at the Kimberley Diamond and Jewellery Centre.

Kimberley International Diamond and Jewellery Centre/Hub:

The facility has been renovated to world class standard and is currently being considered by several local and global large scale diamond cutting and polishing operators. Phase 1 Renovations to existing infrastructure has been completed. These renovations are preparing the facility for prospective

diamond cutting and polishing and Jewellery manufacturing concerns that will occupy factories at the Kimberley Diamond and Jewellery Centre. Project Managers have been appointed, for the second phase of the renovations, and construction of new infrastructure such as the canteen and ablution blocks. Plans for the renovations and construction of new infrastructure have been completed and approved by relevant stakeholders. To date 197 Temporary jobs have been created through the EPWP programme. The development of the business plan and implementation plan of the hub has been completed. R26 million has been received from the dti for the Hub Project.

Kimberley Diamond and Jewellery Academy: A complete facility and funding model has been put in place with close industry alignment and partnership. The legal entity, curriculum and the facility has been prepared and the 'virtual' Academy is ready for launching.

Renovations to operationalize KIDJA created 142 jobs. Six permanent staff members have been appointed at KIDJA (the Principal, Financial Manager, two Administration, and two instructors). KIDJA was officially launched on 4 November 2011. To date 112 learners have been trained at KIDJA. KIDJA hosted its first graduation ceremony in November 2012.

Fifty eight (58) learners are currently being trained at KIDJA. Forty eight of the learners are on a six months diamond cutting and polishing learnership. Of the forty eight twenty four are disabled learners.

The Kimberley International Diamond and Jewellery Academy provide skills development, technology transfer and entrepreneurial opportunities to the learners. Learners on a learnership get paid a stipend every month for the period of their learnership.

Relocation of State Diamond Trader

Even though a formal announcement of the relocation of the State Diamond Trader to Kimberley was made the transfer process has been put on hold.

Branding Kimberley Diamonds and Jewellery

A logo has been developed to brand Kimberley Diamonds and Jewellery, but must still go for official approval.

2.4.3 A fair regulated trade environment and good governance indicate the progress made towards the achievement of the goal.

Liquor Board

During the latter part of 2006 drafting of the Northern Cape Liquor Bill was finalised. At this stage the Northern Cape Province like many other provinces did not have its own Liquor Act and had to implement the original 1989 National liquor Act in the Province. The Provincial Bill was tabled in the Provincial Legislature early in March 2007 but was only passed by the Legislature late in 2008 because of a number of hearings held throughout the Province. The board is currently staffed and functional.

Gambling Board

A Provincial Gambling Bill was submitted to the Provincial Legislature during 2005 but because of various drafting deficiencies had to be withdrawn from the legislature and redrafted during 2006. This Bill was reintroduced in the Provincial Legislature during the latter part of 2007. Both the Liquor and Gambling bills were finally approved by the Provincial Legislature as Act numbers 2 and 3 of 2008 respectively. Because of the build-up to the 2009 election it was considered the correct thing to leave implementation of these Acts until after the elections. During the latter part of 2009 preparations were made and action taken to implement these Acts with effect from 1 April 2010. These preparations included budgetary measures, appointment of Boards and consultation with Board members. After 1 April 2010, the Ministry and Department joined forces to have these entities listed as Provincial Public Entities in terms of the PFMA, to ensure the evaluation of establishments and the appointment of staff to these new entities. Matters like accommodation, training and guidance also received attention. At present the Boards is fully staffed and handle their own expenditure and budgets.

Consumer Affairs

The Northern Cape Consumer Affairs (Unfair Business Practices) Act; creating a Provincial Consumer Protector and Consumer Court was passed by the Provincial Legislature and came into operation in 1996. This Act however had a number of deficiencies preventing the institutionalisation of the Consumer Court and hampered the operation of the Consumer Protector in the province. Recently new national Consumer Protection legislation came into operation. This legislation created a new national Consumer Protection dispensation which also had to be followed by the Provinces. To align the provinces legislation with the national legislation a completely new Bill was drafted. The Bill dovetailed in all major respects with the national legislation and was introduced in the provincial legislature late in 2011. The Bill was passed by the Provincial Legislature as the Northern Cape Consumer Protection Act 2012 (Act no 1 of 2012) and came into operation on the 1 April 2012. Subsequently, a Provincial Consumer Protector was appointed as well as a Chairperson and a Registrar of the Consumer Court, as well as a number of key appointments in the Office of the Provincial Consumer Protector. Because of these appointments the Consumer Protector function of the Department can now, for the first time, be fully operational.

2.4.4 Sustainable economic development

Sustainable economic development is not a single measure but encompasses a number of dimensions such as access to healthcare, educational attainment, household income and per capita national income amongst others. This is encompassed in the PGDS Vision 2014. In terms of economic growth, the province managed to register positive growth in 2011 of 2.2 percent which was lower to the national average of 3.1 percent in that year. Latest employment data showed year-on-year change in employment of 0.3 percent between 2011 and 2012 respectively. Total employment increased from 291,000 to 292,000 which is a marginal increase due to increases in the labour force. The unemployment rate peaked at a high of 30 percent in the third quarter of 2012 but eased to 28.8 percent in the fourth quarter. The challenge of unemployment remains a stumbling

block and all means must be pursued to address it, especially the scourge of youth unemployment.

On the other hand, the Census 2011 results have shown Northern Cape average household income has more than doubled over the period 2001-2011 from R39,757 to R86,158. This is a positive development and is indicative of better welfare based on income but also progress made on the social wage. The provincial income per capita has also increased to approximately R33,123 on average.

The provincial percentage of persons of age 15 years and older with no or little educational attainment has gradually declined over the three census periods, from 42.1% (1996), 38.1% (2001) to 26% (2011). This is positive as it hints at greater access and enrolment. In terms of higher educational attainment, the share of people in the province with higher education increased from 6.2 percent in 1996 to 7.2 percent in 2011.

The human development index (HDI) in the province is 0.585, this is an increase in the HDI from a measure of 0.52 in 2010. The HDI is a composite statistic of life expectancy, education and income indices ranking countries in terms of human development. The HDI can assume a maximum level of 1, indicating a high level of human development, and a minimum value of zero. Socio-economic inequality remains a challenge as measured by the Gini coefficient; the measure has remained unchanged at 0.66 in 2011. It is critical that wealth and income redistribution be encouraged in order to encourage social cohesion both in the province and the country.

2.4.5 To improve the impact of tourism on the economy of the Northern Cape Province

The focus of this Programme is to contribute to sustainable economic growth and employment in the Northern Cape through market-matching and exceptional product and enterprise development, winning marketing strategies and industry transformation, thus converting the province into a competitive domestic and international destination.

In order to improve both international and domestic arrivals to the province our marketing strategy has successfully delivered on their task to position the Northern Cape as a desirable holiday destination within Southern Africa. The programme does this through activities such as product development, training and skills development in the sector, events and community festival promotions and interaction with stakeholders on the challenges and opportunities in the tourism industry.

The second edition of the Maloof Money Cup Skateboarding Championship in September 2012 has been a great success. The event was attended by approximately 8,046 patrons daily over the three days; this is an improvement on the 4,622 average daily attendance in 2011. With regards to enterprise development, 21 SMMEs and entrepreneurs benefitted through supplying and selling of goods and services at the event.

The Media generated for Bloodhound to date across all media platforms nationally and internationally are 3213 articles printed or aired reaching an audience 2,5 billion at a value of R378 million. (Source: Meltwater and Newsclip Media Monitoring Service). The hosting of the first ever Kalahari Speed Week event took place from 22-30 September 2012 at Hakskeenpan. An audience of 3,000 people attended. Sixty local community members worked as drivers, builders, security and cleaners during the event. Water purification and potable ablution facilities utilised during this event will be used for the Bloodhound SSC event in 2014.

The domestic tourist arrivals have grown with 2% Domestic tourist arrivals provincially have increased by 2% according to statistics from SA Tourism. In the New Growth Path, tourism was identified as one of the sectors to be prioritised for job creation; therefore it is critical that the sector experiences growth for it to contribute towards job creation. The province welcomed 142, 000 tourists last year who went on an average 254, 000 trips. They stayed an average 4.4 nights spending R204 million. (source : SAT Research Unit).

2.5 PERFORMANCE INFORMATION BY PROGRAMME

2.5.1 Summary of Programmes

The department of Economic Development and Tourism comprises of the following six (6) programmes

Programme and Purpose	Sub-programme
Programme 1: Administration ensures an effective, compliant and competent department that will provide technical support and economic policy advice to the province.	Office of the MEC Office of the HOD Financial Management Corporate Services
Programme 2: Integrated Economic Development Services promotes, supports and facilitates integrated economic development through shared partnerships in the province	Enterprise Development Regional and Local Economic Development Economic Empowerment
Programme 3: Trade and Sector Development have a mandate to accelerate economic development by facilitating export from and investment into the province while simultaneously promoting economic diversification and industrial expansion	Trade and Investment Promotion Sector Development Strategic Initiatives
Programme 4: Business Regulation and Governance exists to regulate business practices and ensure compliance with relevant legislation whilst optimizing revenue collection and monitoring departmental agencies	Governance Regulation Services Consumer Protection Liquor Regulation Gambling and Betting
Programme 5: Economic Planning is entrusted with the responsibility to support and facilitate the transformation, diversification and growth of the provincial economy by developing economic policies and strategies informed by relevant economic research so that they are in alignment with the NSDP, the Northern Cape Provincial Growth and Development Strategy (NCPGDS) and Integrated Development Plans (IDP's).	Policy and Planning Research and Development Knowledge Management Monitoring and Evaluation
Programme 6: Tourism contribute to sustainable economic growth in the Northern Cape through market-matching and exceptional product and enterprise development, winning marketing strategies and industry transformation thus converting the province into a competitive domestic and international destination	Tourism Research and Planning Tourism Industry Development Tourism Awareness





PROGRAMME 1:
ADMINISTRATION



2.5.2 Programme 1: Administration

2.5.2.1 Office of the HOD:

Strategic objective

Government Outcome	Decent Employment through inclusive economic growth
Government Output	<ol style="list-style-type: none"> 1. Faster and sustainable growth 2. More labour absorbing growth 3. Multi-pronged strategy to reduce youth unemployment 4. Increase competitiveness to raise net exports, grow trade as a share of world trade and improve its composition 5. Appropriate cost structure in the economy 6. Improved support SMME and Cooperatives 7. Expansion of the EPWP
Strategic Objective	Management and steering of the departmental transversal administrative programmes and provision of economic intelligence and leadership.
Objective statement	To provide strategic direction and leadership in order to facilitate the sustained growth, transformation and diversification of the provincial economy.
Baseline	An economic growth rate of 3.3% in 2007.
Justification	Continuous planning and review of the Department's operations is executed from this sub-programme to impact across the activities of the organisation. These include implementing mechanisms to monitor the department's strategies, driving the economic development strategies within provincial government and providing effective administrative support. The aim is to reach 4-6% growth by 2014 and to halve unemployment by 2014
Links	The department is expected to lead the process of transformation and diversification of the economy of the Northern Cape Province through the facilitation and coordination of the transformation and diversification processes and initiatives in partnership with municipalities, national government, development and funding agencies, other provincial departments, the institutional framework of the NCPGDS, as well as the private sector, labour and civil society.

Chief Economist

Economic Overviews were prepared for the Departmental Annual Report, Quarterly Reports and APP, the Opportunity and Investment Profile of the Northern Cape, the Twenty Year Review, the Extended Executive Council Lekgotla as well as the African National Congress Lekgotla. A district profile was prepared for the Frances Baard District and support was given to other government entities through the preparation of the Provincial Spatial Development Framework and other Local and District Municipal Spatial Development Frameworks

Linking performance to the budget: Office of the HOD

Sub- Programme Name R'000	2012/2013			2011/2012		
	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
Office of the HOD	7 483	7 482	1	10 138	10 138	-

2.5.2.2 Financial Management

Strategic Objective

Government Outcome:	An efficient, effective and development-orientated public service and an empowered and inclusive citizenship
Government Output	Business process, systems, decision rights and accountability management
Strategic Objective	The Provision of Financial Management Support Services to the department.
Objective statement	To provide an efficient and economical Financial Management support service to the department.
Baseline	An unqualified audit report without matter of emphasis (2008/09).
Justification	The department is expected to operate within the statutory functions within the limits of the funds authorised for Vote 6. This sub programme seeks to ensure that the department complies with these statutory requirements.
Links	Financial Management provides both a planning and supervisory function to ensure that departmental spending is authorised and is in harmony with the strategic intent of the department to ensure that working capital is utilised efficiently and economically.

During the financial year under review, the Strategic Management Unit reviewed and tabled the Strategic Plan and Annual Performance Plan for the 2013/14 financial year. Strategic sessions were conducted with each programme to assist with the compilation of programme Annual Performance Plans that are aligned to the department budget tool. The unit also conducted an in-year review of the 2012/13 Annual Performance Plan during the second quarter as a proactive means guided by the audit outcomes of the prior financial year.

Quarterly performance reports for the first three quarter of the year under review were compiled, verified and submitted to Provincial Treasury and the Strategic Management unit conducted a verification process to ensure that programmes stored portfolio of evidence (POE) based on quarterly performance information. An analysis of performance reports against predetermined objectives and targets was conducted on a quarterly basis to ensure effectiveness of service delivery to the public.

Planning and reporting guidelines incorporating the outcome based approach and SMART principles were developed to guide programmes with planning for 2013/14 and reporting for the year under review.

The Management Accounting unit delivered fully on their Annual Performance Plan during the year under review and the major achievements can be summarised as follows:

- ◆ The Departmental Budget Statement #2

for 2013/14 over the MTEF, which links the budget to the performance plans of the Department per programme and sub-programme, was completed and submitted on time. This resulted in the forecasting cash flow projections for the 2013/14 financial year being submitted prior to the beginning of the new financial year to Provincial Treasury. The unit furthermore managed to complete and submit all monthly monitoring reports (IYM) on or before the prescribed deadlines.

- ◆ The action plan regarding the correction of the Departmental asset register was completed, resulting in the Department developing and finalising a reviewed asset management strategy, asset management policy and disposal of moveable asset policy to be implemented from 1 April 2013. The asset register was updated and corrected with all deviancies found during the action plan and the asset register was reconciled to the Annual Financial Statements, resulting in assets being accurately and completely disclosed in the Annual Financial Statements of 2012/13 financial year. For more detail, please refer to paragraph 11 of the Accounting Officers Reports to the Annual Financial Statements.

During the 2012/13 financial year the Risk Management Unit has reviewed the Fraud Prevention Plan and Risk Management Policy of the Department. Furthermore the unit achieved the following;

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- ◆ Risk Management Strategy of the Department has been reviewed for approval
- ◆ Annual Risk Assessment has been conducted for Strategic risks and Operational risks
- ◆ The Strategic risks and Operational risks identified were aligned to the Annual Performance Plan and Strategic plan

- ◆ Reviewed system descriptions for Revenue
- ◆ Expenditure system description for payments
- ◆ Reviewed Salary system descriptions
- ◆ Reviewed travel and subsistence policy

The unit also implemented all Auditor General's and SCOPA recommendations and achieved Improvements on reducing emphasise of the matters in finance.

The Financial Accounting unit ensured 100% compliance to Practice 1 of 2012/2013 that includes:

- ◆ Submission of 12 months signed by HOD compliance certificate to the Provincial Treasury
- ◆ Submission of all quarters Interim Financial Statements on time

The total revenue collection budget was R 19,018 million and the unit collected revenue of R 20,309 million which amounts to an over collection of R 1,291 million revenue.

The following Policies and financial procedures where compiled:

During the year under review the Supply Chain Management unit reviewed the supply chain management policy as well as system description with internal controls. The guidelines for the appointment of consultants were developed with system descriptions for contract management. Furthermore the unit achieved the following;

- ◆ The existing bid committee was reviewed and tender procurement plan for 2013/14 financial year was completed on time
- ◆ The acquisition plan was linked to the budget tool of the department
- ◆ The transport policy was developed

Linking performance to the budget: Financial Management

Sub- Programme Name R'000	2012/2013			2011/2012		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expendi- ture R'000	Final Appropriation R'000	Actual Expendi- ture R'000	(Over)/Under Expenditure R'000
Financial Management	20 754	18 937	1 817	17 339	17 339	-

2.5.2.3 Corporate Services

Objective, Performance Indicators, Targets and Actual Achievement

Strategic Objective

Government Outcome:	An efficient, effective and development-orientated public service and an empowered and inclusive citizenship
Government Output	Human resources management and development
Strategic Objective	The provision of sound corporate management
Objective statement	To provide support services within the Department with regard to human resource management and legal related matters.
Baseline	The maximum use of resources to meet performance demands
Justification	This sub programme is responsible for the provision of services to other programmes regarding human resources management and development.
Links	Effective and efficient administration will enable the department to operate independently to ensure proper planning to achieve departmental goals.

Communications

The Communication Unit implemented the Communication Strategy of the Department. The Unit participated in the marketing/ communication plans for the following:

- ◆ The Provincial Job Summit
- ◆ The Kalahari Desert Speedweek festival as part of the Bloodhound project
- ◆ The second Maloof Money Cup Skateboarding competition
- ◆ The PMPI Portal Launch (Preferential Mining Procurement Initiative)
- ◆ The KIDJA Graduation ceremony (100 students obtained MQF qualifications)
- ◆ The Launch of the Cape Malting House
- ◆ The Prieska Woodcraft cooperative project
- ◆ The Launch of the Uruke Bushcamp
- ◆ The Kalahari Desert Festival
- ◆ World Consumer Day celebrations
- ◆ The annual Premiers Service Excellence Awards
- ◆ The Kimberley College of Magic Project
- ◆ Awareness campaigns of other programmes such as Economic Empowerment and Enterprise Development

The unit placed emphasis on improving internal communication within the Department and the following were embarked on:

- ◆ The provision of magnetic name tags, office door signs and business cards to officials.
- ◆ Regular updating of internal communication tools with new information, a total of 15 internal notices were drafted and disseminated through these tools.
- ◆ The production of a quarterly internal staff newsletter.

The media was constantly monitored and a report regarding issues relevant to the department (including an analysis of economic news impacting on the province) was provided to the Head of Department and to the Strategic Management Advisory Council (SMAC) on a daily and monthly basis respectively.

To facilitate external communication, Communications Unit executed the following:

- ◆ Developed and place advertisements in various media for about 15 activities or projects and released media invitations and press releases on same.
- ◆ Assisted NCEDA with the development, design and layout of material for insertion



in 2 publications viz; SA at a Glance and NC Business.

- ◆ Developed a quarterly external newsletter.

Communication Unit participated in and provided support at about 8 events in the form of interactive exhibitions and service delivery drives. Events during these activities were captured for publication and reporting purposes.

The Communications Unit coordinated the departments' participation in the Annual Premiers Service Excellence Awards for the period under review. The Department performed excellently, winning the Gold for the Maloof Money Cup Project and Bronze for the PMPI (Preferential Mining Procurement Initiative) Portal Launch.

Communication represented the department on the Provincial Batho Pele Forum, attended all meetings and training sessions. The unit also coordinated the development and presentation of the departments' Service Delivery Improvement Plan (SDIP) to the forum at the Office of the Premier. The SDIP will be reviewed in the current financial year.

The Unit managed the Departments College of Magic Project for the period under review.

Legal Services

We have continued to provide professional legal service to the department and public entities, including legal opinions and advisory services. For the year under review we dealt with at least three litigations and have provided legal advice on Maloof Money Cup and other major projects.

Legal services' mandate has been expanded to include Corporate Governance and Compliance issues of the public entities.

Equal opportunities

During the year under review we have focussed on some aspects of employee health and wellness. Namely: take a child to work; women and youth month's activities. As part of the social responsibility of the Department, the unit led the Departments participation in the Mandela Day celebration. On this occasion, we painted a school in Okiep.

Human Resource Administration

The Human Resources Administration has been repositioned and capacitated to provide professional HR services such as recruitment, selection and Persal services. We have successfully concluded the Persal Clean-up project, which focussed on identifying vacant and funded posts. As a result our vacancy rate, if we count only vacant and funded posts, came to 14%.

During the year under review we managed to fill a total number of 19 posts were filled inclusive of 7

posts at the Consumer Protection Authority and 18 posts were job evaluated.

Human Resource Development

Human Resources Development focussed on managing Employee Performance Management and Development (EPMDS), HRD Implementation Plan, Workplace Skills Plan and reported on all these matters as required.

During the year under review we developed an Employment Equity Plan as required by law, which will exist for the MTEF period.

Labour relations

One of the improvements in our labour relations environment is the completion of disciplinary cases within 60 days and grievances within 90 days. We have successfully instilled a culture of progressive discipline through plea bargains and have ensured that sanctions fit the misconduct. This has meant that during the year under review no disciplinary matter led to dispute at the Bargaining Council or CCMA, except those that remained from previous financial years and are still before tribunals for adjudication.

Linking performance to the budget: Corporate Services

Sub- Programme Name R'000	2012/2013			2011/2012		
	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
Corporate Services	7 852	7 538	314	6 374	6 374	-



PROGRAMME 2:
INTEGRATED
ECONOMIC
DEVELOPMENT
SERVICES



2.5.3 Programme 2: Integrated Economic Development Services

2.5.3.1 Office of the Executive Manager

Objective, Performance Indicators, Targets and Actual Performance

Strategic Objectives

Government Outcome:	Decent Employment through inclusive economic growth
Government Output	1.Improved support SMME and Cooperatives 2.Expansion of the EPWP
Programme Purpose	To promote, support and facilitate integrated economic development through shared partnerships in the province.
Programme Strategic Outcome Oriented Goal 2	Accelerated growth and transformation of the economy to create decent work and sustainable livelihood.
Goal Statement	To promote and support sustainable integrated economic development through the development of enterprises, local economies and the empowerment of historically disadvantaged individuals (HDI's)
Sub-programme Strategic objective 2.1	Promotion of economic development through shared Partnership
Objective Statement	To promote economic development through shared partnerships

Sub-programme: Office of the Executive Manager				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of business products developed and assisted	12 business supported to access markets and improve their service	Three (3) business products identified and assisted to have product evaluated for quality, durability by SABS and to meet ISO requirements and to enable it to realize opportunities and incentives offered by DTI (EMIA).	Three (3) company products identified for testing by SABS and product quality checks by the CSIR: <ul style="list-style-type: none"> • Lynch's Herb Beer • Bontsho Trailers • Cousin's Meat Products 	None

Linking performance with the budget: Office of the Executive Manager

Sub- Programme Name R'000	2012/2013			2011/2012		
	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
Office of the Chief Director	4 388	4 376	12	3 918	3 873	45

2.5.3.2 Enterprise Development

Objectives, Performance indicators and Targets and Actual achievement

Strategic Objectives

Government Outcome:	Decent Employment through inclusive economic growth
Government Output	1.Improved support SMME and Cooperatives 2.More labour absorbing growth
Programme Purpose	To promote, support and facilitate integrated economic development through shared partnerships in the province.
Strategic Outcome Oriented Goal 2	Accelerated growth and transformation of the economy to create decent work and sustainable livelihood.
Goal statement	To promote and support sustainable integrated economic development through the development of enterprises, local economies and the empowerment of historically disadvantaged individuals (HDI's)
Sub-programme Strategic Objective 2.1	The development and support to business enterprises.
Objective statement	To support and develop business enterprises through financial and non-financial assistance both directly and indirectly.

The small, medium, micro enterprise sector is one of the major contributors to the country's GDP and thus equally contributes to economic growth. However, it is also one of the sectors that experience many challenges particularly as far as access to finance, markets, skills, sustainability and growth are concerned. The need to enhance the skills base and versatility for transformation purposes as well as increased efforts to ensure access to financial start-up resources is thus important. Overall, these seek to address and achieve:

- ◆ An increase in the supply of financial and non-financial support services.
- ◆ Creation of demand for small enterprise products and services through market expansion and opportunity identification.
- ◆ Reduction of small enterprise regulatory and related constraints.

It is the responsibility of government to adopt and lead a collaborative approach which would streamline resources from the private and public sectors in order to alleviate some of the challenges small businesses experience. This is achieved mainly through Public Private Partnerships in which partners are encouraged to participate and forge strategic alliances for business support and development purposes. Hence government's continued collaborative alliance with SEDA and FB SMME Trust in ensuring structured technical interventions towards small businesses. Thus the role of the private sector towards rendering finance access, mentoring and coaching services need to be re-emphasised.

During the current year under review, support was provided to forty five (45) existing SMMEs mainly through business plans appraisals and facilitation of funding applications to funding agencies such as IDC, Palcard Group Order Fund, etc. for funding consideration. In addition, a total of forty six (46) new SMMEs were developed through referrals for new business registrations, business plan development, through agencies such as SEDA and FB SMME Trust. In the new financial year 2013/14, the unit will intensify these efforts to unlock access to funding opportunities such as Black Business Supplier Development Programme (BBDSP) and the Manufacturing Competitiveness Enhancement Programme (MCEP) by the Dti. In addition, the unit will also conduct training on business and financial management skills, basic computer literacy and business advice in collaboration with SEDA and relevant stakeholders.

Furthermore, the unit is able to intervene and assist SMME's through referrals to SEDA for functions such as business plan development, marketing and branding and mentorship programmes. The partnership with Frances Baard SMME Trust allows us to assist most SMME's mainly through incubation programmes, business registrations and advice. We also managed to facilitate the participation of twenty (20) SMME's and Cooperatives at local, provincial and national expositions such as Gariep Fees and Macufe exhibitions for market access, exposure and business networking. Various walk in clients also advised on small business start-ups, funding applications and

referrals to various funding agencies such as De Beers and SEFA.

In quarter four of 2012/2013, much focus was on conducting the feasibility study for the establishment and operation of a Tannery Factory in the Northern Cape. In this regard, a partnership with SEDA was formed and the Terms of Reference drafted. The current status is such that SEDA will conduct a due diligence and appoint a relevant service provider to conduct such a study, and the envisaged period for this exercise is three months from the date of appointment of service providers. A total of eighty eight (88) SMMEs were recorded in the database for available opportunities during the year under review.

With regard to Preferential Procurement Initiative, a total of twenty eight (28) SMMEs were assisted to access public procurement opportunities. Currently a report on Provincial Procurement Study is due for tabling at SMAC (Strategy Management Advisory Council) and the document will guide in processes on access to public procurement opportunities.

The unit has also achieved its targets relating to the support to be provided to existing and new SMME's. Some of the support provided relates to support for the expansion of the Bed factory and for the commissioning and establishment of a biscuit factory in Douglas.

Since 2012 was declared the year of job creation, the Department in partnership with the DTI has hosted the International year of Cooperatives in July 2012. The United Nations General Assembly also declared 2012 as the International Year of Cooperatives under the Theme "Cooperatives Enterprises Build a better world". This is aimed at encouraging the growth and establishment of coops highlighting their contribution to socio-economic development and their positive impact towards poverty reduction, employment creation and generation as well as social integration. The celebration was held on the 07th July 2012 and was graced by many dignitaries, including Minister Rob Davies and Deputy Minister Elizabeth Thabethe of the Dti.

Support to Co-operatives was achieved through undertaking activities such as, submitting applications for funding to the DTI for Cooperatives and by exposing twelve (12) Cooperatives to International Cooperatives day celebrations. Transport was also provided for Cooperatives from the five districts in

the Northern Cape. In addition, the participation of forty two (42) other Cooperatives in SANACO round table meeting at the International Cooperatives day celebrations contributed to the support to co-operatives.

Furthermore, three (3) Cooperatives were skilled on acquiring tax clearance, BEE certificates, the development of business plan and how to access procurement opportunities. In addition, the unit was also able to develop the new Cooperatives as follows, submitted applications for registration of nine (9) Cooperatives at CIPC and received certificates and facilitated the release of the registration certificate for one (1) Cooperative from CIPC.

For pursuance of advocacy for Cooperative development and outreach to communities, a number of campaigns are held annually. During the year under review, eleven campaigns were held in the following areas: Heuningvlei, Barkly West, Ganspan, Prieska, Groen Water, Postmasburg, Mothibistad, Kuruman, Colesburg, Kimberley, and Upington. The International Cooperatives Day celebration was also utilized as a catalyst for campaigning as media was invited to capture the event. A live radio broadcast was hosted by Motswedding radio station.

As regards participation of the unit with other departments and organizations in relation to Cooperatives development, the unit participated in the quarterly inter-provincial meetings, the LED forum, hosted the Cooperatives Bank Development Agency and participated in MINTEK and Department of Mineral Resources led meetings.

In relation to hosting the Provincial Co-operatives Movement launch, the target could not be achieved on the set time due to unavailability of most of the relevant stakeholders, especially the Dti, during the set time. The suggestion was thus that the launch should be moved to the next financial year.

The Product development unit has focused on the process to be followed to gain access to the services of the SABS and CSIR with respect to improving the products and service offerings of SMMEs.

Currently there are two studies being pursued by the unit. These are the study relating to the procurement of goods and services by sector departments and the review of the SMME strategy.

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Sub-programme: Enterprise Development				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of existing SMME's supported	49 existing SMMEs accessed support for business planning, funding applications, business due diligence and market access opportunities. An additional 750 small businesses were targeted for information dissemination, business registrations and assessment, funding applications, etc during the Provincial SMME Pilgrimage	Forty (40) existing SMME's supported through business plan appraisals and facilitate access to funds from agencies such as KHULA, De Beers, ABSA, Standard Bank, NEF, IDC, DTI, Facilitate training in financial and business management skills, technical skills, basic computer literacy & mentorship	A total of forty five (45) existing SMMEs were supported	Exceeded target of forty (40) SMMEs by additional five (5) SMMEs due to increased consultations.
Number of new SMME's developed.	Funding facilitation and due diligence provided to 46 small businesses.	Forty (40) new SMME's developed and supported Registration of new businesses and business plans development through stakeholders such as CIPC, Frances Baard SMME Trust and SEDA. SARS business tax compliance issues Linkages with CIDB for contractor business development training Marketing and branding	A total of forty six (46) new SMMEs were developed	Exceeded target of 40 new SMME's developed by six (6) additional SMMEs
Number of existing Cooperatives supported	15 cooperatives were exposed to exhibitions (international cooperatives day). 3 of these cooperatives were exposed to life skills training by Soul talk and 4 direct support visitations	Ten (10) existing cooperatives supported through grants funding application to the Dti Cooperatives Incentives Scheme (CIS) Support through facilitation of participation at the exhibitions and trade fairs	Total of Ten (10) Co-operatives supported	None
Number of new cooperatives developed	6 cooperatives were registered, 9 awaiting certificates and 20 new coops identified for interventions during the pilgrimage	Ten (10) new cooperatives developed through registrations with the CIPC Developed through business and financial management skills training	Total of Ten (10) Co-operatives were developed.	None

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Sub-programme: Enterprise Development				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of Strategic partnership established	14 strategic partnerships for small business support were established including partners during the Provincial SMME Pilgrimage	Five (5) partnerships established in: Incubation through Frances Baard SMME Trust Mentorship and coaching programmes Contractor development training	Six (6) strategic partnership established	Target exceeded by one (1) strategic partnership
local market access and linkages for SMME's with regard to exhibitions and workshops Supported	Facilitated participation by small businesses to 8 local and national exhibitions for market opportunities.	Four (4) exhibitions and workshops supported Gariiep Fees Macufe Exhibitions Namakwa Fees Sol Plaatjie Small Business Week	Three (3) exhibitions supported Gariiep Fees MACUFE exhibitions and International Year of Cooperatives exhibitions supported AND One (1) workshop on the review of the SMME strategy supported	None
sector based SMME database for available opportunities Maintained	15 small businesses in various sectors (mainly trade, manufacturing and retail) were exposed to interventions necessary (due diligence, business appraisal, funding facilitation, etc)	Eighty (80) SMME's recorded on the database (cumulative)	Eighty eight (88) SMMEs recorded on the database	Target exceeded with eight (8) extra SMMEs recorded on database
Preferential Procurement Policy implemented (PPI)	A total of 53 small businesses accessed public procurement opportunities through supplying various services to the unit	Twenty Five(25) SMME's accessed public procurement opportunities	Twenty eight (28) SMMEs accessed public procurement opportunities	Target exceeded with three (3)
Cooperative strategy implemented	-	Action recommendations emanating from strategy: -Present 2 Co-operatives' products for exports through Dti export support programmes, -Facilitate the development of a mentoring programme with NIHE, -Gather baseline data on Co-ops revenue growth	2 Cooperatives presented for export readiness preparation. Mentorship programme not done. Baseline study not initiated. Hosted the International Co-operative Day Celebration.	Only one target was achieved.

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Sub-programme: Enterprise Development				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Participation of other provincial departments & organisations in cooperatives development coordinated	4 Coops forum meetings facilitated and hosted.	Four (4) Coops Forum meetings coordinated	Hosted 4 coop forum meetings.	None
Cooperative Awareness Campaigns held	20 coops campaigns held over 20 communities during the Pilgrimage.	Ten (10) Awareness campaigns held	Total of 11 Campaigns were held	Target exceeded with 1 No Pilgrimage embarked upon during 2012/13
cooperative database maintained	15 cooperatives added to database	One hundred and ten (110) coops in the data base (cumulative)	Twenty nine (29) Coops recorded on the database (Hundred and Twenty Nine 129 cumulative)	Target exceeded by 19 Due to Joint collaborative efforts

Strategy to overcome areas of under performance

The unit aims to overcome underperformance through intensifying the engagements with various SMMEs across all five provincial districts. In addition the collaboration with SEDA will result in a cadet programme through which we will extend the reach of the Department throughout the province by placing a "cadet" in each municipality throughout the Province to ensure that SMME's identified can access services provided by the Department. The process will be led by intensive training on business and financial management skills training, capacity building and mentoring programmes. The partnership with Frances Baard SMME Trust will also assist with incubation programmes planned. Furthermore, more consultations will be done with numerous walk in clients through business advice, tax compliance matters, new business registrations and business plans development through linkages with agencies such as CIPC, Frances Baard SMME Trust and SEDA, SARS business tax compliance issues, linkages with CIDB for contractor business development training, marketing and branding.

Changes to planned targets

During 2012/13 the targets were reduced from fifty (50) existing and fifty (50) new SMMEs supported and developed, to forty (40) existing and forty (40) new SMMEs supported and developed. This was mainly due to resource constraints and under staffing problems within the unit. The other reason was that two of the key unit officials were attending Management Development Programme training during the year 2012.

Linking performance to the budget: Enterprise Development

Sub-Programme Name R'000	2012/2013			2011/2012		
	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
Enterprise Development	4 957	4 957	-	10 430	10 298	132

2.5.5.3 Regional and Local Economic Development Unit and EPWP

Objective, Performance Indicators, Planned Targets and Actual Achievements

Strategic Objectives

Government Outcome:	Decent Employment through inclusive economic growth
Government Output	1. More labour absorbing growth 2. Expansion of the EPWP
Programme Purpose	To promote, support and facilitate integrated economic development through shared partnerships in the province.
Strategic Outcome Oriented Goal 2	Accelerated growth and transformation of the economy to create decent work and sustainable livelihood.
Goal statement	To promote and support sustainable integrated economic development through the development of enterprises, local economies and the empowerment of historically disadvantaged individuals (HDI's)
Sub-programme Strategic Objective 2.2	The provision of strategic economic development support to municipalities.
Objective statement	To provide strategic economic development support to 32 municipalities in terms of planning, alignment and implementation in partnership with key stakeholders.

The Regional and Local Economic development sub-programme focusses on providing support to municipalities regarding LED through capacity building interventions, providing hands on support to municipalities with respect to the development of their LED strategies and providing support to economic development projects at local and regional level. In addition, the unit supports EPWP exit ventures.

For the 2012/13 financial year RaLED and EPWP extended on its mandate and performance of 2011/12. The extensive NQF 4 and 5 training was completed and 38 of the initial 40 students qualified.

During 2011/12 RaLED focused on assisting all municipalities to have valid LED Strategies. This enabled the sub-programme to approach 2012/13 in a fashion whereby these could be incorporated into the municipal IDPs. From this basis projects were identified and supported. This was of great support to enable the newly introduced indicator of project support.

In terms of projects the Department obtained funding for the Pniel/Wildeklawer River valley

catalytic project. The Gamagara Corridor Master Plan, combined with SIP 3 and 5 saw several projects being highlighted i.e. the Kgalagadi Manganese sinter plant that was launched November 2012. RaLED further extended to support 3 projects from internal budget to conduct the feasibility studies as proposed in the Municipal LED Strategies. These projects are as follows:

- ◆ Joe Morolong Incubator
- ◆ Frances Baard Technical Incubator
- ◆ Hanover Goat Milk Cheese Factory.

The LED Forum system on provincial and district level has grown but requires substantial effort seen as it is completely stakeholder dependant.

Capacity of EPWP with regard to human resource was boosted through the appointment of a Manager to deal specifically with EPWP issues. As a result improvement in terms of reporting, number of projects supported and general EPWP systems and structures compliance on sector, provincial and national level is significant. According to the latest statistics from the department of Labour, the total number of jobs reported by the Department based on EPWP principles is 426.

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Sub-programme: Regional and Local Economic Development				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of economic development projects supported at local and regional levels	-	Five (5) economic development projects supported per annum at municipal level. Support entails concept development, pre-feasibility and stakeholder coordination.	Supported 6 projects: - Pniel/Wildklawer River Valley Project - Joe Morolong Incubator - Frances Baard Technical Incubator - Hanover Goat Milk Cheese - Gamagara Mining Corridor - SKA - Hondeklipbay and Port Nolloth harbour upgraded	target exceeded by one project due to stakeholder support
Number of capacity building interventions in Municipalities	5 sessions were held for 40 LED officials on NQF 4 and NQF 5 level	Four (4) Capacity building interventions for district and local municipalities.	5 Capacity building sessions and a graduation session was held. 38 of 40 students qualified.	Target exceeded with one session due to stakeholder support from DBSA and LGSETA

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Sub-programme: Regional and Local Economic Development				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of LED strategies aligned to the PGDS and other spatial development plans	<p>19 LED strategies developed: 5 of 5 strategies developed in-house completed:</p> <ul style="list-style-type: none"> - Dikgatlong - Renosterberg - Ga-Segonyana - Magareng - Phokwane <p>• 8 Strategies from Pixley and Siyanda has been completed and handed to Municipalities:</p> <ul style="list-style-type: none"> - Kai! Garieb - !Kheis - Kgatelopele - Siyancuma - Thembelihle - Umsombomvu - Ubuntu - Siyathemba <p>• 6 Namakwa Strategies has been completed and handed to Municipalities:</p> <ul style="list-style-type: none"> - Richtersveld - Kamiesberg - Karoo Hoogland - Khai Ma - Hantam - Nama-Khoi <p>• 5 of 5 strategies developed in-house completed:</p> <ul style="list-style-type: none"> - Dikgatlong - Renosterberg - Ga-Segonyana - Magareng - Phokwane <p>• 8 Strategies from Pixley and Siyanda has been completed and handed to Municipalities:</p> <ul style="list-style-type: none"> - Kai! Garieb - !Kheis - Kgatelopele - Siyancuma - Thembelihle - Umsombomvu - Ubuntu - Siyathemba <p>• 6 Namakwa Strategies has been completed and handed to Municipalities:</p> <ul style="list-style-type: none"> - Richtersveld - Kamiesberg - Karoo Hoogland - Khai Ma - Hantam - Nama-Khoi 	Ten (10) LED strategies aligned to the PGDS and other spatial development plans as identified for support as part of Section 47 annual IDP review for 32 municipalities.	<p>Frances Baard:</p> <ul style="list-style-type: none"> - Dikgatlong - Magareng <p>Pixley Ka Seme:</p> <ul style="list-style-type: none"> - Kareeberg - Emthanjeni <p>Namakwa:</p> <ul style="list-style-type: none"> - Khai Ma - Kamiesberg <p>Siyanda:</p> <ul style="list-style-type: none"> - Siyanda - Kgatelopele <p>JTG:</p> <ul style="list-style-type: none"> - Gamagara - Ga-Segonyana 	None

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Sub-programme: Regional and Local Economic Development				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of Provincial and District LED Forum activities to support Provincial LED Institutional Platform	4 Quarterly meetings were held, 2 additional Job Creation Fund sessions and published 4 Provincial LED Newsletters	Facilitate and coordinate 4 Provincial LED Forums per annum and 20 District LED forums by March 2013.	All provincial and District Forums was held.	None
Initiatives put in place to have functioning EPWP Economic Sector	-	4 Quarterly activity reports by March 2013.	4 Quarterly activity reports completed	None
Number of EPWP exit ventures supported	5 Initiatives supported: - 3 Memory Sticks - Wood - Kelp - Port Nolloth - Hondeklipbay	4 business proposals consisting of: - concept - feasibility - business plan 4 monitoring and evaluation reports of existing projects	The 4 proposal completed were as follows: - Firewood - Musija Compost - Prieska Woodcraft - Dikgatlong Pebbles Monitoring and evaluation reports of existing projects completed	None

Changes to planned targets

An additional indicator for LED was added for RaLED: Number of economic development projects supported at local and regional level. This was due to the fact that it is a National prescribed indicator for LED units.

Linking performance to the budget: Regional and Local Economic Development

Sub- Programme Name R'000	2012/2013			2011/2012		
	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
Local Economic Development	5 702	5 702	-	5 721	5 653	68



2.5.3.4 Economic Empowerment

Objective, Performance Indicators, Planned Performance and Actual Achievements

Strategic Objective

Government Outcome:	Decent Employment through inclusive economic growth
Government Output	Multi-pronged strategy to reduce youth unemployment
Programme Purpose	To promote, support and facilitate integrated economic development through shared partnerships in the province.
Strategic Outcome Oriented Goal 2	Accelerated growth and transformation of the economy to create decent work and sustainable livelihood.
Goal statement	To promote and support sustainable integrated economic development through the development of enterprises, local economies and the empowerment of historically disadvantaged individuals (HDI's)
Sub-programme Strategic Objective 2.3	Provision of support to HDI's to participate in the mainstream of the economy.
Objective statement	To promote and support the participation of HDI's in the mainstream of the economy through business intelligence, skills development and enterprise development

The Economic Empowerment and Transformation unit focuses on providing support to the target groups which are Women, Youth and People with Disabilities. The unit is also involved in Broad Based Black Economic Empowerment (B-BBEE) and the support to provincial projects that are being implemented.

Interventions that were embarked upon during the financial year 2012/13 were directed at exposing the target groups to opportunities through Technology for women in business competitions; referrals of the groups to stakeholders for skills development initiatives; the establishment of the South African Women's Entrepreneurs Network (SAWEN) through collaboration with the DTI to support and advise women that are in business and six interventions, targeting 100 of the target groups, relating to incentive schemes, technology competitions, youth exhibitions, seminars and participation in provincial parliament. The target groups were also supported to display their products at the malls and to provide catering and transport services. Funding referrals were also made to the National Youth Development Agency and financial institutions like Dia-Plus.

The unit is also integral to the provincial outreach programme which is usually embarked upon during public holidays. Through these, a total of 204, mostly women, youth and people with disabilities were assisted during Human Rights day, Freedom

Day, Youth day, Women's day, Heritage day and Reconciliation day with advisory information and referrals with regards to their individual needs.

As part of support to SMME's, 20 were assisted to obtain B-BBEE verification certificates and workshops were held to sensitize SMME's regarding the B-BBEE codes of good practice.

The project that the unit takes the lead on is the Chikaina Pig Farming project, the second phase of which was started during the financial year under review. This entailed erecting security fencing, purchase of a feed mixing machine and effecting electrical connections amongst others. The other project supported by the unit is the Maloof Money Cup (MMC) 2012 that was staged from 28 - 30 September 2012. The unit was responsible for the placement and management of volunteers, food vendors and retail businesses at the event. A highlight was the collaboration between 8 arts and crafts businesses that joined efforts to be able to deliver on the expectations required and share in the opportunities presented by the event. They were supported to attend training, in Johannesburg, relating to the improvement of the quality and presentation of their goods. In the coming financial year, the unit will continue its support to the SMME's involved in the MMC event and also start preparations relating to the Bloodhound project.

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Sub-programme: Economic Empowerment				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of target groups specific opportunities identified.	-	4 Opportunities identified for target groups across the Province relating to Skills Development, Job Creation, TWB Technology Competition and Networking for Women	Four (4) opportunities identified: - DTI National Conference (TWIB) - SAWEN network sessions - Dia-plus a financial institution. - DTI incentive schemes	None
Number of target groups specific interventions	-	6 interventions targeting 100 of the target group across the Province relating to - Incentive schemes - Technology Competition two intervention targeted for - Youth Development (NYDA) - Exhibitions, - Seminars and - Provincial Parliament participation (target groups)	6 Sessions conducted benefitting 127 women, youth and people with disabilities.	The target was exceeded by 27 women, youth and people with disabilities.
No. of target group that accessed provincial procurement opportunity or participated in skills development projects	Five regions were visited to conduct needs analysis with women and youth. The intention was to identify those women and youth who are busy with self-help projects and assist them. Discussions took place with 168 women and youth throughout the province	20 Women, Youth and People Living with Disabilities that accessed provincial procurement opportunities	8 Youth, Women and People with Disabilities rendered services for example, catering and Transport	Deviation of 12 Youth, Women and People with Disabilities below target.
		30 Women and Youth benefited from specific knowledge based interventions facilitated through, business skills development, marketing skills development in all five Districts	204 women, youth and people with disabilities benefited from economic empowerment sessions held in the Province.	The target was exceeded by 174 due to Collaboration with Correctional Services



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Sub-programme: Economic Empowerment				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of SMME's assisted with obtaining BBBEE Verification certificates and Funding referrals.	Assisted 20 SMME's with BBBEE verification certificates	Twenty (20) SMME's assisted with obtaining BBBEE verification certificates and Six (6) SMME's assisted with funding referrals.	Twenty (20) BBBEE verification certificates issued. 2 SMMEs were referred for funding; -Chacaina Pig Farm and -Garies Granite	Deviation of 4 below the target.
Number of information sessions held to make BBBEE Codes and practices comprehensible among government Departments as well as business sectors	Had 8 information sessions with the business sector on BBBEE and PPPFA Legislation and regulations. Informed 5 government departments on new developments in BBBEE & PPPFA legislations and regulations	Four (4) Information sessions held with the business sector.	4 information sessions held with business sector.	None
		One (1) Information session held with the sector departments	1 information session held with government departments.	None
Number of projects identified in depressed areas that will revitalise townships	Identified 17 new projects in the depressed areas	Two (2) township revitalization projects Identified	Identified 2 township revitalisation projects.	None
Number of township revitalization projects implemented, monitored and evaluated	-	Two (2) township revitalisation projects implemented	Implemented two township revitalisation projects.	none
		Two (2) township revitalisation projects Monitored and evaluated	Monitored two township revitalisation projects.	none
Number of HDI entrepreneurs assisted to benefit from the Maloof Cup skate board world championship	Preparatory planning meetings for the Maloof Skateboarding event in Sept 2012	Fifteen (15) HDI entrepreneurs assisted to benefit from the MMC	Assisted 18 HDI's to benefit from the MMC 2012	Assisted 3 more HDIs than planned due to Collaboration between DSAC, NC Arts Council and DEDaT.
Northern Cape BBBEE Strategy Developed	-	Northern Cape BBBEE Strategy completed by 31 March 2013	-The strategy is not completed -Service provider appointed for the development of the strategy.	Strategy not completed as the process took longer than expected.

Strategy to overcome areas of under performance

The development and implementation of B-BBEE strategy will result in more directed expectations regarding the outputs to be achieved. In addition, the appointment of additional personnel will complement the unit.

Changes to planned targets

Changes to planned targets were mainly due to budget constraints and lack of resources. There was also restructuring in the sub-programme, which meant that resources were also re-allocated.



Linking performance to the budget: Economic Empowerment

Sub- Programme Name R'000	2012/2013			2011/2012		
	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
Economic Empowerment	3 496	3 493	3	3 930	3 837	93



PROGRAMME 3:
TRADE AND
SECTOR
DEVELOPMENT



2.5.4 Programme 3: Trade and Sector Development

2.5.4.1 Trade & Investment Promotion

Objectives, Performance Indicators, Planned Targets and Actual Achievements

Strategic objective

Government Outcome:	Decent Employment through inclusive economic growth
Government Output	Increase competitiveness to raise net exports, grow trade as a share of world trade and improve its composition
Programme Purpose	To accelerate economic development by facilitating export from and investment into the province while simultaneously promoting economic diversification and industrial expansion
Strategic Outcome Oriented Goal 3	Stimulated economic growth through industry development and trade investment promotion.
Goal statement	To stimulate, facilitate and/or increase economic growth through sector development, trade and investment promotion and diversification of the energy sector.
Sub-programme Strategic Objective 3.1	Facilitation of trade, export promotion and investment attraction
Objective statement	To facilitate economic growth through worth of trade and investment and the creation of jobs.

Through NCEDA, the Province will proactively attract, facilitate and retain foreign investment and promote exports and market access through the application of best practice methodology and focused targeting. In the financial year 2012/2013 the Department in conjunction with NCEDA attracted R859 million of FDI and domestic investment to the Province. Twenty (20) companies were also assisted with exports readiness assessments and export awareness training to equip them with the skills necessary to enter the export market. In 2013/2014 the Department in conjunction with NCEDA aims to attract R60 million of FDI and Domestic investment to the Province and will assist 20 companies with exports through exporter development training and assistance in retention and expansion of existing markets and aggressively looking at accessing new markets especially the BRIC (Brazil, Russia, India and China) countries.



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Sub-programme: Trade and Investment Promotion				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of investment projects realised	The following projects were realised/ implemented: VaalHarts Catfish, Afrisam Bio-mass project trails, Sub-Acute Hospital project in Kimberley and Sunny Weather Vegetable project in Modderivier.	Four (4) investment projects realised	Four investment projects realized: <ul style="list-style-type: none"> - the sub-acute hospital project - Malt plant - Northern Cape Pipes and Roofs - The solar project Organised and Facilitated a Trade and Investment Outbound Mission to Argentina – Buenos-Aires with the following outcomes on possible investments: <ul style="list-style-type: none"> •Argentine Chamber of Mining Entrepreneurs •Argentine Ministry of Science and Technology regarding Solar Park and SKA • EXPOAGRO – Agricultural technology in terms of sowing, harvesting, spraying, packing etc. •Client Group (BPO) company •Land Capital Consulting Group that offers JV Partnership and best practices with foreign companies in terms of trade and investment 	None

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Sub-programme: Trade and Investment Promotion				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of businesses assisted with export	<p>Eighteen (18) businesses assisted with export.</p> <ol style="list-style-type: none"> 1. Leather craft wood and mirror 2. Bogosi fine art. 3. Griekwastad precious stone & Jewellery Kalahari Kid. 4. Big foot trading. 5. GWk. 6. Kalahari desert products. 7. Noordkaap 8. Sampione. 9. Olive Sa. 10. Hancor. 11. Atlantic Foods. 	Twenty (20) businesses assisted with export	<p>31 Companies assisted with exports. Export readiness assessments completed on 12 companies. These are</p> <ul style="list-style-type: none"> - Nieuwoudsville Rooibos Tea - Namaqua Pride - PIB Industry - Rekgarathhile Honey Bee Project - Skeyfontein Food Garden - Tsansibane Craft - Black Bear Taxidermers - Kgatopele Trading - Bloemdal Voedsel Verspreiders - Kxoxo leather designs - Qalakusha clothing coop manufacturing - Asleso Construction <p>Facilitated the last session of the Export Orientation Accredited Course for 15 SMME's in conjunction with SEDA. The duration of the course was for 6 months and ended in March 2013.</p> <p>Assisted two companies with information on potential export markets and assisted them with funding applications to SEDA and the Department namely:</p> <ul style="list-style-type: none"> - Konomaka Chemicals Pty - Nam Petroleums <p>Facilitate and organise the northern cape participation at the BRICS Exhibition in Durban</p> <p>Expose two export ready businesses at the BRICS Exhibition namely Kalahari Kid and Bezalel Wines Upington</p>	More than 20 companies were assisted with exports. Reason being this was done in collaboration with SEDA. SEDA also had companies on their database which were assisted

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Sub-programme: Trade and Investment Promotion				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Development of Trade Strategy		Trade and Investment strategy developed	The Trade and Investment strategy was not developed	The strategy could not be developed due to Budgetary constraints. On the other hand, the DTI was in the process of developing a national export strategy by 31 March 2013. The Northern Cape strategy is to commence in 13/14 financial year.
Value of Investments attracted	R87 million: The Diamond Bed Factory received an injection of R53 million. Riemvasmaak Agricultural Project R24 million. the Vaalharts Catfish Project R6 million. Lower Majeakgoro Pecan Nut Project R2 million. Riemvasmaak Trust Tourism Project R2 million. Promoted NC companies at the SAITEX Trade Fair. Promoted the Province through leading Trade & Investment Publications such as Northern Cape Business and TradeInvest SA electronic newsletter to promote trade and investment opportunities to over 50 000 potential investors and trade partners	R100 million (FDI and domestic investment)	Total of R 859 Million attracted, R 850 Mil for malt plant and 9 million for the sub-acute hospital	More projects in total realised and ready for investment which exceeded the 100 million
		Promote the NC as an ideal Trading Partner in selected publications that focus on trade promotion.	Advertise NC trade and investment opportunities in four leading trade and investment publications namely SA at a Glance, the Commonwealth Minister's report, South African report and TradeInvestSA Developed/printing of marketing material/ booklet highlighting trade and investment opportunities of the province.	None
Evaluation Report on NCEDA Performance	2 Evaluation reports done	2 Evaluation Reports with recommendations on NCEDA Performance	2 Evaluation reports completed.	None

Strategy to overcome areas of under performance

Under performance in terms of the Trade and investment strategy was due to the fact that the DTI was in the process of developing a national export strategy that was only completed by 31 March 2013. The Northern Cape strategy is to commence in 13/14 financial year so as to ensure alignment with the National Export Strategy.

Changes to planned targets

The development of the Trade and Investment strategy was moved from the second quarter to the fourth quarter. The reason is that the DTI was in the process of developing a national export strategy by 31 March 2013. The Northern Cape strategy is to commence in 13/14 financial year as it should be aligned to the National Export Strategy.

Linking performance to the budget: Trade and Investment Promotion

Sub- Programme Name R'000	2012/2013			2011/2012		
	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
Trade and Investment Promotion	9 883	9 399	484	17 376	17 320	56

2.5.4.2 Sector Development

Objectives, Performance Indicators, Planned Targets and Actual Performance

Strategic Objective

Government Outcome:	Decent Employment through inclusive economic growth
Government Output	More labour absorbing growth
Programme Purpose	To accelerate economic development by facilitating export from and investment into the province while simultaneously promoting economic diversification and industrial expansion
Strategic Outcome Oriented Goal 3	Stimulated economic growth through industry development and trade investment promotion.
Goal statement	To stimulate, facilitate and/or increase economic growth through sector development, trade and investment promotion and diversification of the energy sector.
Sub-programme Strategic Objective 3.2	Strategic positioning of prioritised sectors as key contributors to economic growth and development
Objective statement	To strategically place and develop sectors to enable the attraction of investment and contribute to the diversification and transformation of the economy.

The highlight for this year has been the decision taken by National Government to approve the Upington Special Economic Zone. A feasibility study will henceforth be conducted which should be completed by end of the 2013 / 2014 financial year. Dti is leading the process of appointing service providers. A Provincial Project Committee has been established which will be followed by the establishment of a broader consultative steering committee. The province will through these structures be involved in the process of the feasibility study.

The Malt Production Plant that the Department has facilitated this year will be constructed in the first quarter of the next financial year. A Cooperatives Development Model has been developed for the identified emerging farmers in Frances Baard. The Pniel, Droogfontein and the Research Station in Jan Kemp Dorp owned by the Provincial Department of Agriculture, Land Reform and Rural Development have been earmarked to be used as centres for incubation for the development of Cooperatives. The Plant has also been officially launched during November this year.

The envisaged Malt Plant, Solar Park, the Electronics Hub and the SEZ initiatives are high impact projects that have the potential for establishment of new businesses and massive jobs opportunities for the benefit of the province. Therefore the skills development programme that the Department has introduced in 2012/2013, is an attempt to prepare the necessary skills base that will be required for these projects and other business spin-offs that will accrue as a consequence. This programme relates to the training of SMME's on Computer Aided Design (CAD) and Computer Aided Manufacturing (CAM) to enhance their skills on manufacturing and make them more competitive nationally and globally. 7 SMME's are currently benefiting from this intervention with an additional 3 that will join the programme in January 2013.

The implementation of the Technology Localisation Plan by the Department of Science and Technology will enhance the competitive urge of the local

manufacturing companies of the province. This Plan provides for Technology Assistance Packages to those companies that have been identified to be having short-comings in their technologies for them to be able to access procurement opportunities that emanate from government mega-projects such as the SKA, Solar Park, the SEZ and the Electronics Hub. Two companies have been bench-marked from this initiative and based on the outcome of the analysis, an assistance package will then be developed by the Department of Science and Technology to address the short-comings that have been identified by the bench-marking process.

The process of establishing Manufacturing Centres has commenced with the appointment of service providers to conduct feasibility studies and develop business plans for the establishment of an Agro-processing Cluster and a Minerals Beneficiation Cluster. These clusters will enhance the industrial base of the province.

All the above-mentioned achievements in this financial year link directly to industrial development, skills development and jobs creation

The department is in the process of establishing a provincial mining desk. The purpose of the Northern Cape Mining Desk (NCMD) is to develop and empower the mining industry in the province. The department jointly with The Northern Cape Mine Managers Association has identified procurement opportunities to embark on as Provincial Procurement Projects. In 2012/2013 financial year a Procurement SMME Portal was launched in order to ensure accessibility to both local mining procurement opportunities and Provincial local suppliers' data base. An Engineering mining consortium has been established for the manufacturing of engineering mining products.

In the financial year 2013/2014 we will defer the Renewable Energy Strategy to the Economic Planning Programme. The CDM desk was established but the operationalization of it never materialized due to financial constraints.

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Sub-programme: Sector Development				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of people trained.	A training programme for 10 individuals on Computer Aided Design and Computer Aided Manufacturing has been finalized. An MOU with the Urban FET College (Moremogolo Campus) has been signed. The FET College has finalized the procurement of new computers for the programme Facilitated the training of individuals for the implementation of Technology Assistance Packages by DST within the province.	Twelve (12) people trained on (1) Bench-Marking and (2) Computer Aided Design (CAD) & Computer Aided Manufacturing (CAM) by end of March 2013	Twelve (12) people were trained -6 on CAD and -6 on Bench-Marking	None
Number of business assisted with proactive interventions	3 Companies have been linked to three mining houses for manufacturing of some mining products.	Four (4) businesses assisted with proactive interventions. Cape Malting House – facilitate the establishment of a Malt Production Plant Organimark / Kumba Resources - facilitate the establishment of a Meat Processing Plant in JTG District Mega Frames – Steel Fabrication – DST Technology Localisation Plan Rail to Rail – DST Technology Localisation Plan implemented	Four (4) businesses were assisted with proactive interventions	Benchmarking Analysis Report has been completed on Kimhydraulics Megaframes – Steel Fabrication could not participate any further in the programme due to its tight schedule of its operations.

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Sub-programme: Sector Development				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of Key sectors supported	<ul style="list-style-type: none"> - Facilitated the establishment of a Malt Plant in the Province. - Pre-Feasibility study done on establishment of an Special Economic Zones in Upington and Kimberley. - Manufacturing strategy developed. - Facilitated the development of an electronics hub. - Skills development programme in Manufacturing developed. - Establishment of a mining Desk. - Facilitated the implementation of Preferential Mining Procurement Initiative. - Renewable Energy Hub in Pixley Ka Seme supported. 	Three (3) priority sectors supported. Manufacturing Mining Energy	Three sectors have been supported Manufacturing Mining Energy	None
		Manufacturing strategy implementation plan finalised by end March 2013	Manufacturing strategy implementation plan is finalised	None
		Manufacturing Skills Development interventions developed and implemented by end of March 2013	CAD & CAM Programmes implemented; Skills analysis report completed; Manufacturing skills committee established;	None
		Special Economic Zones designated for the Province by end of March 2013	Special Economic Zones were designated for the Province	None
		Feasibility and business plans on Manufacturing Clusters developed by end of March 2013	Feasibility and business plans on Manufacturing Clusters were not developed	Will be completed in the new financial year
		Manufacturing projects monitored and co-ordinated by end of March 2013	23 projects monitored and co-ordinated. Report available	None
		Agreements secured with twelve (12) mines on Preferential Mining Procurement Initiative (PMPI) by end of March 2013	The Agreements has been tentatively agreed upon but waiting for DMR endorsement and then be signed by all the mines	Awaiting authorisation from DMR.
		Establishment of a Mining Desk by end of March 2013	Mining Desk was established and implementation of first phase is executed.	None
		Business case for a Bio-mass initiative in Siyanda District developed by end of March 2013	The Business case for a Bio-mass initiative in Siyanda District was developed	None

Changes to planned targets

Two targets were added during the review of the APP last year, namely "Feasibility and Business plans on Manufacturing Clusters developed year end of March 2013." This was in the Budget Speech of the MEC which is normally presented during April and May after the APP has been concluded. "manufacturing projects monitored and co-ordinated by end March 2013 due to the expansion of the sub-programmes strategic focus as it was established that while the sub-programme is focusing on strategic interventions, certain projects were also being implemented in the province and there was a need to understand and consolidate those activities.



Also, the target implementation of the Northern Cape Mining Desk was changed to establishment of a mining desk by end of March 2013. The reason that this target was changed was because it was not SMART.

Linking performance to the budget: Sector Development

Sub- Programme Name R'000	2012/2013			2011/2012		
	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
Sector Development	5 883	4 685	1 225	6 098	6 098	-

2.5.4.3 Strategic Initiatives

Objective, Performance Indicators, Planned Targets and Actual Performance

Strategic Objective

Government Outcome:	Decent Employment through inclusive economic growth
Government Output	More labour absorbing growth
Programme Purpose	To accelerate economic development by facilitating export from and investment into the province while simultaneously promoting economic diversification and industrial expansion
Sub-programme Strategic Objective 3.3	Strategic positioning of industries in support of economic growth and development.
Objective statement	To facilitate the implementation of strategic programmes to create sustainable jobs, increase businesses established and expand and facilitate economic infrastructure.
Sub-programme Strategic Objective 3.4	Facilitation of access to Funding for SMMEs
Objective Statement	To facilitate and coordinate access to internal and external funding for SMMEs in the Northern Cape Province

For 2012/13 seventy two students have been trained on MQA accredited courses. Of the seventy two learners seven was SADC learners. A Six months diamond polishing learnership for Twenty four disabled students started on 5 November 2012 and ended on 30 April 2013. Graduation ceremony for KIDJA students that have completed the diamond cutting and polishing learnership and MQA accredited courses was held on 30 November 2012.

The plans for the additional infrastructure (which include incubation centre, additional offices and ablution facilities) has been approved and construction has commenced. A business plan has been submitted to SEDA for funding of an Incubation Centre that will serve as an exit strategy for KIDJA students. DTI visited the Kimberley Diamond and Jewellery Centre on an oversight on 25 June 2012. The Logo has been developed and is awaiting stakeholder approval. The first draft of the business plan and implementation plan of the Kimberley Diamond and Jewellery Hub has been completed. A draft of the exit strategy for KIDJA students has been developed and will be implemented in 2013/2014. The canteen for the green flank will be constructed in 2013/14.

On 16 to 19 April 2012 a successful outbound mission was undertaken to Armenia. The following materialized from this mission: company registration done, diamond dealer's license acquired, diamond beneficiation license acquired. On 21 May 2012 a meeting was held with the CEO of the State Diamond Trader (SDT) in order to have the foreign company

registered as a client of the SDT. This further resulted in a follow-up visit by the SDT on 29 May 2012 to the Kimberley Diamond and Jewellery Centre at 25 Villiers street Kimberley, in order to gain more insight into the project between the Department of Economic Development and Tourism and the Diamond Company and Jewellery Company of Armenia and thus the diamond strategy of the Province as such. A list of the top 17 graduates from the Kimberley International Diamond and Jewellery Centre (KIDJA) has been submitted to the Armenian's. The Armenian's will select 10 for further training and employment once they understand the Armenian production lines processes and standards. The Armenian's will gradually increase their intake until such point and time that the full quota of 150 students have been achieved.

A draft agreement between the Department and the foreign company has been compiled. The purpose of the agreement is to serve as an exit strategy for KIDJA students. The authorized representative license has been acquired from South African Diamond and Precious Metals Regulator, all compliance documents for the foreign company has been submitted to the State Diamond Trader (SDT). Once the SDT approves all the compliance documents, the foreign company will receive their first allocation of rough diamonds. KIDJA is in the process of applying for the work permits for the Foreign Company instructors.

In the financial year 2012/2013 KIDJA has been operationalized, as companies moved into the Kimberley Diamond and Jewellery Centre and 50 students have been trained. MOU's have been signed with 3 local investors and they will occupy the premises before end of the financial year. A brand has been developed and will be registered by the end of the third quarter. One Diamond cutting and polishing and Jewellery manufacturing foreign company will be operational at the Kimberley Diamond and Jewellery centre by the end of the financial year.



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Sub-programme: Strategic Initiatives				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of people trained	50 students, of which 7 were from the SADC region were trained in diamond cutting and polishing	Thirty (30) people trained (KIDJA) in MQA accredited courses by 30 November 2012	72 learners have been trained in MQA accredited courses KIDJA hosted its first graduation ceremony on 30 November 2012 where 96 MQA accredited certificates were awarded to the learners that completed their training successfully	42 more learners were trained
Number of infrastructure projects supported.	With regard to the upgrade and renovations to facilities in order to accommodate diamond cutting and polishing and jewellery manufacturing concerns/foreign concern, the following have been achieved: All renovations have been completed Architectural plans submitted by the IDT have been approved and construction will commence in the 2nd quarter of 2012/13. KIDJA is fully operational, Principal, two instructors and two admin staff members have been appointed. Upgrading of existing infrastructure was completed. Additional infrastructure was constructed (canteen).	Two (2) infrastructure projects supported -Construction of additional abluion blocks to the Kimberley Diamond and Jewellery Hub completed by 31 March 2013	Construction of the abluion blocks in the green flank factories has been completed	None
		-Construction of Diamond Cutting and Polishing incubation centre completed by 31 March 2013	Construction of incubation centre is not completed. R 4.2 Million was sourced from SEDA for the incubation Centre.	construction will commence in the Quarter1 of the financial year 2013/14



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Sub-programme: Strategic Initiatives				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of high initiatives packaged/ developed.	Assessment of business plan completed.	Four (4) high impact initiatives packaged/ developed		
	Amendment of terms of reference	-Develop an exit strategy for KIDJA students by 30 June 2012	Exit strategy for KIDJA students have been developed and will be implemented in 2013/14 financial year	None
		-Kimberley Diamond and Jewellery brand strategy developed by 31 December 2012	Logo to brand Kimberley diamond and jewellery has been created and was approved by technical cluster and is waiting to be presented to other stakeholders.	Deviated to Q1 of the financial year 2013/14
		-Business plan and implementation plan developed for the Hub by 31 December 2012	Business plan and implementation plan for the Kimberley Diamond and Jewellery hub has been developed	None
		Funding model for Diamond Strategy finalized by 31 December 2012	Funding model for the diamond strategy has been developed.	None
Number of high impact initiatives implemented.	Electrical work in the factories has been completed.	Five (5) high impact initiatives implemented. -Launch and roll out the Kimberley diamond and jewellery brand provincially by end of March 2013	The launch and roll out the Kimberley diamond and jewellery brand did not take place	The launch and roll out of the brand depend on approval of the logo. The target is deviated to Q4 of 2013/14
		Implement and manage Diamond Strategy funding model by end of March 2013	The Diamond Strategy funding model was implemented and managed	None

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Sub-programme: Strategic Initiatives				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
		Operationalization of one (1) cutting and polishing and jewellery manufacturing foreign company by 30 September 2012	<p>Successful outbound mission to Armenia from 16 to 19 April 2012 resulting in:</p> <ul style="list-style-type: none"> - Foreign company registration done - Diamond Dealers license acquired - Diamond Beneficiation license acquired <p>A list of the 17 top students trained at KIDJA has been forwarded to the Armenian's, in order for the Armenian's to further train these students and absorb them into the Armenian factories (exit strategy).</p> <p>Draft agreement between the foreign company and the Department of Economic Development and Tourism completed. This agreement will serve as an exit strategy for KIDJA students.</p> <p>Acquired the authorized representative license for the foreign company from the SADPMR (South African Diamonds and Precious Metals Regulator).</p> <p>All compliance documentation has been submitted to the State Diamond Trader, waiting on approval from the SDT for the allocation of rough diamond supplies for the foreign company. All necessary documentation required for the application of work permits for the foreign instructors i.e. Radiological report-form (BI- 806), medical certificate-form (BI-811) and application form for temporary residence permits-form (BI-1738) as well as details of the contact person at the Embassy in Mumbai, have been forwarded to the Armenian representative for completion and submission to the Embassy. In the process of applying for work permits for the four foreign instructors, who will further train ex-KIDJA students in order to absorb them into the Armenian factories.</p>	Deviated to 31 June 2013

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Sub-programme: Strategic Initiatives				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
		Manage and Implement the co-operative agreement signed with one foreign company by 31 March 2013	The co-operative agreement was not implemented	Deviated to Q3 of 2013/14 Only once the foreign company become operational can the secondary element of the project i.e. Manage and implement the co-operative agreement signed with one foreign company be implemented
		Manage and Implement the MOU's signed with Diamond cutting and polishing and jewellery manufacturing SMME's by 31 March 2013	Target has been achieved. meetings held with SMME's	None



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Sub-programme: Strategic Initiatives				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
identified Nationally	-	Identify all National funding institutions by 31 March 2013	National funding institutions were identified	None
Number of contact meetings with funding Institutions	-	Four (4) meetings conducted with Funding institutions	4 Meetings were conducted with funding institutions	None
A database of all National Funding institutions developed	-	A database of National Funding institutions developed by 31 March 2013	A database of National Funding institutions was not developed.	The target is deviated to quarter 1 of the new financial year due to contractual disagreements
A link between SMME's and/or applications established at most National Funding institutions	-	Ten(10) SMME's / applications linked with most National Funding institutions by 31 March 2013	5 SMME's/applications were linked with national funding institutions.	Due to Completion of bankable business plans only half of the targeted SMMEs could be linked to National funding.

Strategy to overcome areas of under performance

The Logo to brand Kimberley Diamond and Jewellery has been presented at the Technical cluster where it was approved, the logo is waiting to be presented to the Economic Cluster for approval before it can be launched and marketed. The plan is to request relevant people to influence the process of putting the logo on the Agenda of the relevant forums.

Due to budgetary constraints the incubation could not be constructed, R 4.2 mil has already been sourced from SEDA for the construction of the incubation. More funders will be approached for funding.

Linking performance to the budget: Strategic Initiatives

Sub- Programme Name R'000	2012/2013			2011/2012		
	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
Strategic Initiatives	10 229	6 522	3 707	8 410	8 203	207

2.5.5 Programme 4: Business Regulation and Governance

2.5.5.1 Governance

Objective, Performance Indicators, Planned Targets and Actual Achievements

Strategic objective

Government Outcome:	An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship
Government Output	Business processes, systems, decision rights and accountability management
Programme Purpose	To regulate business practices and ensure compliance with relevant legislation whilst optimizing revenue collection and monitoring departmental agencies
Strategic Outcome Oriented Goal 4	A fair regulated trade environment and good governance
Goal statement	To ensure an equitable, socially responsible business environment that allows for predictability.
Sub-programme Strategic Objective 4.1	Provision of support and promotion of good governance to public entities and the department
Objective statement	To promote good governance of Public entities and agencies and remove barriers in the broader business environment which inhibit business development

The unit has in accordance with the Northern Cape Liquor Act and the Northern Cape Gambling Act respectively been represented on the Boards to ensure smooth running of the Northern Cape Liquor Board (NCLB) as well as the Northern Cape Gambling Board (NCGB). Although the Department, in terms of the respective legislation above does not have powers to vote on matters of the Board, our presence at board meetings ensures that the department has input during deliberations and is able to guide the Boards on policy matters and ensure that the objectives of the legislation and policy of the Department is implemented. In addition through interaction with the Board the department was able to identify the gaps and barriers in the application of the legislation by the respective Boards. The department also ensure over and above the legislation administered by the department that the Public Financial Management Act 1999 (PFMA), and its regulations. (Treasury Regulations 2008) are implemented, as they extensively deal with Governance matters, more so strategic planning, budget processes as well as internal financial control systems and compliance matters of the Public Entities.

Furthermore the unit has also received and analysed the quarterly reports order to evaluate whether the core functions as well as the planned targets

have been met and to that end the units confirm that these targets have been met. All the reports have been received and analysed and collection of revenue where applicable has also been done. All remittance of fees collected by both the NCLB and NCGB has been paid for the 2012/2013 financial year.

The unit has been inundated with enquiries regarding the remuneration of Board members. Currently Board members are remunerated per sitting or for work done per hour, on behalf of the Board. The result is the status quo remains and that remuneration for ceremonial appearances has not been endorsed.

Besides the targets that have been pursued this financial year, the sub-programme has done two investigations regarding the Liquor and Gambling Boards. These relate to complaints received by the Ministry regarding Liquor license applications and the second being a request by the Gambling Board, to the Ministry, regarding governance matters at the Board. Both investigations have been concluded and have revealed some alarming trends that need to be addressed. The success in these investigations has accentuated the need for collaboration between Legal, Finance and Human Resources units when working with entities and this augers well for the coming financial year.

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Sub-programme: Governance				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number agency performance reports received and analysed	Four reports were submitted from NCEDA. Four reports were submitted from NCTA	Sixteen(16) agency performance reports received and analysed Four (4) reports on the Liquor Board Four (4) reports on the Gambling Board Four (4) reports on NCEDA Four (4) reports on NCTA	Sixteen(16) agency performance reports received and analysed Four (4) reports on the Liquor Board Four (4) reports on the Gambling Board Four (4) reports on NCEDA Four (4) reports on NCTA	None
100% compliance to policies, legislation and regulations.	100% compliance	One hundred percent (100%) compliance to policies, legislation and regulations.	One hundred percent (100%) compliance to policies, legislation and regulations.	None
Number of SLA's with the public entities.	SLA's not signed.	Four (4) SLA's with the public entities.	SLA's not signed with public entities	Deviation of 4 below target.

Strategy to overcome areas of under performance

Greater collaboration, within the Department, between units that monitor the performance of the Boards and developing system descriptions for the Boards relating to operations that have to be executed on a daily basis. This includes the process relating to timeous submission of documents for effecting transfer payments.

Changes to planned targets

The target relating to number of SLA's signed with the Boards has not been pursued since the Service Level Agreements that were to be signed with the Public Entities were directed at compliance issues as guided by the Liquor, Gambling, Tourism Authority and Agency Acts and their regulations as well as the Public Finance Management Act (PFMA) and the Treasury Regulations, which are mandatory.

Linking performance to the budget: Corporate Governance

Sub-Programme Name R'000	2012/2013			2011/2012		
	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
Corporate Governance	2 189	2 189	-	2 224	2 224	-

2.5.5.2 Regulations Services

Objective, Performance Indicators, Planned Targets and Actual Achievements

Strategic objective

Government Outcome	An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship
Government Output:	Business Processes, systems, decision rights and accountability Management
Strategic Outcome Oriented Goal 4	A fair regulated trade environment and good governance
Goal statement	To ensure an equitable, socially responsible business environment that allows for predictability.
Sub-programme Strategic Objective 4.2	Identification of and addressing barriers in the broader business environment.
Objective statement	To identify and address barriers in the broader business environment which inhibit business development.

Regulation Services concerns itself with the identification and addressing of barriers in the broader business environment that inhibit business development. During the financial year under review, the Department has identified three barriers and has addressed two of these.

The process to review the Business Act was initiated by the DTI since government has found that many businesses operate without a licence resulting in harmful goods being imported and sold causing the country to lose large amounts of revenue. This project is to be concluded in the coming financial year.

A Northern Cape General Laws Amendment Bill was introduced in the Northern Cape Provincial legislature in February 2013. The aim of the amendment bill is to amend the Northern Cape Liquor Act, 2008, the Northern Cape Gambling Act, 2008, the Northern Cape Tourism Entity Act, 2008, and the Northern Cape Consumer Protection Act, 2012, so as to delete certain disqualifications to serve as functionaries of entities created by these Acts; and to provide for matters connected there with. The above mentioned acts are administered by the Department, with each act creating a public entity which either has a board or other functionary governing the entity. In each of the above Acts, it is a standard requirement for such functionaries to permanently reside in the Province to qualify for appointment or to remain eligible to serve in those positions.

In practice, however, this state of affairs has created unforeseen problems. If it happens that a person

appointed by the MEC to serve as a member of a Board or as some functionary of an entity, moves out of the Province before the completion of the prescribed term of office. Such a person immediately loses eligibility to serve out his or her term of appointment. The net result is that valuable experience is lost and that the functionary must be replaced. The aim of the bill is to remedy this situation by deleting the said requirement from each of the above Acts respectively. The provincial legislature has taken it upon itself to publish the amendment in the newspapers circulating around the Province for Public comment and upon completion of the legislature's processes, it is anticipated that the Bill will be passed by the House as there were no contentious matters and the Bill has received tremendous support throughout the Legislative process.



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Upon implementation of the Gambling Act, the Board experienced challenges relating to: Certain definitions in the Act, and in addition to extend the powers of the Board regarding hearings, investigations, or enquiries; and to extend the matters in respect of which the Board's costs must be reimbursed; to further provide for the renewal and the lapse of licenses; to further provide for matters that need approval of the Board; to extend the powers of inspectors; to provide for confidentiality; and to provide for matters connected therewith. These were identified as constraints to the gambling industry and as such, amendments were proposed. This has resulted in draft amendments to the Gambling Act that still has to follow the process to the Legislature and is anticipated to be concluded by December 2013.

The Northern Cape Consumer Protection Authority is supposed to issue compliance notices to all businesses operating in the boundaries of the Province. However, such notices could not be issued during the 13/14 financial year due to the non-existence of the cooperation agreement between the National Consumer Commission and the province.

Sub-programme: Regulation Services				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of barriers identified	Between quarter 1 to 3, there were no targets achieved. Obtaining Tax Clearance Certificates for SMME's in the Province hampered by there only being two SARS offices (Kimberley and Upington)	Four (4) barriers identified	Three (3) barriers identified: - Issuing compliance notices. - Limitation that Chairpersons of Boards should reside in the Northern Cape Province - Challenges identified regarding the implementation of the N C Gambling Act.	Deviation of 1 from planned target which is attributed to no dedicated personnel for Regulation Services.
Number of barriers addressed	Alignment of Provincial Legislation with the National Legislation in respect to Consumer Protection Act was completed. The National Act requires the Department to issue compliance notices on behalf of NCC (National Consumer Commission)	Four (4) barriers addressed.	Two (2) barriers addressed: - Proposed amendment to the Gambling Act completed - will follow legislative process during 12/13 - Amendment regarding place of residence of Chairpersons of the Boards	Deviation of two (2) from planned target due to no dedicated personnel for Regulation Services.

Strategy to overcome areas of under performance

Appointment of dedicated personnel for Regulation Services

Changes to planned targets

No changes to targets



2.5.5.3 Consumer Protection

Objective, Performance Indicators, Planned Targets and Actual Achievements

Strategic objective

Government Outcome:	An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship
Government Output	Service delivery quality and access Business Processes, systems, decision rights and accountability Management
Programme Purpose	To regulate business practices and ensure compliance with relevant legislation whilst optimizing revenue collection and monitoring departmental agencies
Strategic Outcome Oriented Goal 4	A fair regulated trade environment and good governance
Goal statement	To ensure an equitable, socially responsible business environment that allows for predictability.
Sub-programme Strategic Objective 4.3	Promotion and protection of consumer rights.
Objective statement	To Inform, educates and protect the rights and interests of all consumers in the province.

Consumer Protection is primarily concerned with the promotion and protection of consumer rights which is a constitutional mandate. The challenge for us is to prepare consumers for the market place to the extent that they would be in a position to make a meaningful contribution to the economy of the Province. To this effect, we have realigned the Northern Cape Unfair Business Practices Act to the new Consumer Protection Act. The Act came into operation on 01 April 2012, and is now guiding the many challenges that need to be addressed.

The Provincial Act provides for the establishment of an Office of the Consumer Protector and a Consumer Court. These have been established with the more crucial positions of Consumer Protector, Chairperson of the Consumer Court and other personnel being appointed.

There is no system in place to effectively address the management and receiving of complaints. Furthermore, changes need to be made that would elevate consumer services such as decentralisation of service points to rural areas, certification of inspectors/investigators in order for them to carry out search and seizure operations. The non-finalisation of the regulations hampers the proper certification of the newly appointed Inspectors/Investigators.

The annual World Consumer Rights Day celebration was held 15 March 2013 in Victoria West, Pixley ka Seme District, with an attendance of an estimated

500 consumers under the theme "Justice for all consumers now". External stakeholders such as the National Credit Regulator (NCR) office, the Housing and Rental Tribunal and Communications of the Department attended.

Consumer education and awareness of their consumer rights were conducted during the World Consumer Rights Day celebrations held in Pixley ka Seme. Our focus was more in that Pixley Ka Seme district than the other districts and that is the reason why we have over achieved the target of 5 there. JTG district was not done due to staff shortage.

With regard to the number of complaints received, we do not have actual control over the number of persons lodging a legal complaint. Therefore we can only register complaints actually received from the consumer.

The number of complaints resolved depends on availability of resources and the co-operation of the complainant and respondent. The establishment of the regional offices as intended ought to contribute to an increase in numbers of consumer related complaints received and resolved.

The consumer court is not fully operational due to lack of accommodation, resources, and the Regulations not yet being finalized and published in the Provincial Gazette. There is also a waiting period for public comment on the draft regulations.

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Sub-programme: Consumer Protection				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of consumer education programmes conducted.	3 Programmes conducted per quarter	Twenty (20) Consumer education programmes (5 per district)	Nineteen (19) consumer education programmes conducted. Pixley ka Seme - 7 Frances Baard - 2 Siyanda - 4 Namaqua - 6 JTG - 0	Deviation of 1 from planned target
Number of complaints received	2 555 Complaints received	One thousand five hundred (1500) complaints received	234 complaints received Referred – 3 (Free State Consumer Protection)	Deviation of 1266 from planned target
Number of complaints resolved	1 619 Complaints resolved	One thousand five hundred (1500) resolved complaints	121 complaints resolved	Deviation of 1379 from planned target
Fully operational Consumer Court	-	Thirty six (36) sittings	Court sittings did not take place	Regulations of the Consumer Protection Act not yet finalised

Strategy to overcome areas of under performance

Establishment of functional regional offices if the resources are received.

- ◆ Integration of resources between education and advisory services within the sub-programme.

Changes to planned targets

The unit has never been able to attain the target of 3000 complaints received and addressed over the past few years. The closure of the Namaqualand Legal Advice Clinic has also made it more difficult to achieve the target and as a result, the target was reviewed and changed to 1500 complaints received and resolved

Linking performance to the budget: Consumer Protection

Sub- Programme Name R'000	2012/2013			2011/2012		
	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
Consumer Protection	5 528	4 928	600	4 133	4 133	-

2.5.5.4 Liquor Regulation

Objective, Performance Indicators, Planned Targets and Actual Achievements

The Liquor Board is responsible for the implementation of the Northern Cape Liquor Act. During the 2012/13 financial year, the Liquor Board received 540 new license applications and considered 783 new applications which included 243 applications from the financial year 2011/12.

The table below indicates the movement of all license applications received and considered.

Type	New Applications received (12/13)	Approved	Refused	Postponed	Struck off roll
S5 (Exemption approval)		1	0	0	0
S18 (Occasional)	360	351	34	23	11
S20 (Permanent)	96	91	42	48	0
S24 (Structural alterations)	0	6	16	0	0
S28 (Complaints)	27	0	0	0	0
S30 (Transfer)	53	58	5	33	0
S31 (Removal)	2	5	1	1	0
S55 (Conversion)	0	0	10	37	7
S58 (Control Interest)	2	0	0	3	0

From the table above it is clear that there is a backlog that exists regarding the Liquor board dealing with applications. Due to the current status of the applications to the liquor board and the complaints received regarding these, the Department will, during the coming financial year, assist the Liquor Board to improve the systems to address applications in an attempt to increase the application turnover rate.

Strategic objectives

Government Outcome:	An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship
Government Output	Business processes, systems, decision rights and accountability management
Programme Purpose	To regulate business practices and ensure compliance with relevant legislation whilst optimizing revenue collection and monitoring departmental agencies
Strategic Outcome Oriented Goal 4	A fair regulated trade environment and good governance
Goal statement	To ensure an equitable, socially responsible business environment that allows for predictability.
Sub-programme Strategic Objective 4.4	Regulation of the liquor industry
Objective statement	To promote and maintain an effective and efficient regulatory system for the liquor industry

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Sub-programme: Liquor Regulation				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of Liquor Board's performance reports received and analysed	Four quarterly reports received and analyzed	Four (4) Quarterly reports on the Liquor Board Analysed in terms of Treasury regulations 29.3.1	Four (4) Quarterly reports on the Liquor Board Analysed in terms of Treasury regulations 29.3.1	None
		Twelve (12) monthly reports on the Liquor Board analysed in accordance to Treasury regulations: 29.3.1	Twelve (12) monthly reports on the Liquor Board analysed in accordance to Treasury regulations: 29.3.1	None
		Printed Annual Report Within 5 months of the financial year end – 31 August 2013	Printed Annual Report received within 5 months of the financial year end – 31 August 2012	None
Compliance to policies, legislation and regulations.	-	Four (4) liquor Board compliance reports on: <ul style="list-style-type: none"> - Appointments, remuneration and performance management systems - Internal audit, NC Liquor Act of 2008, PFMA and Treasury regulation 	No compliance reports No approved policies received from the Board Audit conducted by AGSA	No personnel appointed to conduct compliance
Board's annual report received and analysed	-	Printed Annual Report Within 5 months of the financial year end – 31 August 2013	Printed Annual Report received within 5 months of the financial year end – 31 August 2012	None
Number of Liquor Board's PMTEC submission as per the requirements of the Board	PMTEC Submission included in departmental submission	Facilitate the submission of the PMTEC as per requirements of the Board for submission by September 2012	PMTEC reports submitted	None

Strategy to overcome areas of under performance

The Liquor Regulation Unit within the Department was unable to reach the target of conducting compliance audits within the Board's functions because no personnel have been appointed yet to perform the function. Additional resources are to be sought to appoint personnel to conduct the required functions to enable the Board to comply with legislation.

Changes to planned targets

The target below was changed to be aligned with the SMART principle i.e. (specific, measurable, achievable, realistic and time related).

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“Hundred present (100%) compliance to policy and legislation” was changed to “Four (4) Liquor Board compliance reports on:

- ◆ Appointments, remuneration and performance management systems
- ◆ NC Liquor Act of 2008, PFMA and Treasury regulations

Linking performance to the budget: Liquor Regulation

Sub- Programme Name R'000	2012/2013			2011/2012		
	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
Liquor Regulation	7 622	7 622	-	6 663	6 563	100

2.5.5.5 Gambling and Betting

Objective, Performance Indicators, Planned Targets and Actual Achievements

Strategic objectives

Government Outcome:	An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship
Government Output	Business Processes, systems, decision rights and accountability Management
Programme Purpose	To regulate business practices and ensure compliance with relevant legislation whilst optimizing revenue collection and monitoring departmental agencies
Strategic Outcome Oriented Goal 4	A fair regulated trade environment and good governance
Goal statement	To ensure an equitable, socially responsible business environment that allows for predictability.
Sub-programme Strategic Objective 4.5	Regulation of the Gambling and Betting Industry
Objective statement	Promote and maintain an effective and efficient regulatory system for the gambling and betting industry.

The purpose of the Gambling and Betting unit is to ensure that the Gambling Board’s performance is in accordance with its Strategic plan. During the financial year 2012/13 one Strategic plan, four quarterly and one annual report were received and analysed and the Board submitted its proposed PMTEC for submission to the Department. The Board is in the process establishing a risk register which will be implemented during the financial year and the Board’s policies will be evaluated continuously to ensure compliance. The achievements above and ensuring compliance to business processes, ensure management accountability is realized. The generated information will be utilised to produce credible progress reports against economic goals.

The Gambling Board was established with the purpose of regulating the Northern Cape Gambling Act of 2008. During the financial year 2012/13 the third Casino license conditions were revised and amended to enable the construction of the permanent Casino building during March 2014. With regard to the LPM roll-out process, the Board issued nine prospective applicants with Request for Proposal (RPF) documents and received six applications and plans to award two LPM Operator license during the financial year 2013/14. 127 key employee licenses and 72 permanent licenses were issued.

License fees were received for new and renewal applications and certificates from all licensees. Optimal revenue was collected for levies due to the Provincial Revenue Fund. Six illegal gambling raids were conducted.

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Sub-programme: Gambling and Betting				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of Gambling Board performance reports received and analysed	Four (4) quarterly Reports received and analyzed	Four (4) Quarterly reports on the Gambling Board analysed in terms of Treasury regulations: 29.3.1	Four (4) Quarterly reports on the Gambling Board analysed in terms of Treasury regulations: 29.3.1	None
		Twelve (12) Gambling Board's monthly reports	Twelve (12) Gambling Board's monthly reports	None
		One (1) printed annual report to be submitted within 5 months of the financial year end – 31 August 2012	One (1) printed annual report to be submitted within 5 months of the financial year end – 31 August 2012	None
Compliance to policies, legislation and regulations.	-	Four (4) Gambling Board compliance reports on: <ul style="list-style-type: none"> - Appointments, remuneration and performance management systems - Internal audit, NC Gambling Act of 2008, PFMA and Treasury regulation 	None	No personnel appointed to conduct compliance
Gambling Board Strategic Plan received and analysed	Strategic plan completed within the specified timeframe and submitted by Gambling Board	One (1) strategic plan by the end of June 2013	Strategic plan submitted	None
Facilitate the submission of the PMTEC as per the requirements of the Board	PMTEC Submission included in departmental submission	One (1) PMTEC submission - June 2013	One (1) PMTEC submitted for 2013	None





Strategy to overcome areas of under performance

New mechanisms will be implemented to obtain the information from the Board

Changes to planned targets

The target of “hundred percent (100%) compliance to policy and legislation” was changed to “Four (4) Gambling Board compliance reports on:

- ◆ Appointments, remuneration and performance management systems
- ◆ Gambling Act of 2008, PFMA and Treasury regulation

The target above was changed to be aligned with the SMART principle

Linking performance to the budget: Gambling and Betting

Sub- Programme Name R'000	2012/2013			2011/2012		
	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
Gambling and Betting	10 191	10 191	-	9 914	9 213	701

PROGRAMME 5:
ECONOMIC
PLANNING



2.5.6 Programme 5: Economic Planning

2.5.6.1 Policy and Planning

Objective, Performance Indicators, Planned Targets and Actual Achievements

Strategic objective

Government Outcome:	Decent Employment through inclusive economic growth
Government Output	<ol style="list-style-type: none"> 1. Faster and sustainable growth 2. More labour absorbing growth 3. Multi-pronged strategy to reduce youth unemployment 4. Increase competitiveness to raise net exports, grow trade as a share of world trade and improve its composition 5. Appropriate cost structure in the economy 6. Improved support SMME and Cooperatives 7. Expansion of the EPWP
Programme Purpose	To support and facilitate the transformation, diversification and growth of the provincial economy by developing, monitoring and evaluating economic policies and strategies informed by relevant economic research towards a knowledge based society.
Programme Strategic Outcome Oriented Goal 5	Sustainable economic development
Goal Statement	To develop provincial economic policies and strategies to achieve and measure sustainable economic development.
Strategic objective 5.1	Effective and integrated Economic Planning and Policy development
Objective Statement	Promote effective and integrated economic planning and policies for economic growth and development.

During the 2012/13 financial year the sub-programme managed to achieve most of its targets. The Planning framework was developed; the objective of the framework is to institutionalise departmental planning.

A thorough analysis of the national development plan was conducted with the aim of developing an implementation plan for the province and aligning it to the PGDS that will be reviewed in the next financial year. The sub-programme developed guidelines on policy and strategy development in DEDaT and a database of all departmental policies was compiled with the aim of identifying policies that are due for review and lacking in the department.

We appointed a service provider for the development of the Provincial Renewable Energy Strategy. Four deliverables were produced i.e. the Inception Report; Case Study analysis; Baseline Profiling and Desired State of Development and Gap Analysis. The Steering Committee ensured quality control of all these outputs. The Strategy will be finalised in the first quarter of 2013/14.

The Mid Term Review report assessing the performance of provincial departments for the period 2009 – 2012 was compiled and presented as per the directive from the Office of the Premier. Preliminary inputs on progress made by sector departments on EXCO Lekgotla resolutions were also gathered. Inputs will be utilized to prepare for the mid-year EXCO Extended Lekgotla in order to report on outcomes relevant to the Economic Sector, Employment and Infrastructure Cluster.

The sub-programme coordinated the gathering of information from Economic Sector Departments and produced four cluster reports i.e. Governance Summit Report, Mid-term review Report, Exco Lekgotla Report; Economic Cluster Job Creation report. The Northern Cape Job Summit was successfully hosted by the Department with all relevant stakeholders invited. A report on the outcomes of the summit has been produced. District Stakeholder engagements will be held in the next financial year with the aim of getting the participation of relevant stakeholders in developing a provincial job creation accord.

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Sub-programme: Policy and Planning				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of economic strategies reviewed and developed.	Renewable Energy Strategy	One(1) Renewable energy strategy developed.	One (1) Draft Renewable Energy Strategy Developed. Service provider was appointed and the following deliverables were produced - Inception Report - Case study analysis - Baseline Profiling - Desired state of Development and gap analysis	Only a Draft strategy was developed. The Strategy will be finalised in first Quarter of 2013/14
	Mineral Beneficiation Strategy reviewed	One (1) Mineral beneficiation strategy reviewed	One (1) mineral beneficiation strategy analysed and action list compiled	Due to resource challenges, no strategy was reviewed however further analysis of Mineral beneficiation strategy was done and an action list compiled An implementation plan of the Mineral beneficiation strategy will be developed.
Number of economic policies reviewed and developed	Staff retention policy developed	One (1) policy developed.	One (1) Policy Development Guidelines	Only guidelines on policy development were done
	Various internal departmental policies reviewed for standardization and uniformity	One (1) policy reviewed	One (1) New Growth Path reviewed	None
Planning Forum effectively operationalized	Quarterly Planning Forum meetings held Working committee established to implement resolutions of the Forum	Four (4) planning forum reports produced	Three (3) Planning Forum meetings convened and reports produced	Three Planning forums were convened instead of four due to unavailability of stakeholders in the first quarter
Economic Sector Implementation Forum effectively operationalized	-	Four (4) EconSIF reports produced	Two (2) EconSIF reports produced	EconSIF could not be convened due to the delay in finalising the Delivery Agreement and cooperation from other stakeholders

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Sub-programme: Policy and Planning				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of Economic Cluster reports completed.	-	Four (4) economic Cluster reports produced	Four (4) Economic Cluster Reports produced - Cluster Governance Summit report - Mid-term review Report - Exco Lekgotla Report - Economic Cluster Job creation report	None
Number of socio-economic dialogue with relevant stakeholders to facilitate implementation of policies and strategies	-	One (1) stakeholder engagement summit convened.	One (1) Job Stakeholder Engagement convened - Job Summit	None

Strategy to overcome areas of under performance

One of the challenges that led to under performance was the lack of resources. Most of the units human resources have been recruited and implementation will now be done in accordance with the unit performance indicators. The guidelines on policy and strategy development outline the role that Policy and Planning will play in policy and strategy development which will ease the budgetary constraints. The development of standard operating procedures will complement the guidelines. One of the targets the Unit failed to achieve is convening the Economic Sector Implementation Forum. Now that the Outcome Delivery Agreement has been finalised and signed the implementation forum will convene on a quarterly basis as planned.

Changes to planned targets

The Renewable Energy Strategy was initially planned to be completed in 2011/12 and subsequently had to be postponed until 2012/13 as a result of procurement delays. Work on the strategy has started and it is anticipated to be completed in the first quarter of 2013/14.

Linking performance to the budget: Policy and Planning

Sub- Programme Name R'000	2012/2013			2011/2012		
	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
Policy and Planning	2 448	1 519	929	1 318	1 191	127

2.5.6.2 Research and Development

Objective, Performance Indicators, Planned Targets and Actual Achievements

Strategic objective

Government Outcome:	Decent Employment through inclusive economic growth
Government Output	<ol style="list-style-type: none"> 1. Faster and sustainable growth 2. More labour absorbing growth 3. Multi-pronged strategy to reduce youth unemployment 4. Increase competitiveness to raise net exports, grow trade as a share of world trade and improve its composition 5. Appropriate cost structure in the economy 6. Improved support SMME and Cooperatives 7. Expansion of the EPWP
Programme Purpose	To support and facilitate the transformation, diversification and growth of the provincial economy by developing, monitoring and evaluating economic policies and strategies informed by relevant economic research towards a knowledge based society.
Programme Strategic Outcome Oriented Goal 5	Sustainable economic development
Goal Statement	To develop provincial economic policies and strategies to achieve and measure sustainable economic development.
Strategic objective 5.2	Facilitation of Efficient Economic Research
Objective statement	To conduct and facilitate economic research that will inform economic planning to promote growth and development.

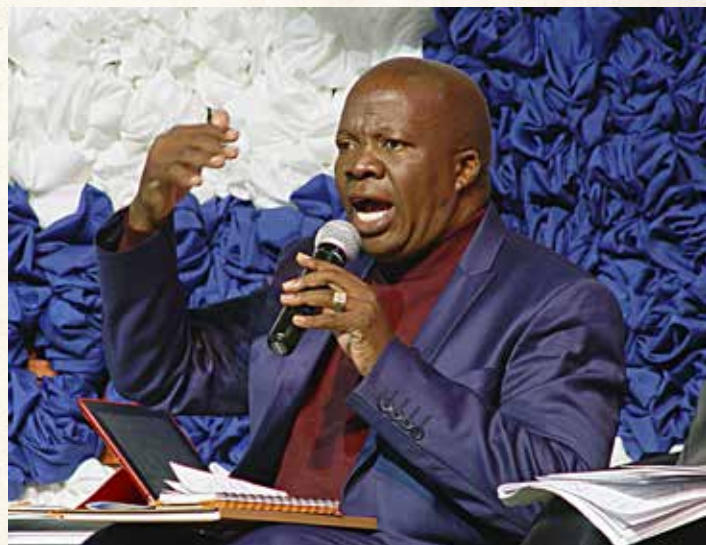
During the first quarter the Research and Development Unit compiled a research proposal for a study focusing on a socio-economic analysis of the spatial development framework in the Province. Special emphasis was given to transformation of grants into economic opportunities. Research was conducted and topics were identified at promoting growth and employment. These research topics include Renewable Energy and Entrepreneurship. Initial discussions with external stakeholders have been conducted to enhance the quality of economic intelligence provided to the department through research collaborations. During Quarter 1 the Research and Development Unit gave priority to assisting with the organization of the Provincial Job Summit, a baseline document was compiled. Due to the prioritizing of the Job Summit and the shifting of personnel away from the Research and Development Unit outputs were achieved for the quarter but the depth of the study was not achieved as planned. Ad hoc activities included inputs provided for the National Council of Province (NCOP) presentation, editing of the Departmental Strategic Planning Report.

Specific attention was given to a socio-economic analysis of the Maloof Money Cup on businesses in Kimberley. During the next quarter the Research

and Development Unit has conducted a number of surveys which include focusing on a socio-economic analysis of the impact of the Maloof Money Cup on the Northern Cape Province and the impact of the water-cuts on the business sector in Kimberley. The research agenda is also being reviewed to provide support the Planning Forum. Initial discussions with external stakeholders have been conducted to enhance the quality of economic intelligence provided to the department through research collaborations. A data collection tool in respect of turning social grants into economic activity has been developed. The fieldwork aspect of the study will commence in the following quarter. Progress on the geological assessment of clay soil in Petrusville has been rather sluggish due to administrative challenge.

The Research and Development Unit has compiled a report regarding the impact of the water-cuts on businesses in the Sol Plaatjie municipal area as requested by the Portfolio Committee on Finance, Economic Development and Tourism. As a result of this, orientation workshops were held in all the districts but only one district was the subject of administered questionnaires. This fieldwork was conducted in the JTG district regarding a study focusing on a socio-economic analysis of the spatial development framework in the Province.

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Sub-programme: Research and Development				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of research reports compiled.	(4) research reports compiled on the following: Alternative energy Manufacturing Taxidermy and tannery Feasibility study on clay deposits for clay brick manufacturing	Two (2) research reports compiled. 1) An economic analysis of the Provincial Spatial Development Framework regarding the impact of strategic integrated projects on the economically marginalised. 2) Identifying possible economic opportunities for grant holders located within these areas	Two research reports compiled 1) An economic analysis of the Provincial Spatial Development Framework regarding the impact of strategic integrated projects on the economically marginalised whilst identifying possible economic opportunities for grant holders located within these areas. 2) The impact of water-cuts on businesses in the Sol Plaatje municipal area	The economic analysis of the Provincial Spatial Development Framework regarding the impact of the SIPs on the economically marginalised was reduced to one case due to the legislative request to conduct the study on the impact of water-cuts on the business sector in Sol Plaatje Municipality.



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Sub-programme: Research and Development				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of research and development initiatives supported.	<p>Two (2) Research and development initiatives supported</p> <ul style="list-style-type: none"> - War on poverty initiatives - Support the functioning of the Provincial research forum 	<p>Four (4) research and development initiatives supported which include:</p> <ul style="list-style-type: none"> - Renewable Energy - Entrepreneurship - Clay project feasibility study - Analysis of the uptake of incentives by provincial manufacturers. 	<p>Four (4) research and development initiatives supported which include:</p> <p>Renewable Energy Preliminary research conducted on the renewable energy sector.</p> <ul style="list-style-type: none"> - Compiled a presentation on the Green Economy. - A provincial renewable energy database of projects in the Northern Cape was updated -Member of the technical working and steering committee for the Provincial Renewable Energy Strategy <p>Entrepreneurship</p> <ul style="list-style-type: none"> - Assist with an analysis of the development of the SMME Strategy - Conducted field work with the service provider in all the districts of the Province - Conducted a survey in the JTG district. - Assist with an impact study of Maloof <p>Clay project feasibility study Facilitate the geological assessment of clay soil in Petrusville by the Council of Geoscience by drafting an SLA between DEDaT and the Council of Geoscience</p> <p>Analysis of the uptake of incentives by provincial manufacturers</p>	<p>Progress on the geological assessment of clay soil in Petrusville has been hindered by procurement processes. The geologists for Geoscience have submitted a new quotation and existing SLA will have to be amended.</p>

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Sub-programme: Research and Development

Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of Economic intelligence reports developed	-	Four (4) reports compiled : - The Job Summit baseline document - Competitive-ness relating to imports and exports - Youth Employment - Economic Sector Review	Four reports compiled Q1 Economic Overview -A baseline document compiled for the job summit - Economic opportunities and constraints in the NC Q2 & Q3 Economic Overview A brief economic overview of the Province was compiled. Q4 Economic Overview A comprehensive annual sectorial economic intelligence report compiled	None
One (1) Agenda reviewed and tabled	One (1) Agenda was reviewed and tabled	One (1) Agenda reviewed and tabled	One Research agenda reviewed.	None



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Sub-programme: Research and Development				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Establish and maintain sustainable research relations	-	Four (4) Structured interactions with relevant stakeholders	<ul style="list-style-type: none"> - Provincial Skills Development Forum launched to address skills need as identified in Reviewed PGDS - International Research Forum - A speech drafted in collaboration with the Office for the Director General for the DG of the Province for an address of the International Research Forum held in Cape Town - Development Bank of South Africa - Stakeholder engagement with DBSA to establish a collaborative partnership. - National Council of Provinces - A speech was compiled in collaboration with the Office for the Premier for the NCOP visit to the Pixely Ka Seme district in the Province. - Skills Development Forum - A member of the task team for the Skills Development Forum which had to organize the Provincial Consultative Workshop towards the development of the Provincial Skills Accord. - Compiled the Provincial Skills Accord. - Compiled the Provincial Declaration for the Skills Accord 	One additional interaction as per the target.

Linking performance to the budget: Research and Development

Sub-Programme Name R'000	2012/2013			2011/2012		
	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
Research & Development	3 121	2 415	706	3 021	2 660	361

Strategy to overcome areas of under performance

The sub-programme must be properly capacitated and the research needs and requirements of stakeholders timeously assessed and incorporated into the APP of the unit. This is critical in order to ensure that the unit executes its functions in a structured way and is not perceived inside and outside the department to be an information supply unit. There is a general perception that the unit must provide all types of research support services on an ad-hoc basis to stakeholders inside and outside.

Changes to planned targets

The sub-programme experienced a number of changes to its staff component over the year under review with a loss of two staff members. As a result, there were only two full time staff members left and they had to manage the work under difficult circumstances with increasing need for research services. We reviewed the human resources capacity of the unit and the research requirements of the department and it was decided to reduce the target relating to 'Number of research reports compiled' from four reports to two.

2.5.6.3 Knowledge Management

Objective, Performance Indicators, Planned Targets and Actual Achievements

Strategic objective

Government Outcome:	An efficient, competitive and responsive economic infrastructure network
Government Output	Communication and information technology
Programme Purpose	To support and facilitate the transformation, diversification and growth of the provincial economy by developing, monitoring and evaluating economic policies and strategies informed by relevant economic research towards a knowledge based society
Programme Strategic Outcome Oriented Goal 5	Sustainable economic development
Goal Statement	To develop provincial economic policies and strategies to achieve and measure sustainable economic development.
Strategic objective 5.3	Facilitation of Knowledge based economy
Objective Statement	Develop a knowledge society to promote economic development.

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The Knowledge Management Unit ensured maintenance 98% LAN uptime, 95% WAN uptime and the resolution of 183 logged calls. The unit also updated the Hardware and Software Standards and completed the departmental Section 32 report and Section 14 manual for the South African Human Rights Commission (SAHRC). Open Source Home Directory Software and Own Cloud-ware tested and piloted as efficient data storage systems. The unit administered anti-virus systems, networks, e-mails, patch management. With respect to IT Governance and the IT Audit process we completed an environmental scan and implemented the mitigation strategies for IT risks. Furthermore the unit is driving training for both Business Continuity Management as well as, Disaster Recovery Management for 8 staff members; we are currently halfway through these courses.

The Enterprise Information Architecture Plan was reviewed and the review of the Departmental IT Strategy was not completed due to the review of the DPSA IT Framework and guidelines, resulting in only 50% of the strategy being completed. Knowledge Management Unit completed the Security and Validation modules, created the supporting and

notification capabilities for the Monitoring and Evaluation (MANDE) System amongst other. Furthermore, we have researched PaperTrail as an Open Knowledge Management System for registry purposes and evaluated web-based leave management and task management systems. Thirteen business processes for administration and six for Supply Chain Management Unit were mapped and modeled. All articles received from various sub-programmes and more especially, Communications Unit, were published on the intranet and internet websites respectively and timeously, added to this, we developed a portal for the Renewable Energy Strategy development committee.

The construction of the masts in the John Taolo Gaetsewe District for the Wireless Mesh Network has started and scheduled for completion early in the new financial year. A discussion with the National Department of Education is underway for the hosting of the Service Delivery Improvement Platform in the EduCloud and funding for the implementation of the Information Society Strategy is being lobbied. Five websites were developed for ICT SMMEs and a SMME assessment report was completed.

Sub-programme: Knowledge management				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of provincial Economic Intelligence reports published.	One (1) report published. • Forecast: Five year Macro Economic forward look. Following Economic Profiles received from Chief Economist: • Frances Baard; • John Taolo Gaetsewe; • Kimberley; • Namakwa; • Pixley ka Seme; • Siyanda; • Economic overview 29.02.2012; • NC Population figures; SADC exports 01.02.2012	100% of departmental economic intelligence reports published.	No reports published	The unit can only publish if reports are submitted

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Sub-programme: Knowledge management				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Enterprise Information Architecture & Management Information Systems for DEDaT as per timeframes set out in the EIA and MIS Plans established.	<p>Created section for Maloof Money Cup Project on the Intranet with links to Twitter and Facebook.</p> <p>Assisted Tourism with the Maloof Money Cup presentation format for Exco.</p> <p>Updating of project plan template for Maloof Money Cup Project.</p> <p>Gathered information from Tourism and updated on the departmental Internet and Intranet websites.</p> <p>Assessed the open project tool for the Maloof Money Cup and no update information was captured.</p> <p>Updated Open Project Plan template for the duration of the Maloof Money Cup Project.</p> <p>Develop wireframes and site maps for the design of the new departmental Intranet website.</p> <p>Re-designing of departmental Intranet website.</p> <p>Re-designing of departmental Internet website (95 % complete).</p> <p>Updating of departmental websites.</p> <p>Daily updating of departmental website.</p> <p>Update and published 100% of articles received from communication and other Sub-Programmes on Departmental Internet and Intranet websites.</p> <p>Provided training to the communications units for the updating of the departmental website.</p> <p>Created Spaces on Joomla for all Departmental Sub Programmes containing the following components:</p> <ul style="list-style-type: none"> • Blogs; • Wiki's • Document Management; • User Lists; • Calendar. <p>Collected presentations, Annual Performance Plans, Business Plans from various programmes and sub programmes to be uploaded onto the newly designed departmental sites.</p>	<p>-Business Process Modelling Blue Prints for 3 Departmental Programmes Developed.</p> <p>-Develop at least Two (2) Systems as per EIA and MIS Plans.</p>	<p>Captured, mapped & modelled Business Processes</p> <ul style="list-style-type: none"> - 17 for Corporate Services - 13 for Administration - 6 for Supply Chain Management - 4 for Risk Management Unit - 1 for Registry Unit - 2 Knowledge Management - 2 Business Regulations and Governance <p>Assisted the registry unit with</p> <ul style="list-style-type: none"> - Creation of a Document Management System (Alfresco). - training on document creation structure. - Development of Project implementation Plan for Electronic Registry Filing System. <p>Completed Analysis, Planning and Design Phases for systems requested by the RALD Sub Programme:</p> <ul style="list-style-type: none"> - Meeting Management System. - Reporting and Planning System. - Registered Central E-mail account for Intranet and Internet Website for content management. - Developed templates for the tested and evaluated Adobe Lifecycle Process Management Solution extensively. - Designed and Developed Domestic Travelling Process Form for testing in Supply Chain Management Environment. 	None

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Sub-programme: Knowledge management				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
	<p>Conduct system requirement gathering sessions with M & E unit on the Monitoring and Evaluation system (MandE- departmental project Management System). Designed template for the Monitoring and Evaluation unit to collate project information of all projects in the department. Developed registration module for projects and user registration on the system (MandE). Update Mande, Project Repository Solution Project Assign Module. Registered on http://www.communities.idea.gov.uk to test of community of practice (CoP)/ knowledge network/ professional network. Designed and Implemented blogging software on the Departmental Intranet to support a community of practice (CoP)/ knowledge network/ professional network. Develop user specifications for visitor's system. Developed a structured case study portal that captures narrative recording of a project's progress and outcomes. Developed and completed business process flow for the registry unit from "AS IS", "TO BE" in a diagram format. Attended Business Process Modelling and Notation course to address Broadwater Strategic Outcomes. Designed Departmental Business Process Classification System. Modelled existing As-IS Business Process for the following:</p> <ul style="list-style-type: none"> • ICT Call Desk System. <p>Departmental Visitors Design a Business Process Modeling Template to capture As-IS business Processes. Modelled existing As-IS Business Process for the procurement and distribution of IBURTS Modems within the Department.</p>		<ul style="list-style-type: none"> - Developed 100% of Municipal Database System for LED Sub Programme. - Created Web Portals for all Programmes and sub programmes on the departmental repository (Alfresco) - Created the File Plan (H1 to H10) in Records Management Portal. - Designed Human Resource and Financial Dashboards using SiSense Prism. <p>Completed the following modules on MANDE:</p> <ul style="list-style-type: none"> - Variable Validation module. - MANDE reporting module.' - Security, Notifications - Supporting Document - Registered, captured and upload high impact projects - Registered (M&E) MANDE users and Training. <p>Implemented a Web Based Leave Management solution in Economic Planning programme.</p> <p>Implemented a Web Based Task Management System in the Knowledge Management sub-programme.</p> <ul style="list-style-type: none"> - Created a portal for the Renewable Energy Strategy development working committee, with document structure and user rights. 	

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Sub-programme: Knowledge management

Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
ICT related strategies, policies, plans and standards developed, reviewed and maintained.	<p>SITA SLA reviewed, completed and signed.</p> <p>Acceptable Use Policy reviewed – alignment to provincial standard in progress.</p> <p>Password policy reviewed - alignment to provincial standard in progress.</p> <p>Disaster recovery policy reviewed - alignment to provincial standard in progress.</p> <p>Participated in compiling and completion of Provincial IT Security Policy – policy sent for adoption.</p> <p>Departmental IT Strategy reviewed and aligned to Auditor General’s audit requirements.</p> <p>Developed Section 32 Report for the SAHRC for compliancy with PAIA.</p>	<p>-Develop 1 ICT Security Policy.</p> <p>-1 ICT Strategy Reviewed.</p> <p>-1 ICT EIA Plan Reviewed.</p> <p>-1 ICT Hardware and Software Standards Reviewed.</p>	<ul style="list-style-type: none"> • ICT Security Policy Developed. - Conducted Planning session to identify framework for the development of IT Strategy, (IT Strategy is 50% completed). - 1 EIA Plan Reviewed. - Hardware and Software Standards reviewed and updated. 	<p>ICT Strategy framework and guidelines from the DPSA was reviewed causing a setback of about 3 months, will be completed in the new financial year.</p>



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Sub-programme: Knowledge management				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Continuous ICT support for the DEDT provided.	<p>98% LAN uptime and 95% WAN uptime within the Department maintained.</p> <p>Server cabinets and network switches installed and commissioned.</p> <p>Attended to all ICT related audit queries with the Audit Committee. Implemented and commissioned the requisite infrastructure to operationalize the WAR ROOM for Maloof Money Cup Project.</p> <p>Assisted NCTA with Hardware and Software related issues for Maloof Money Cup Project.</p> <p>OSTicket OSS Call Logging system. 451 Calls were logged and resolved.</p> <p>IP Sweep updated and forwarded to the Office of the Premier (OTP) IT Unit.</p> <p>Khaya La Bantu House - Power skirting and 20 extra network points installed the LAN is completed and operable.</p> <p>Krone Hi Band Certification obtained for LAN at Khaya La Bantu House.</p> <p>Completed data gathering and submitted proposal regarding Khaya La Bantu House - current office space, staff compliment and future requirements.</p>	<p>-98% LAN uptime (Desktop, Server and Local Area Network Support) provided.</p> <p>-95% WAN uptime provided.</p> <p>-Phase 4 of the Video Conferencing implemented.</p>	<p>Maintained 98% LAN uptime within the Department.</p> <ul style="list-style-type: none"> - OSTicket OSS Call Logging system. 239 Calls were logged and resolved. - OTRS Call Logging system. 441 calls were logged and resolved. - Kaspersky Security Centre configured, installed, tested and successfully implemented within department. - Kaspersky Security Centre manual compiled. - WSUS Patch management implementation rollout successfully completed within the department WSUS Procedure document completed. - Managed Broadband infrastructure requirements, Lucidview and Firewall rules applied and configured for network security as per AG requirements at KhayaLaBantu House. - SITA SLA signed. - IT Steering Committee Meetings conducted to guide all IT related audit issues. 	None



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Sub-programme: Knowledge management				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
	<p>Completed the installation and commissioning of remote video conferencing to districts via ISDN data connections.</p> <p>In house training (WSUS) conducted for capacity building as well as working towards compliance with Auditor General.</p> <p>Completed Lefatshe submission for installation of outstanding Network equipment in server room.</p> <p>PRI/A ISDN Line – Telkom Installation completed and operable.</p> <p>AV Consulting scheduling Bridge installation in April, 2012.</p> <p>Completed network diagram of Khaya La Bantu Network Layout.</p> <p>WSUS Manual completed and Patch Management application is being tested for implementation and roll out.</p> <p>Completed draft of IT Risk Register together with download of National Treasury Risk Framework.</p> <p>Obtained draft copy of SLA between OTP and DEDaT – sent to legal services for perusal and final layout.</p>		<ul style="list-style-type: none"> - IT Risk register updated and implementation plan completed. - Assisted NCTA with Wifi network connectivity floor layout and sourced proposal from service provider for Mittah Saperepere Convention Centre (MSCC). - Completed Novell GroupWise Licensing Audit. - 95%WAN uptime within the Department achieved. - Completed Network diagrams for Department, Gambling Board, Liquor Board and NCEDA. - Removed old switches and installed three new manageable switches on 11th, 12th and 13th floors, Metlife Towers to eliminate the network related problems. - Completed the installation of three new network points on the 12th floor of Metlife Towers - TOR/BID specification completed for WIFI connectivity. - MCU Video Conferencing Bridge, switch and cabling installed. - MCU Bridge training conducted. 	

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Sub-programme: Knowledge management				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Implementation and monitoring of Open Source Software solutions.	<p>Mr A Pijoos and Mr. O. Botlhoko (intern), Desktop Support attended Linux Training at OTP. Conducted monthly in house Open Source Software training for capacity building in OSS operations and functionality. Servers installed, configuration, and compatibility testing completed. Hubble plug fitted to enable dedicated power connectivity. Intranet and Internet servers moved to server room and commissioned. Staff member attended OSS Committee Workshop for OSS Standards. E-mail license count completed and information submitted to OTP for Open Source migration.</p>	<p>-OSS enterprise solutions maintained. -One (1) OSS research document developed on industry best practices for implementation. -Two (2) OSS solutions implemented.</p>	<ul style="list-style-type: none"> - Compiling OSS roadmap and technology blueprint for Department. - New OSS Call Logging System researched and tested as OSTicket , New OTRS system operable. - OSS pilot commenced for OSS e-mail solution, directory services solution and IFolder. - OSS DHCP model was launched. - ORTS Helpdesk functioning. - The implementation Document. "Own Cloud" (Open Source Software) user storage for has been compiled 	<p>Planned delayed due to OSS pilot and staff Shortage Kaspersky Anti –virus rollout took precedence as to comply with Auditor General (AG) Findings. Stability issues resulted in DHCP moved to windows platform. Compatibility issues, resulting in software crashes and retarding implementation process. Knowledge Management personnel to test until end of June, 2013</p>
ICT e-Infrastructure development.	<p>Wireless Mesh Network in John Toalo Gaetsewe District:</p> <ul style="list-style-type: none"> • Meraka evaluated proposals for installation of wireless network. • Thorough engagement held with KUMBA Iron Ore to lobby for funding for the Wireless Mesh Network Project, and funding to the sum of R5 million has been approved and secured. • Held a meeting with the HOD of Education to lobby for funding to ensure the sustainability of the Wireless Mesh Network Project, the HOD committed to R900, 000.00 for the first year. • Project Manager for the building of masts has been appointed and the project is on track. <p>Service delivery improvement platform implemented in 6 schools:</p> <ul style="list-style-type: none"> • Teleconference with Elisa Corporation completed – Feedback and survey with concept schools completed. 	<p>-Phase 1 of Wireless Mesh Network in the John Taolo Gaetsewe District Implementation managed.</p> <p>-Implementation of the Service Delivery Improvement Platform in Schools.</p>	<ul style="list-style-type: none"> - Due to technical engineering skills challenges experienced with the tender process, BigenAfrica (Pty) Ltd. was appointed in September to manage the tender process and appoint a local service provider. - The erection of the masts has commenced - Discussion with Department of Basic Education to look at hosting the Service Delivery Improvement Platform in the EduCloud. - Radio transmitter (aerial) and UPS removed from Metlife Towers for storage (used for the Proof of Concept of the Service Delivery Improvement Platform). - Attended a study mission to Finland on Information Society as technical advice to the DG, HOD's and MEC. 	<p>Completion of installation of masts is 2 months behind schedule.</p>

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Sub-programme: Knowledge management				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
	<ul style="list-style-type: none"> • Proof-of-concept schools survey complete. Positive response from schools has confirmed that the project should now move to full pilot implementation. • Piloting of Service Delivery Improvement Platform, submitted request to Elisa and awaiting technical specifications document for transfer of platform to SA. Supported (ongoing) the Manufacturing Unit with respect to the Electronics Hub: <ul style="list-style-type: none"> • Developed a conceptual model for an electronics hub and presented it to the DST. • Meeting with the DST w.r.t. the feasibility study on the Electronics Hub and planning workshops to engage respective stakeholders. Researched and developed a plan and submission for the procurement of WiFi at the Moloof Money Cup venue, this has been approved and implemented. Researched and developed a plan and submission for the procurement of 2 Skate boarding arcade games for the Moloof Money Cup venue, this has been completed. 		<p>Maloof Money Cup Skate Park</p> <ul style="list-style-type: none"> - Broadband submission received and service provider appointed and on site walk through conducted to finalise ISDN points and broadband coverage. - Implemented and Monitored Maloof Money Cup Broadband at the Skate Park. - Submitted and implemented 5 ISDN Lines to be used by the media houses for broadcasting during the MMC event. - Infopreneur program with the CSIR has commenced in the John Toalo Gaetsewe district. The first phase entails capacity building for retailers and a bakery 	
ICT e-SMME development.	-	6 Training workshops for SMME's in ICT's conducted.	<ul style="list-style-type: none"> - Presented INSPIRE to Moepathutse ICT Solutions for possible ICT opportunities in the Northern Cape. - Assisted two SMMEs that is, Agisanang Software and Phakamo Technologies in identifying business opportunities in the Northern Cape. - Assisted an SMME, 'Agisanang Software' with Spectrum license application to ICASA. - Meeting held with SMME to assist with understanding of technology within an archiving facility. - Assisted Latita ICT to improve web development skills. 	Training workshops were not provided to SMMEs as planned due to unavailability of training venues in the districts as well as local service providers amongst other.

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Sub-programme: Knowledge management				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
			<ul style="list-style-type: none"> - shared provincial IT opportunities emanating from the Northern Cape Information Society Strategy with Techno Brain IT Company. - 5 SMME Websites developed. - SMME Assessment Report developed. - Reviewed and finalised the e-SMME report for the INSPIRE project end report. - Met Head of Communications at the OTP to look at the establishment of the Northern Cape Information Society Technical Committee. - Teleconference held with the DST to look at commercialisation aspects of the SKA. - Met Professor Conrad Mueller (WITS) and Professor Benet Alexander (CPUT) to assist in developing ICT Curricula for the new Northern Cape University that will assist in SMME development in the ICT space 	

Strategy to overcome areas of under performance

Proper planning and timeous execution, however, at times delays are out of our planning and control processes and we need to incorporate the plans of other stakeholders which can delay processes.

Changes to planned targets

No changes to targets and indicators

Linking performance with the budget: Knowledge management

Sub- Programme Name R'000	2012/2013			2011/2012		
	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
Knowledge Management	7 024	6 096	928	10 907	10 473	434

2.5.6.4 Monitoring and Evaluation

Objective, Performance Indicators, Planned Targets and Actual Achievements

Strategic objective

Government Outcome:	Decent Employment through inclusive economic growth
Government Output	<ol style="list-style-type: none"> 1. Faster and sustainable growth 2. More labour absorbing growth 3. Multi-pronged strategy to reduce youth unemployment 4. Increase competitiveness to raise net exports, grow trade as a share of world trade and improve its composition 5. Appropriate cost structure in the economy 6. Improved support SMME and Cooperatives 7. Expansion of the EPWP
Programme Purpose	To support and facilitate the transformation, diversification and growth of the provincial economy by developing, monitoring and evaluating economic policies and strategies informed by relevant economic research towards a knowledge based society
Programme Strategic Outcome Oriented Goal 5	Sustainable economic development
Goal Statement	To develop provincial economic policies and strategies to achieve and measure sustainable economic development.
Strategic objective 5.4	Effective monitoring and evaluation of service delivery initiatives
objective Statement	Monitor and evaluate policies, projects, plans and strategies to measure their impact.

The sub-programme conducted monitoring on the Maloof Money Cup. The main objective was to assess the impact of this project towards economic development and Growth, in particular the contribution and capacity in creating jobs.

Furthermore, the M&E unit embarked on an operation to visit 60 SMMEs throughout the province to determine their progress and the challenges they are facing. After every visit the sub-programme met with the SEDA Regional Manager and presented feedback and the interventions needed from them. In addition, the sub-programme conducted implementation of the Management Performance Assessment Tool (MPAT) as introduced by National Department of Performance Monitoring and Evaluation (DPME). The MPAT contributes to improving service delivery through providing a holistic picture of the quality of management practices in the department. This exercise has achieved to give a new perspective on the implementation of the management practises, e.g. documentation and reporting has since improved. The unit also monitored cooperatives and some government institutions to determine their capacity to create jobs.

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Sub-programme: Monitoring and Evaluation				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of monitoring reports produced	One (1) monitoring report on EGDF projects One (1) monitoring report on the unemployment rate target One (1) monitoring report on high impact projects	Four (4) monitoring reports	3 monitoring reports - 1 Monitoring report on all SMME projects visited within the 5 regions of Northern Cape. - 1 Monitoring Report on Co-operatives - 1 report on the Monitoring of the Management Performance Assessment Tool (MPAT)	The introduction of the MPAT by the DPME brought about an additional target for the M&E sub-programme to undertake
Number of evaluation reports produced	Evaluation of the EDGF reports One (1) evaluation report on the departmental strategic plan	Two (2) evaluation reports.	1x Evaluation report on all SMME projects visited within the 5 regions. 1x Evaluation report on the Implementation of Policies in the department. 1x Evaluation report on the implementation of the strategic plan	One extra evaluation report produced
Number of high impact projects evaluated.	-	One (1) high impact project report evaluated	One Maloof Money cup Report	None

Changes to planned targets

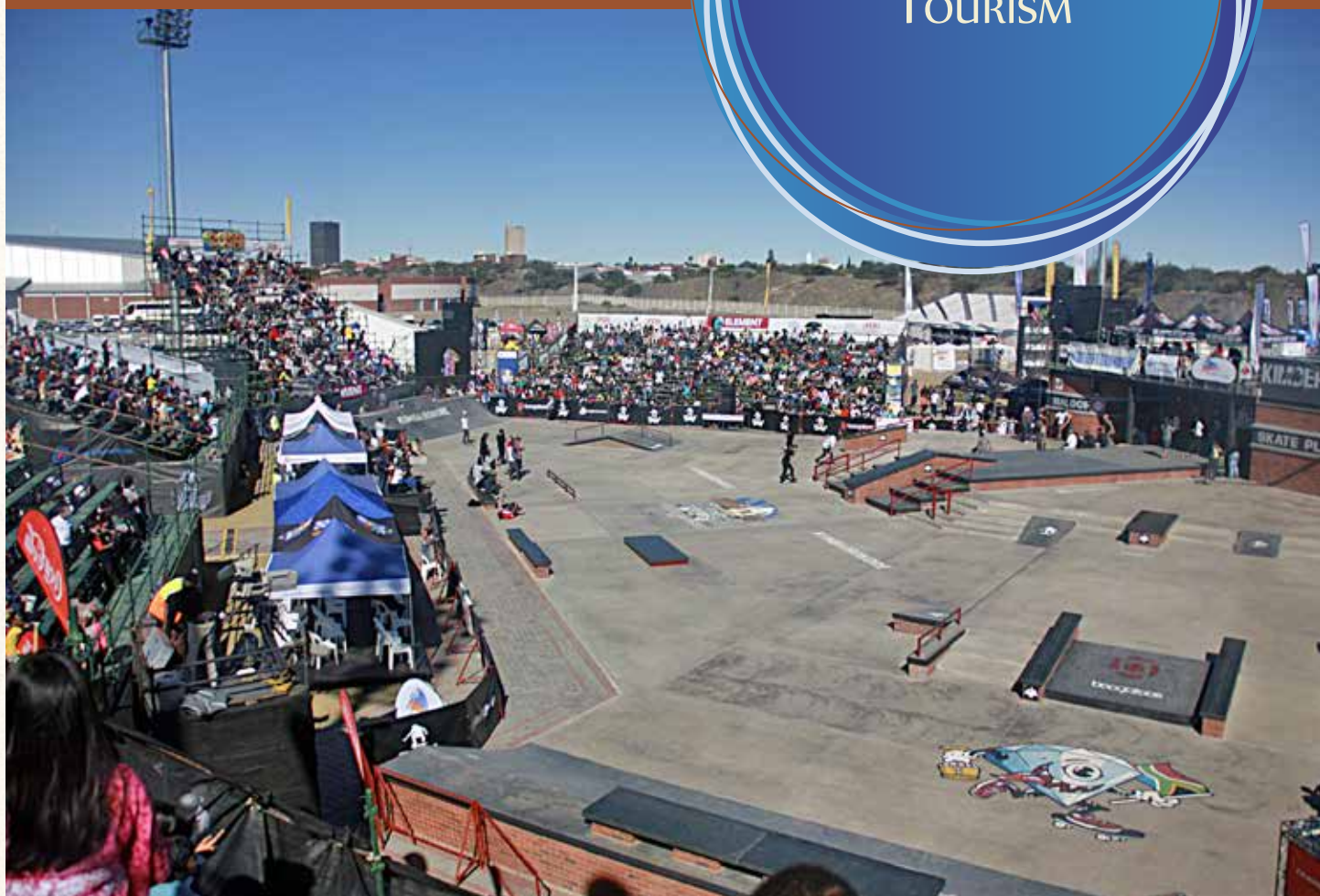
The Monitoring Performance Assessment Tool (MPAT) was introduced midway through the financial year by the Office of the Premier and the unit had to implement it. This was incorporated as an additional target under the relevant performance indicator for the sub-programme and it was implemented successfully.

Linking performance with the budget: Monitoring and Evaluation

Sub- Programme Name R'000	2012/2013			2011/2012		
	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
Monitoring & Evaluation	1 948	1 919	29	1 690	1 465	225



PROGRAMME 6:
TOURISM



2.5.7 Programme 6: Tourism

2.5.7.1 Tourism Research and Planning

Objective, Performance Indicators, Planned Targets and Actual Achievements

Strategic objectives

Government Outcome:	Decent Employment through inclusive economic growth
Government Output	2. More labour absorbing growth 4. Increase competitiveness to raise net exports, grow trade as a share of world trade and improve its composition 6. Improved support SMME and Cooperatives
Programme Purpose	To Facilitate and support the development of an equitable tourism sector
Strategic Outcome Oriented Goal 6	Sustainable impact of tourism on the economy of the northern cape
Goal statement	To manage the development and promotion of the Northern Cape as a competitive tourist destination
Sub-programme Strategic Objective 6.1	The promotion of tourism research and planning to contribute to economic growth
Objective statement	To create an enabling environment for sustainable tourism growth through research for effective planning, regulation and implementation of special tourism projects.

For the financial year 2012/13 the sub-programme managed to appoint a service provider to review the Tourism Master Plan. Two phases of the review have been successfully concluded with the third and final phase to be concluded in the first quarter of 2013/14. Due to the CATHSSETA's funding policy review the Provincial Tourism Skills Audit could not be completed.

Two reports were produced from the 150 visitor books monitored from accommodation establishments. The Tourism Sector Performance Survey was conducted successfully and a report has been produced. The research consultative session has been a challenge to convene and thus failing to have a roadmap to guide tourism research in the province. The second edition of the Maloof Money Cup and Bloodhound surveys were conducted successfully and reports have been produced with regards to the events.

Hundred and eighty five (185) people were trained in customer care in an effort to improve service levels in the provincial tourism sector. No tourism establishments were graded. The Tourism Grading Council expects funds to be paid upfront which is totally in contravention with the Public Finance Management Act.



Five (5) inspections and four (4) media campaigns were conducted in an effort to curb illegal tourist guiding and thus promote professionalism in the tourist guiding sector. Two refresher tourist guide training conducted to provide the necessary skills to local tourist guides. The International Tourist Guide Day was successfully hosted in collaboration with the National Department of Tourism.

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Sub-programme: Tourism Research and Planning				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of tourism studies conducted	One (1) infrastructure study not conducted.	Two (2) studies conducted by 31 March 2013: 1. Review of the provincial white paper on tourism development. 2. Tourism skills audit	The review of the Tourism Master is in the final phase but not completed. Tourism skills audit has not been completed	1. The review of the Tourism Master Plan could not be concluded due to the slow response received from the industry during the consultation process of the document. 2. The review of the Tourism Skills Audit has been indefinitely postponed until the review of CATHSSETA's funding regulations has been completed.
Number of tourist visitor books captured and reported	Hundred and fifty (150) visitors books monitored to measure impact	Hundred and fifty (150) visitor books captured and reported	Hundred and fifty (150) visitor books captured and reported by 31 March 2013	None
Number of tourism sector performance surveys conducted	-	One (1) tourism sector performance survey conducted by 31 March 2013	One (1) tourism sector performance survey conducted by 31 March 2013	None
Number of tourism research consultative sessions held.	-	Four (4) tourism research consultative sessions held.	Four (2) tourism research consultative sessions held.	Only two sessions were held despite the fact that it was not reported during the quarters. Research sessions on Tourism specific matters has been addressed at other research platforms such as the Office of the Premier Committee as well as the DEDaT Planning Forum.
Number of tourism events supported	-	Two (2) tourism events supported by 31 March 2013. 1. Maloof Money Cup impact study 2. Bloodhound impact study	Two (2) tourism events supported: - One Maloof Money Cup impact study - One Bloodhound impact study	N/A
Number of graded establishments subsidised	One hundred and fifty (150) establishments not graded in the tourism sector.	fifty (50) establishments subsidised for grading	Tourism establishments were not subsidised for grading	Despite engagement meetings with the Tourism Grading Council, the Council expects to be paid upfront for the grading which is in contravention with the Public Finance Management Act.

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Sub-programme: Tourism Research and Planning				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of people trained in customer care to ensure service excellence	-	Fifty (50) people trained in customer care to ensure service excellence by 31 March 2013.	Eighty five (85) people trained in customer care to ensure service excellence by 31 March 2013. A further 100 was trained during the Maloof Money Cup as Volunteers	The additional 125 people trained could be achieved through the assistance from CATHSETA and the Service Provider.
Number of inspections against illegal guiding conducted	Eight (8) inspections conducted.	Ten (10) inspections against illegal guiding conducted per region	Five inspections conducted	Not all inspections could be conducted. This is due to request from the National Department of Tourism to align and have joint collaborative efforts.
Number of tourist guides trained in the niche market	Ten (10) tourist guides trained in niche field guiding.	Twelve (12) tourist guide trained in niche market	No Tourist guides trained in niche market	No accredited Training Service Provider in Star Gazing could be obtained to conduct the training.
Number of refresher training courses for tour guides	-	Four (4) refresher training courses conducted by the 31st March 2013. 1. First aid 2. Presentation skills 3. Marketing 4. Business planning	Two (2) refresher training courses conducted by 31 March 2013. 1. First aid (Quarter 1 and 2) 2. Business planning	The two (2) refresher courses, one in Presentation Skills and one in Marketing could not be achieved. Difficulty to obtain Accredited service providers.
National Tourist Guide Day celebrations hosted	One (1) Provincial International Tourist Guide Day not hosted.	One (1) national Tourist Guide Day celebrations hosted by 31 March 2013.	A two day national Tourist Guide Day celebrations successfully hosted during Feb 2013.	None
Campaign against Illegal Tourist Guiding conducted	-	Six (6) media campaigns against illegal tourist guiding conducted by 31 March 2013 Three (3) workshops against illegal tourist guiding conducted by 31 March 2013.	Four (4) media campaigns against illegal tourist guiding conducted by 31 March 2013. One (1) workshop against illegal tourist guiding conducted.	Two media campaigns could not be conducted due to Reprioritisation of budget.

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Sub-programme: Tourism Research and Planning				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
World Federation of Tourist Guides Convention (WFTGC) attended	-	One (1) tourist guide to attend WFTGC for networking and marketing by 31 January 2013.	WFTGC was not attended	DEDaT entered into a partnership with National Department of Tourism to host the International Tourist Guides Day in Kimberley. The allocated funds for the WFTGA Convention 2013 fund was redirected and utilized to plan and organize the International Tourist Guides Day Celebration
Number of tourist guiding information brochures produced	-	One (1) tourist guiding information brochure produced by 31 March 2013.	One (1) tourist guiding information brochure produced by 31 March 2013.	None

Changes to planned targets

Targets were amended to make them more specific, measurable, attainable, realistic and timely.

Linking performance to the budget: Tourism Research and Planning

Sub- Programme Name R'000	2012/2013			2011/2012		
	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
Tourism Research, Planning and Quality Control	4 245	4 245	-	4 608	4 607	1

2.5.7.2 Tourism industry and Development

Objective, Performance Indicators, Planned Targets and Actual Achievements

Strategic objective

Government Outcome:	Decent Employment through inclusive economic growth
Government Output	2. More labour absorbing growth 4. Increase competitiveness to raise net exports, grow trade as a share of world trade and improve its composition 6. Improved support SMME and Cooperatives
Programme Purpose	To Facilitate and support the development of an equitable tourism sector
Strategic Outcome Oriented Goal 6	Sustainable impact of tourism on the economy of the northern Cape
Goal statement	To manage the development and promotion of the Northern Cape as a competitive tourist destination.
Sub-programme Strategic Objective 6.2	Facilitation of Tourism Business Development
Objective statement	To facilitate and manage programmes for tourism Business development and support
Sub-programme Strategic Objective 6.3	Facilitation of Tourism Destination Development
Objective statement	To facilitate and manage projects for tourism experience development and promotion

The section for Tourism Business Development trained 83 people, 13 more than the set target of 70, in networking skills, exhibition selling skills and basic financial management. The achievement was realized on the back of a high degree client commitment and sound mobilization of targeted clients.

Four (4) workshops in a joint venture with the Tourism Enterprise Partnership (TEP) and other partners were presented.

- ◆ Pre-Indaba Training Networking and Exhibition Skills: 23 April 2012 / Kimberley
- ◆ Pre-Namibia Tourism Expo Training Networking and Exhibition Skills: 4 June 2012 / Kimberley
- ◆ Financial Management: 26 -27 June 2012 / Upington
- ◆ Communication and Telephone Etiquette 19 - 20 September 2012 / Calvinia

Seven delegates attended the Namibia Tourism Expo 2012 where 119 contacts were made, 10 strong leads secured, 15 partnerships agreements set up and 15 deals closed. Despite fewer contacts made when compared to 2011, 1 more strong lead was made, 5 more partnership agreements were entered into and 29 more deals were closed. A very successful trip to the Manila Tour Expo resulted in 6 partnerships

and 15 deals for the Northern Cape Tour Operator Aukwatoa Tours.

This can be attributed to the development of our clients over time and the dedicated pre-event training that delegates had to undergo.

Four (4) rural based small tourism enterprises selected and assisted. These include:

- ◆ Uthixo Unathi Tourism Co-Operative,
- ◆ Toa-ti-De Campsite,
- ◆ Berg en Dal &
- ◆ Agape Camping Site.

A workshop was held in Kakamas on 10 August 2012 to improve the business proposals of the prospective grant recipients.

In the Destination Development unit the following took place:

The second Maloof Money Cup world skateboarding championship was staged from 28-30 September 2012. A number of improvements in the management of the project has been affected, most notably dividing the project into four working areas, i.e. infrastructure, marketing and communications, events and legacy. Kumba Iron Ore committed a

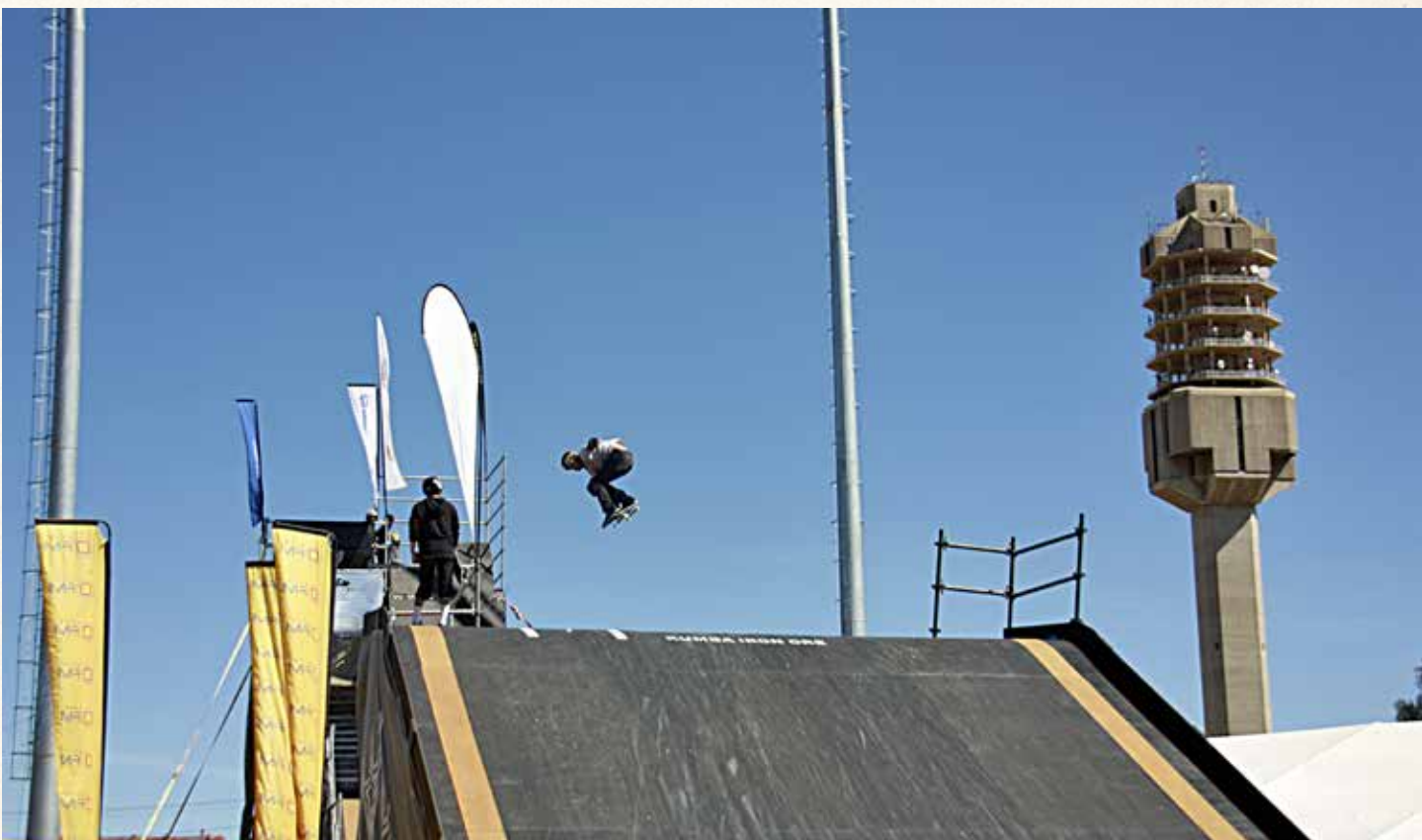
sponsorship of R10 million per year for the 2012 and 2013 event. A number of infrastructural improvements have been affected at the Maloof Skate Park, i.e. completing the ablution facilities, closing the storm water ditch, enlarging the Maloof village area, improve the electrical supply and articulation, as well as providing a permanent surface to the Maloof Village. At the same time two basketball courts have been developed in the Maloof Village to provide an additional affordable physical activity in the Big Hole precinct. The first skateboarding team competition, the Maloof All Cities, was staged on 27 September 2012 and ten teams of four members each entered the competition. Some 24 Skateboarding for Hope activations were staged throughout South Africa.

- ◆ The Frances Baard Tourism Unit attended two Familiarisation trips in Green Kalahari and Namaqua Regions. They attended the graduation ceremony on 24 August 2012 for the Customer Service Development Programme and received NQF Level 4 qualifications.
- ◆ Eleven (11) Events facilitated and supported. In total a number of 932 temporary jobs have been created through support and interventions.
- ◆ Kalahari Speedweek took place at Hakskeenpan and infrastructure like toilets,

showers etc. was procured. The infrastructure will be utilised at the International Bloodhound event in 2013.

- ◆ The Green Kalahari Canoe Marathon was a huge success. Event staged from 21 – 23 March 2013. 59 boats entered the race with a total of 79 paddlers competed of which 9 were women and 50 men. 3 social development groups from Western Cape, Boland also competed in the race.
- ◆ Joint Venture between DEDaT and SANPARKS concluded. The Arid Experiences website has been designed in beta form and in process to go live. The SANPARKS Arid Cultural Region Festival has been completed. A major achievement is the completion of the “preekstoeletjies” on the Coastal route, 138 illegal roads have been rehabilitated and closed off to ensure no access to the beach.
- ◆ The Richtersveld Route has completed the development of a camping site in Lekkersing.
- ◆ Uruke Bush Camp launched on 21 March 2013.

Four (4) routes developed. Route maps and facility databases completed. Symbol design completed. Application submitted to road authorities on 21 November 2012. Route symbols need to be adjusted. SANRAL provided updated symbol list. Application is to be re-submitted.



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Sub-programme: Tourism Industry Development				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of sustainable tourism enterprises developed.	<p>ETEYA 2012: 5 finalists selected. They were Letona Guesthouse (Kuruman), Ubuntu Guesthouse (Kimberley), Ibhotwe Guesthouse (Kimberley), Kalahari Cultural and Information Centre (Rietfontein) and Villa d'Este Guesthouse (Kimberley). 4 ETEYA product development grants awarded. 5 ETEYA finalists trained in public speaking, developing a business profile and presenting and interpreting financial performance statements. The latter was done in partnership with ABSA Bank. Provincial ETEYA winner trained in exhibition selling and media liaison by South African Tourism. ETEYA "Bubbling Under" product development grants awarded. RURAL TOURISM ENTERPRISE EMPOWERMENT: 2 product development grants awarded. 4 small tourism enterprise development workshops held in Riemvasmaak in a joint venture between DEDaT and TEP.</p>	Select, develop and reward the three (3) provincial top emerging small tourism enterprises for ETEYA 2012.	Three (3) provincial ETEYA Finalists selected: Jo's Guest House & Hantam Kraal (Calvinia), Taxi to Galeshewe Tours (Kimberley) & Villa D'Este Guest House (Kimberley)	South African tourism revised the ETEYA roll-out programme and this impacted on our ability to deliver the project as planned. No grants could therefore have been awarded. Therefore funding was reprioritised.
		Select and develop five (5) emerging small tourism enterprises to prepare them for participation in the ETEYA Bubbling Under 2012 and later competitions.	Five emerging small tourism enterprises could not be selected and developed.	No response was received after the call for participation in ETEYA Programme. South Africa Tourism also issued a new roll-out programme for the ETEYA which requires that we postpone project during 2012/13 Financial year Bubbling Under grants awarded to the second tier of well-performing tourism SMME's could therefore not be committed. Therefore funding were reprioritised.
		Identify, select, assist and develop four (4) rural-based small tourism enterprises for RUTEE 2012 .	Four (4) rural based small tourism enterprises selected: Business plans received from the four small tourism enterprises in Riemvasmaak. Business plans not up to standard and a workshop was held in Kakamas on 10 August 2012 to improve the business proposals of the prospective grant recipients.	Four enterprises could not be developed due to business proposals of the four prospective recipients not yet conforming to the required standards. Therefore funding were reprioritised.

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Sub-programme: Tourism Industry Development				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
		Facilitate four (4) workshops in a joint venture with the Tourism Enterprise Partnership (TEP) and other partners	Four (4) workshop held: - Pre-Indaba training networking and exhibition skills: 23 April 2012 / Kimberley - Pre-Namibia Tourism Expo training networking and exhibition skills: 4 June 2012 / Kimberley - Financial Management: 26 -27 June 2012 / Upington - Communication and Telephone Etiquette: 19 - 20 September 2012 / Calvinia	None
		Seventy (70) attendants (tourism entrepreneurs, their staff members and prospective tourism employees) reached	Eighty Three (83) people reached.	Target exceeded with 13 people.
Number of tourism investment opportunities facilitated and promoted.	Pre-feasibility study completed as a joint venture between DEDaT, IDC and NCEDA. The IDC funded the pre-feasibility study. After discussions with the IDC it was decided to extend the scope of work to include adventure tourism in the rest of the province. This too was completed. Tourism Product Development Master Plan completed.	ADVENTURE SPORTS RESORT: Complete feasibility study, develop investor profile and promote opportunity in a joint venture with the IDC and NCEDA for Adventure Sport Resort	Not completed.	Feasibility study not completed due to land availability not certain yet.
		MUNICIPAL RESORT TURN-AROUND STRATEGY: Consultation phase completed for the Municipal Resort Turn-Around Strategy in a joint venture with the DBSA, IDC and NCEDA and present findings to stakeholders – meetings held with 5 municipalities.	Not completed.	Lack of capacity (responsible officials resigned) within the unit made it impossible to complete the task.

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Sub-programme: Tourism Industry Development				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of activities undertaken to facilitate improved client market access including web-based initiatives.	-	Attend the following events with a provincial tourism trade delegation; - Namibia Travel Expo - Manila Travel Tour Expo - INDABA	<p>Namibian Travel Expo: 7 delegates attended the Expo and the following were achieved: Total number of contacts: 119. Total number of strong leads: 10. Number of deals closed: 32. Number of partnership agreements closed: 15.</p> <p>Indaba: 26 delegates attended the event and the following were achieved: Total number of contacts: 858 Total number of strong leads: 293 Number of deals closed: 148 Number of partnership agreements closed: 67 15 clients received the Indaba Promotional Support Grant.</p> <p>Manila Travel Tour Expo: 4 delegates attended the Expo and the following were achieved: Total number of contacts: 150 Total Number of string leads: 50 Number of deals closed: 15 Number of Partnership agreements: 6</p>	None
		Feature clients in the following; -the Northern Cape Business Guide: 35 clients -the Northern Cape Travel Guide: 50 clients - Cape-to-Namibia and Karoo Highways maps: 10 clients.	<p>Northern Cape Business Guide: 35 clients advertised</p> <p>Northern Cape Travel Guide: 50 clients advertised.</p> <p>Cape-to-Namibia and Karoo highways maps: 10 clients advertised</p>	None
		-50 client web profiles updated. -5 web profiles developed for new clients	<p>50 client web profiles updated. 5 web profiles developed for new clients</p>	None

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Sub-programme: Tourism Industry Development				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of clients supported and advised	-	Entrepreneurs provided with the following support - improvement and processing of business plans: 8 entrepreneurs - processing of business plans for funding: 8 entrepreneurs	Target not reached. No business plans received.	Clients did not submit business plans and thus they cannot be supported.
		Produce and distribute 5 000 - client feedback forms.	5000 client feedback forms produced and distributed.	None
		2 DEDaT vehicles branded in Maloof Money Cup colours	2 DEDaT Vehicles branded	None
Number of high impact tourism product and infrastructure development initiatives undertaken	-	Facilitate and Support eight (8) high impact Tourism projects by March 2013: Maloof Money Cup 2012 -Appoint event manager by June 2012. Appoint sponsorship activator by July 2012. -Appoint skate park facility director in cooperation with Maloof Skateboarding by June 2012. -Complete master plan for landscaping at Maloof Skate Plaza by December 2012. -Complete Maloof Skate Plaza Tourism infrastructure Improvements – electricity supply, closing storm water ditch, ablutions, permanent surface for Maloof Village, move part of fence by September 2012. -Complete Maloof All Cities team competition by September 2012. -Maloof Fan Wheels - Frances Baard District Taxi Council to provide 10 minibus taxis for transfer for the taxi operations during the tournament by September 2012.	Five (5) High Impact Tourism Projects facilitated and supported:	Only 5 projects facilitated due to funding reprioritisation
			Maloof Money Cup: Event Manager appointed. Sponsorship Activator appointed. Skate Park facility director appointed. Maloof Skate Plaza Landscaping master plan completed. Skate Plaza Infrastructure completed. Maloof All Cities team competition completed. Maloof Fan wheels completed.	None

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Sub-programme: Tourism Industry Development				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
		<i>Haakskeen Pan Tourism Infrastructure Plan as Bloodhound legacy initiative by March 2013.</i>	Programme for Trade and Sector Development has commenced with procurement process for service provider.	Infrastructure plan to be completed by another programme within DEDaT.
		<i>Mier Kalahari Farm and Khuis Farm Development Complete tourism product development plan by March 2013.</i>	TOR developed. Project not completed due to funding reprioritisation.	Project to be re-advertised in the next financial year.
		<i>Uruke Bush Camp Launch facilities to tourism trade and travel media by December 2012</i>	Uruke Bush Camp launched on 21 March 2013	Launch did not take place in December 2012. Was moved to 21 March 2013 as a build-up programme to the very first Kalahari Desert Festival from 22 – 23 March 2013
		<i>Community Based Skate Park Complete consultation phase with local authorities by March 2012.</i>	Consultation phase with Municipalities completed.	Community Skate Parks completed in Kuruman and De Aar in December 2012. The other two, in Upington and Springbok will be completed by June 2013.
		<i>Public Viewing Areas Legacy Project Complete erection and operationalization of PVAs as FIFA 2010 SWC legacy project by March 2012</i>	3 PVA's operational in De Aar, Upington, Springbok and one (1) in Kuruman in completion phase.	1 PVA not operational. The one in Kimberley not operating as the Sol Plaatje Municipality does not have financial resources.
		<i>Flagship Visitor Centres Procure furniture and office equipment for Frances Baard Flagship Visitor Centre by December 2012.</i> -Present Green Kalahari Familiarization Trip in July 2012 to acquaint Frances Baard Flagship Visitor Centre Staff. -Present Namakwa Familiarization Trip in August 2012 to acquaint Frances Baard Flagship Visitor Centre Staff.	Not all the furniture and office equipment were procured. Green Kalahari Familiarisation trip completed. Namakwa Familiarisation trip completed.	Due to the lack of funding not all the office equipment could be procured.

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Sub-programme: Tourism Industry Development				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of provincial tourism events facilitated and supported.	-	Facilitate and support Twelve (12) events by 31 March 2013 -Green Kalahari Canoe Marathon. -Barney Barnato Golf Week. -Gariep Festival. -Namaqualand Flower Power Run. -Carnarvon Fly In. -Richmond Bookbedonnerd. -Richmond JM Coetzee. -Williston Winter Festival. -Kreeberg Festival. -NC Youth festival - Formula Drift Media Activation. -Kalahari Speedweek.	Eleven (11) Events facilitated and supported: -Green Kalahari Canoe Marathon. -Barney Barnato Golf Week. -Gariep Festival. -Namaqualand Flower Power Run. -Carnarvon Fly In. -Richmond Bookbedonnerd. -Richmond JM Coetzee. -Williston Winter Festival. -Kreeberg Festival. -NC Youth festival Formula Drift Media Activation. -Kalahari Speedweek. 932 temporary job opportunities created	The target set for 12 was incorrectly stated as an error and should have been 11 as indicated as per the events listed.
Number of rural tourism product and infrastructure development initiatives undertaken	-	Facilitate and implement one(1) Joint venture with San Parks by 31 March 2013: Develop and implement MOU to impact on the following activities: -Arid Parks Festival. -Promote 6 national parks. -Promote 6 provincial parks. -Promote community-based tourism in park areas. -Promote tourist routes. -Develop the Arid Experiences website. -Assist with erection of Diamond Coast signs. -Joint SAN Parks / DEDAT branding. -Tourism Awareness.	Arid Region Cultural Festival took place on 20 September 2012 at Mokala National Park. 3 BEE rendered services at the event. 9 groups from various traditions performed at the event to showcase their culture. Coastal Route "preekstoeltjies" constructed and completed. 12 job opportunities created. Website is live http://www.aridexperiences.com .	None

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Sub-programme: Tourism Industry Development				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
		Facilitate and implement the development of four (4) routes by 31 March 2013: Submit application for authorisation of erecting route signs to the relevant road authorities for the following routes; Cape-to-Namibia, Richtersveld, Quiver Tree & Karoo Highlands	Four (4) routes developed. Route maps and facility databases completed. Symbol design completed. Application submitted to road authorities on 21 November 2012. Route symbols need to be adjusted. SANRAL provided updated symbol list. Application to be resubmitted.	None
		Four (4) Route Forums supported and assisted with Market access by March 2013: Provide support and assist with market access of the following route forums: - Richtersveld. - Quiver Tree. - Karoo Hoogland. - Red Dune.	Four (4) Routes Forums supported and assisted. Richtersveld Route Forum: Funding Lekkersing Camping site constructed and completed. Talent competition completed. 245 people participated in the competition of which 40 were finalists and 11 winners were chosen. Karoo Highlands Route Forum: 4000 Flower Checklists designed and printed for Nieuwoudtville. Red Dune Route Forum: 12 000 brochures designed and printed. 11 Meetings held respectively with Richtersveld Route Forum, Quiver Tree Route Forum, and Karoo Highlands Route Forum. Route Forum Meetings generally provided information on planned activities and progress that took place.	None

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Sub-programme: Tourism Industry Development				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
		Facilitate One (1) Tourism related war on poverty interventions by 31 March 2013 Develop hiking and mountain bike trails in Renosterberg.	TOR completed. Approval from Municipality received. Project could not be completed due to budget reprioritisation.	Project not completed due to funding reprioritisation.
Number of niche tourism products facilitated and developed		Facilitate one (1) Heritage Tourism product development initiative by 31 March 2013 Develop the Galeshewe Uprising as a tourist attraction.	TOR completed. Consultation process completed. Project could not be completed due to budget reprioritisation	Project not completed due to funding reprioritisation.

Strategy to overcome areas of under performance

Work with the Monitoring and Evaluation Programme in the department to improve monitoring and evaluation of projects and therefore ensure that under performance is detected in time.

Changes to planned targets

Due to cost containment the following targets changed:

- ◆ Select, develop and reward Five (5) provincial top emerging small tourism enterprises for ETEYA 2012.
- ◆ Select and develop Ten (10) emerging small tourism enterprises to prepare them for participation in the ETEYA Bubbling Under 2012 and later competitions.
- ◆ Facilitate ten (10) workshops in a joint venture with the Tourism Enterprise Partnership (TEP) and other partners
- ◆ 200 attendants (tourism entrepreneurs, their staff members and prospective tourism employees) reached.
- ◆ Attend the following events with a provincial tourism trade delegation; Namibia Travel Expo, WTM, SHOT, FITUR, Manila Travel Tour Expo, New York Times Travel Expo, ITB, INDABA and Cape Outdoor Adventure Expo.
- ◆ Produce and distribute the following number of booklets, 7 500 Top Entrepreneur booklets and 3 000 ITB German booklets.
- ◆ Complete track construction for Bloodhound at Hakskeen Pan. Conduct permanent village design study.
- ◆ Prepare funding proposal for the SKA

Science Visitor Centre and submit to national Department of Tourism and other prospective funders.

- ◆ Construct a new hanger at Carnarvon Aerodrome. Procure aircraft fuel container for Carnarvon Aerodrome.
- ◆ Complete feasibility studies on; Namakwa flagship visitor centre, Pixley Ka Seme flagship visitor centre and John Taolo Gaetsewe flagship visitor centre.
- ◆ Facilitate and support twenty (20) tourism events.
- ◆ Erect route signs for the following routes: Cape-to-Namibia, Richtersveld, Quiver Tree, Karoo Highlands and Diamond Coast. Complete planning of Heritage Route.

Appoint service provider for the technical phase of the Boegoeberg Eco Route



Linking performance to the budget: Tourism Industry Development

Sub- Programme Name R'000	2012/2013			2011/2012		
	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
Partnership & Industry Development	62 396	61 658	738	33 576	32 855	721

2.5.7.3 Tourism Awareness

Objective, Performance Indicators, Planned Targets and Actual Achievements

Strategic objective

Government Outcome:	Decent Employment through inclusive economic growth
Government Output	2. More labour absorbing growth 4. Increase competitiveness to raise net exports , grow trade as a share of world trade and improve its composition 6. Improved support SMME and Cooperatives
Programme Purpose	To Facilitate and support the development of an equitable tourism sector
Strategic Outcome Oriented Goal 6	Sustainable impact of tourism on the economy of the northern Cape
Goal statement	To manage the development and promotion of the Northern Cape as a competitive tourist destination.
Sub-programme Strategic Objective 6.3	The Promotion of Tourism a source for economic development and empowerment
Objective statement	To market and promote the tourism industry as a possible redress to socio-economic challenges with a "pro-poor" bias.

This sub-programme has performed reasonably well in the implementation of its annual performance plan, and the failure to achieve all the targets are explained hereunder.

The three schools tourism programmes entailed the annual NTCE in East London, which were achieved, the annual Frances Baard District Schools Tourism Business Plan competition, as well as a Pixley ka Seme District Schools Tourism Excursion. Our department can only achieve all these programmes through effective and efficient partnerships and collaboration with other essential stakeholders. Frances Baard District Municipality has initiated their district's schools tourism business plan competition and our department is just a partner in this programme, because we realized the value of such initiative from a tourism awareness and medium to long term sector transformation point of view. Frances Baard District Municipality is therefore the host of this initiative, and they decided to suspend this programme for the 2012/13 financial year, and our department could, of course, not continue with the programme on our own, which is the reason why this programme has

not been achieved.

Achievements were the following:

Three Tourism Culture and Awareness Programmes conduct

- ◆ Living arts event in Frances Baard (Kimberley)
- ◆ Programme conducted on Service excellence awareness in Namakwa District
- ◆ Programme on Heritage Living Arts and Tourism Awareness in Pixley Ka Seme

Three Tourism Transformation programmes conducted

- ◆ One Programme in JTG
- ◆ One Program in Siyanda
- ◆ One programme in Pixley ka Seme District

One Schools Tourism Programmes conducted

- ◆ 60 learners transported to National Tourism Careers Expo) in East London
- ◆ Two Tourism Safety and Security programmes conducted
- ◆ Namakwa outreach programme held
- ◆ Pixley Ka Seme's Programme conducted

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One Responsible and Fair Trade Tourism Programme conducted

- ◆ One programme held in Pixley Ka Seme District.

Sub-programme: Tourism Awareness				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of Tourism Culture and Awareness programmes conducted.	Hosted one community-based awareness workshop in Siyanda (Mier), linked to the Bloodhound Project Financed/funded one historic liberation struggle living arts performance in Siyanda (transfer of funds)	Three (3) programmes conducted	Three (3) Tourism Culture and Awareness Programmes conducted - Living arts event in Frances Baard (Kimberley) - Service excellence awareness in Namakwa District - Heritage Living Arts and Tourism Awareness in Pixle Ka Seme	None
Number of Tourism Transformation Programmes conducted	Done, but with changes	Three (3) programmes conducted	Three (3) Tourism Transformation programmes conducted - One Programme for JTG stakeholders. The review of the Tourism Master Plan in Kimberley was held for stakeholders of Frances Baard and JTG District on one day and in one session, and that meeting in Kimberley was then sued for the transformation outreach to the JTG stakeholders for cost saving purposes. - One Program in Siyanda - Programme in Pixley Ka Seme	None
Number of Schools Tourism Programmes conducted	60 Tourism scholars were taken to the annual NTCE (National Tourism Careers Expo) in Durban in September	Three (3) programmes conducted	One (1) programme conducted -60 learners transported to National Tourism Careers Expo) in East London	Three programmes planned, but only one achieved -Frances Baard Schools Tourism Excursion postponed by the host -Pixley ka Seme's Schools Tourism Excursion not done due to lack of interest by local and surrounding service providers

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Sub-programme: Tourism Awareness				
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013
Number of Tourism Safety and Security Programmes conducted.	Not done	three (3) programmes conducted	Two programmes achieved - Namakwa outreach programme - Pixley Ka Seme's Programme	Three programmes planned but two achieved/done. The programme not achieved in JTG District was due to lack of support and interest shown by the host district municipality
Number of Responsible and Fair Trade Tourism Programmes conducted.	Done but with an amendment	Three (3) programmes conducted	One programme achieved - Programme held in JTG	Three programmes planned but one achieved/done The representation at COP18 was suspended after NDT, who would have served as the mentor dept. of all provinces, decided not to attend the conference. The programme not achieved in JTG District was because of a lack of support and interest shown by the host district municipality.

Changes to planned targets

The indicators and targets 2012/13 has been reviewed in year based on the following reasons:

- ◆ The budget requirements for the initial APP exceeded the actual allocation for the financial year, and reprioritization had to be done. For instance, on the initial AP six (6) Tourism Culture and Awareness Programmes had been planned but had to be reduced to three (3) based on the budget situation;
- ◆ The new sector transformation compliance stipulation warranted more transformation programmes in the province, and cautious not to neglect the most rural districts, like Pixley ka Seme and JTG, the initial target of two programmes was increased with one

more to ensure increased advocacy in this regard;

- ◆ The number of schools tourism programmes were retained as three (3), but the coastal tourism excursion was too expensive considering transport claims for schools of the targeted districts (JTG and Pixley ka Seme) and because of the limited accommodation available at the coastal area for the group, and that was replaced with a weekend long excursion for a reduced number of scholars of Pixley ka Seme District;
- ◆ The Tourism Safety and Security programmes were also reduced from five (5) to three (3) because of budget reasons;
- ◆ The fair Trade and Responsible programmes were left unchanged at three (3).

Linking performance to the budget: Tourism Awareness

Sub- Programme Name R'000	2012/2013			2011/2012		
	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
Tourism Awareness	1 304	1 304	-	1 961	1 948	13

2.6. SUMMARY OF FINANCIAL INFORMATION

2.6.1 Departmental Receipts

Departmental receipts	2012/2013			2011/2012		
	Estimate Amount R'000	Actual Amount Collected R'000	(Over)/Under Collection R'000	Estimate Amount R'000	Actual Amount Collected R'000	(Over)/Under Collection R'000
Tax Receipts	18 883	20 026	(1 143)	17 662	19 493	(1 831)
- Casino taxes	17 163	15 303	1 860	15 993	15 154	839
- Horse racing taxes	625	1 009	(384)	617	725	(108)
- Liquor licences	1 095	3 714	(2 619)	1 052	3 614	(2 562)
- Motor vehicle licences	-	-	-	-	-	-
Sale of goods and services other than capital assets	87	279	(192)	29	268	(239)
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	225	(225)	-	194	(194)
Interest, dividends and rent on land	87	16	71	29	43	(14)
Insurance Commission	-	33	(33)	-	29	(29)
Registration fees	-	5	(5)	0	2	(2)
Sale of capital assets	-	-	-	-	-	-
Transactions in financial assets and liabilities	48	5	43	4	31	(27)
Total	19 018	20 310	(1 292)	17 695	19 792	(2 097)

The Department under collected on Casino taxes due to the fact that the third casino license was only temporarily awarded in October 2012, resulting in possible income not being generated from the third casino from April 2012 to November 2012. With the temporary approval of the third casino license the collection of revenue from the third casino will continue from November 2012 onwards. This will increase the revenue collection of the Department in the 2013/14 financial year onwards.

In addition to the third casino license being temporarily awarded, the Gambling Board will implement the roll out of the Limited Pay-out Machines in the Province in stages from April 2013, resulting in even further revenue generation for the Department.

The Department exceeded revenue collection on horse racing taxes and liquor license fees. Horse racing taxes is very erratic and is difficult to forecast projected revenue accurately. With the assistance of

Provincial Treasury's revenue team the Department has attempted to forecast this revenue stream more accurately from 2013/14 onwards.

The forecasting of liquor license fees in the 2012/13 financial year forecasted the revenue to be collected based on the old liquor license fees, which was subsequently replaced by the new liquor license fees as per the Northern Cape Liquor Act of 2010. From 2013/14 onwards the prescribed tariffs of the Liquor Act was used to forecast the revenue collection from this revenue stream more accurately.

The revenue collected from rent on land, insurance commission and penalties & interest proves very difficult to forecast due to the uncertainty directly related to the substance of the revenue streams. Once again the revenue team of Provincial Treasury assisted the Department to more accurately forecast revenue to be generated from these streams from 2013/14 onwards.

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Programme expenditure

Programme Name R'000	2012/2013			2011/2012		
	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
Administration	37 676	35 544	2 132	35 742	35 742	-
Integrated Economic Development Services	56 093	56 078	15	54 999	54 661	338
Trade and Sector Development	28 542	22 699	5 843	35 410	35 095	315
Business Regulation and Governance	25 530	24 930	600	22 934	22 150	784
Economic Planning	17 648	15 030	2 618	19 215	18 010	1 205
Tourism	69 745	69 007	738	42 077	41 298	779
Total	235 254	223 288	11 946	210 377	206 956	3 421

The departmental expenditure for the year under review amounted to R223 288 000 (R206 956 000 in 2011/12) which is 94.92% (98.37% in 2011/12) of the allocated budget of R235 254 000 (R210 377 000 in 2011/12). In the 2012/13 financial year the department realized savings to the value of R11 946 000 (R3 421 000 in 2011/12).

The table below illustrates each program's and the total Departmental savings in the year under review:

Programme	2012/13 R'000	Percentage of final Appropriation
Programme1: Administration	2 134	5.66%
Programme2: Integrated Economic Development Services	15	0.03%
Programme3: Trade and Sector Development	5 843	20.47%
Programme4: Business Regulation and Governance	600	2.35%
Programme5: Economic Planning	2 618	14.84%
Programme6: Tourism	738	1.06%
TOTAL	11 946	5.08%

The financial year 2012/13 savings as per economic classification are:

Compensation of employees was R1 650 000 (R96 000 in 2011/12), since the vetting process of qualification and criminal information of candidates extended the timing of the appointment process significantly; Goods and services R9 200 000 (R682 000 in 2011/12). This mainly attributable to the following reasons:

- ◆ The Department budgeted for additional office accommodation, but the process of obtaining this additional office accommodation was not finalized during the year - Administration (R1.1 million);
- ◆ The final payment on the Maloof SLC contract, the development of the renewable energy strategy and the development of the KIDJA implementation plan was not finalized by

year-end, resulting in budgeted expenditure not being spent by year end – Trade and Sector Development (R4.06 million); and

- ◆ The development of the Provincial SAM modeling system, the finalization of the Clay Brick Project's business plan and the implementation of the computer refurbishment centre and e-Box digital information solution was not finalized by year-end, resulting in the projected funds not being spent by year-end – Economic planning (R2.299 million);
- ◆ Transfer payments R11 000 (R7 000 in 2011/12); and
- ◆ Capital goods R1 043 000 (R2 613 000 in 2011/12). This is mainly attributable to the following facts:

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- The newly established Consumer Authority and Consumer Court projected to procure one fleet vehicle each in the 2012/13 financial year. This process was not finalized by year-end, resulting in the funds not being utilized by year-end – Business Regulation and Governance (R600 000); and
- The supporting documentation regarding the paving at the Maloof Skate Plaza was not received from the supplier by year-end, resulting in the budgeted expenditure not being utilized by year-end – Tourism (R735 000).
- ◆ A request for roll-over, in terms of section 6.4 of the Treasury Regulations, has been submitted to Provincial Treasury to the value of R7 694 000. These roll-overs are made up as follows:
 - Goods and Services R6 359 000 (82.65%); and
 - Capital Goods R1 335 000 (17.35%).

After the completion of the 2012/13 financial year, the Department realized a savings on their expenses and requested roll-overs of funds; in terms of section 6.4 of the Treasury Regulations which has been submitted to Provincial Treasury by 30 April 2013. The submission for roll-over submitted to Provincial Treasury for the Department of Economic Development and Tourism was R7 694 000 and was made up as follows:

- ◆ R735 000 to pay Department of Public Works for the paving done at the Maloof Skate Plaza;
- ◆ R3.2 million to effect the final payment on



- the Maloof SLC contract for the 2012/13 financial year;
- ◆ R1.6 million for the establishment of the computer refurbishment centre and the implementation of the e-Box digital information solution, all forming part of the INSPIRE project's aim to build an inclusive Provincial knowledge-based economy;
- ◆ R600 000 for the procurement of fleet vehicles for the newly established Consumer Authority and Consumer Court in the Province;
- ◆ R600 000 to develop a Provincial renewable energy strategy;
- ◆ R260 000 for the development and implementation of a business plan for KIDJA
- ◆ R340 000 for the development of the SAM modelling system with DBSA; and
- ◆ R359 000 for the payment on the business plan developed for the Clay Brick Project.

The table below indicates the savings and roll-overs.

Programme	Saving R'000	Roll-over requested R'000	Funds not rolled-over R'000
Administration	2 132	Nil	2 132
Integrated Economic Development Services	15	Nil	15
Trade and Sector Development	5 843	4 060	1 783
Business Regulation and Governance	600	600	Nil
Economic Planning	2 618	2 299	319
Tourism	738	735	3
Total	11 946	7 694	4 252

Thus the total real unspent funds amounts to R4 252 000 amounts to 1.81% of the total allocated budget of R235 254 000 for the 2012/13 financial year.

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2.6.3 Transfer payments, excl. Public Entities

The table below reflects the transfer payments made for the period 1 April 2012 to 31 March 2013 for Local Governments

Name of transferee	Purpose for which the funds were used	Compliance with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Kareeberg Municipality	Carnarvon Fly Inn project	Yes	200	200	N/A
Mier Municipality	Bloodhound Project	Yes	847	847	N/A
Kamiesberg Municipality	Kamiesberg Charette	Yes	50	50	N/A
Sol Plaatje Municipality via Momentum Investments	Rates and Taxes on office building occupied by the Department	Yes	77	77	N/A
Total			1 174	1 174	

The transfer to municipalities was to support tourist projects in the above municipalities except for Sol Plaatje Municipality which represents the Rates and Taxes paid on the buildings the Department occupies.

The table below reflects the transfer payments made for the period 1 April 2012 to 31 March 2013 for Departmental Agencies

Name of transferee	Purpose for which the funds were used	Compliance with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Frances Baard SMME Trust	To give effect to SLA with Department and general SMME support	Yes	8 663	8 663	N/A
Department of Communication (SABC)	TV License renewal for Video Conferencing facilities	Yes	1	1	N/A
Total			8 664	8 664	

This transfer to Frances Baard SMME Trust was made to assist the agency with operational costs, SMME support and to comply with the departmental contractual obligations towards the entity. The transfer to Department of Communication was to renew the TV Licenses of the Department for the Video Conferencing Facilities.

The table below reflects the transfer payments made for the period 1 April 2012 to 31 March 2013 for Private Enterprises

Name of transferee	Purpose for which the funds were used	Compliance with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Diamond Bed factory	Manufacturing Project supported from Economic Growth and Development Fund (EGDF)	Yes	18 000	18 000	N/A
Eternal City Trading	Manufacturing Project supported from EGDF	Yes	13 643	13 643	N/A

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Name of transferee	Purpose for which the funds were used	Compliance with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Richmond Community Development Foundation	Richmond Book festival support	Yes	200	200	N/A
WA Sheba Productions	Tourism Marketing Video of Province	Yes	150	150	N/A
Williston Winter Festival	Festival support in promoting Tourism	Yes	100	100	N/A
The Tourism Blue Print	Development of Kalahari Red Dune Route	Yes	50	50	N/A
Verneukpan Speedweek Event Management	Speedweek festival support	Yes	1 375	1 375	N/A
Sanparks	Support Sanparks projects in Province	Yes	600	600	N/A
Open Africa	Development of Richtersveld Route	Yes	119	119	N/A
Gariep Kunstefees	Festival support in promoting Tourism	Yes	250	250	N/A
Kimberley Golf Club	Support to Barney Bernato Golf Event in promoting Tourism	Yes	100	100	N/A
South Africa San Institute	Support of Uruke Kalahari project in promoting Tourism	Yes	80	80	N/A
Bright Ideas Project	Support of Kalahari Speedweek event	Yes	92	92	N/A
Conrad Mouton	Participation in INDABA 2012	Yes	10	10	N/A
Tata ma Tata Tours	Participation in INDABA 2012	Yes	10	10	N/A
Karona Trading 720 cc	Participation in INDABA 2012	Yes	10	10	N/A
Johan Edwin Fritz	Participation in INDABA 2012	Yes	10	10	N/A
Heerengracht Hotel	Participation in INDABA 2012	Yes	10	10	N/A
Repa Guest House	Participation in INDABA 2012	Yes	10	10	N/A
Ntingatak Trading Enterprise	Participation in INDABA 2012	Yes	10	10	N/A
Boitumelo JWA Sechaba Guesthouse	Participation in INDABA 2012	Yes	10	10	N/A
Magelevendze Lodge	Participation in INDABA 2012	Yes	10	10	N/A
Leruo's Guesthouse	Participation in INDABA 2012	Yes	10	10	N/A
Villa D'Este	Participation in INDABA 2012	Yes	10	10	N/A
Ibhotwe Guesthouse	Participation in INDABA 2012	Yes	10	10	N/A

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
NON-FINANCIAL PERFORMANCE INFORMATION
For the year ended 31 March 2013

Name of transferee	Purpose for which the funds were used	Compliance with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Worldwide Travel & Tours	Participation in INDABA 2012	Yes	10	10	N/A
Leliefontein Culture Camp	Participation in INDABA 2012	Yes	10	10	N/A
Riemvasmaak Community Development Trust	Participation in INDABA 2012	Yes	10	10	N/A
Total			34 909	34 909	

The identification of projects focussed on the following government priorities:

- ◆ Manufacturing;
- ◆ SMME development and sustainability;
- ◆ Tourism;
- ◆ Township revitalisation; and
- ◆ The empowerment of designated groups.

Please refer to note 7 and annexure 1B, 1C and 1E for additional information.

The table below reflects the transfer payments made for the period 1 April 2012 to 31 March 2013 for Households

Name of transferee	Purpose for which the funds were used	Compliance with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
HL Bergman	Leave gratuity pay-out	N/A	10	10	N/A
GM Bhunu	Leave gratuity pay-out	N/A	1	1	N/A
Y Dijwe	Leave gratuity pay-out	N/A	3	3	N/A
K Fortuin	Leave gratuity pay-out	N/A	15	15	N/A
KM Kapanda	Leave gratuity pay-out	N/A	5	5	N/A
RME Makhonofane	Leave gratuity pay-out	N/A	1	1	N/A
RP Masike	Leave gratuity pay-out	N/A	23	23	N/A
JE Mathane	Leave gratuity pay-out	N/A	6	6	N/A
MF Mokwena	Leave gratuity pay-out	N/A	5	5	N/A
NM Mzambo	Leave gratuity pay-out	N/A	23	23	N/A
A Schoeman	Leave gratuity pay-out	N/A	94	94	N/A
TW Sel	Leave gratuity pay-out	N/A	4	4	N/A
RM Senye	Leave gratuity pay-out	N/A	18	18	N/A
TSS Jama	Leave gratuity pay-out	N/A	(13)	(13)	N/A
Other	Leave gratuity pay-out	N/A	(11)	(11)	N/A
Total			184	184	

According to the new SCOA classifications payments to employees regarding leave gratuity pay-outs must be classified as transfers to households. The payments above are related to these activities in the Department for the year under review. For more detail, please refer to Annexure 1H to the financial statements.

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
NON-FINANCIAL PERFORMANCE INFORMATION
For the year ended 31 March 2013

The table below reflects the transfer payments which were budgeted for in the period 1 April 2012 to 31 March 2013, but no transfer payments were made.

Name of transferee	Purpose for which the funds were used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
None	None	None	None	None

2.6.4 Public Entities

The Department supports public entities by means of transfer payments to the entities, based on their annual plans and budget projections, and the entities report to the Accounting Officer on a quarterly basis on the progress in terms of their plans and spending. These entities annually prepare their own financial statements and annual reports and submit them to the accounting officer. For the year under review the all four public entities will submit their own financial statements.

The Department monitored these entities on a quarterly basis by receiving and evaluating their respective quarterly reports on non-financial information and quarterly financial reports. In addition each entity had to provide the forthcoming quarter's financial projections prior to transfers being made to these entities.

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
NCEDA	Promoting direct foreign and local investment in the Province	3 147	3 147	Please refer to the annual report of the Public Entity obtainable from the Public Entity
Northern Cape Liquor Board	Regulating the Liquor Industry in the Province	6 818	6 818	Please refer to the annual report of the Public Entity obtainable from the Public Entity
Northern Cape Gambling Board	Regulating the Gambling Industry in the Province	8 148	8 148	Please refer to the annual report of the Public Entity obtainable from the Public Entity
Northern Cape Tourism Agency (NCTA)	Marketing the Province as a Tourist Destination	15 447	15 447	Please refer to the annual report of the Public Entity obtainable from the Public Entity
Total		33 560	33 560	

2.6.5 Conditional grants and earmarked funds paid

NONE

2.6.6 Conditional grants and earmarked funds received

NONE

2.6.7 Donor Funds

Name of donor	Employment Creation Fund
Full amount of the funding	R33 million
Period of the commitment	3 years

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
NON-FINANCIAL PERFORMANCE INFORMATION
For the year ended 31 March 2013

Purpose of the funding	<ul style="list-style-type: none"> - Job creation - Skills development in diamond cutting and polishing and Jewellery manufacturing at KIDJA - Renovations and upgrading of existing Infrastructure at the Kimberley diamond and jewellery centre that will lure foreign investors to set up factories.
Expected outputs	To have a fully serviced Kimberley Diamond and Jewellery hub that will create jobs, skills development and Technology transfer.
Actual outputs achieved	<ul style="list-style-type: none"> - Phase 1 renovation's to existing infrastructure at KIDJA and the Kimberley diamond and jewellery centre has been completed. - The Kimberley International Diamond and Jewellery Academy is operational and has trained 112 learners in MQA accredited courses at KIDJA.
Amount received in current period (R'000)	R2 million
Amount spent by the department (R'000)	R1, 065 million
Reasons for the funds unspent	Delays in the tender processes and the appointment of contractors
Monitoring mechanism by the donor	Reports on expenditure of the funds are sent to the dti on a quarterly basis

2.6.8 Capital investment, maintenance and asset management plan

The Department is currently involved in upgrading the KIDJA building to prepare the building to become a fully-fledged training facility of international standards to achieve our aim of establishing KIDJA as a training destination of choice for diamond and mineral beneficiation. The renovations are procured with the assistance of Department of Roads, Transport and Public Works, who is the owner of the building.

Payment for these renovations and maintenance work is paid from donor funding the Department received from the European Union (EU). The donor funding will run over a period of three years as per

MOU signed between the Department and the EU.

Every year renovations and upgrades are made to the KIDJA building as funding becomes available. For the year under review, total renovations and upgrades to the KIDJA building amounted to R1 438 000. Prospective renovations for this building in the 2013/14 financial year include the installation of air conditioners at the building, as well as the construction of a canteen.

These renovations and upgrades are not captured in the asset register of the Department, but are transferred out to Department of Roads, Transport and Public Works upon completion of the projects. Please refer to disclosure note 45 for more detail.

Infrastructure projects	2012/2013			2011/2012		
	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	1 438	1 438	-	-	-	-
- Upgrades and additions	1 438	1 438	-	4 979	4 979	-
- Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
- Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	(1 438)	(1 438)	-	(4 766)	(4 766)	-
- Current	-	-	-	-	-	-
- Capital	(1 438)	(1 438)	-	(4 766)	(4 766)	-
Total	-	-	-	213	213	-



PART C:
GOVERNANCE



PART C: GOVERNANCE

3.1 INTRODUCTION

The increasing regulatory pressures and public expectations the Department of Economic Development and Tourism find itself continually under intensifying pressure to govern the organisation more efficiently and effectively, so that high level of performance is achieved and to comply with legislative mandates resulting in managers being held more accountable. These factors have created an urgent imperative to improve the integration of corporate governance, enterprise risk management and compliance into core-business processes and decision making.

The King Reports and the Public Finance Management Act (PFMA) have firmly established the necessity for managers in the public sector to maintain, and to demonstrate the maintenance of, good corporate governance practices and manage diverse risks in the organisation. Furthermore the recently released King III makes it even clearer that all levels of management carry some degree of legal and organisational responsibility, and that corporate governance is not the responsibility of managers alone.

Hence management and staff have an important role to play in ensuring that the Department of Economic Development and Tourism (DEDaT) implements the PFMA and the King III report to ensure good governance at all times and will be evaluated against this performance. The Department of Economic Development and Tourism has committed itself to the process of enterprise risk management that is aligned to the principles of good governance and compliance as outlined by the PFMA and the King III report.

To this effect the Department of Economic Development and Tourism with the assistance of the shared Internal Audit Unit held a workshop where managers and staff participated in a self-assessment review in respect of the department's application principles published in the King III principles. Emanating from this session Department of Economic Development and Tourism determined

the current and desired status of the implementation of the applicable King III principles. An action plan was developed to determine the future measures/ actions required to improve on the current status of applying the King III principles.

3.2 RISK MANAGEMENT

The Nature of Risk Management

A risk management approach is the most appropriate way to ensure that risks are identified and effectively managed. Under King III, risk management remains important and management is responsible for the designing risk management strategies, identifying risks, implementation of risks and monitoring of the risk management policies and strategies. The Public Sector Risk Management Framework also incorporates the requirements of the Batho-Pele principles and King III insofar as they concern risk management.

The Department's risk management approach is applied when Department sets out its vision, mission and establishes strategic goals and objectives, which are the high-level goals that align and support its vision and mission. The Programme Managers identifies the strategic and operational risks and become the risk owners in the Department which allows them to manage the risks effectively.

In order for an organisation to be effective, it must focus its attention and resources on the areas of most significant risk and concern to stakeholders. A risk assessment is a fundamental element of the risk management process.

The Department's approach to the risk assessment process has been achieved by working together with management in workshops facilitated by the risk management unit. The interactive nature of the workshops harnessed the positive synergies of group dynamics to produce a result that is better than the sum of individual assessments.

The principal aim of this risk assessment process was to:

- ◆ identify the key strategic risks threatening the achievement of the objectives;
- ◆ assess / size the risks facing the organisation;
- ◆ identify and assess the key controls in place, and relied upon, and
- ◆ agree on any actions emanating from the above, to ensure that the DEDaT achieves its objectives.

During the workshop, managers provided input based on their actual knowledge and experience of the Department operations and environment. They also identified the strategic risks based on the Department's Strategic Plan. The key strategic risks identified, moulded the framework within which the risks at the operational level were unpacked.

The key outputs of the risk assessment process workshops

- ◆ provided a strategic risk profile of the organisation;
- ◆ identified current and future risk management activities required;
- ◆ resulted in the reviewed risk based audit strategy and annual audit plan to be implemented;
- ◆ identified the key strategic risks (5 or more) that may threaten the Departments strategic objectives;
- ◆ identify the key controls that are currently in place to manage those risks;
- ◆ consider new and innovative ways of controlling known problems or risks; and
- ◆ think about any potential action plans and responsible parties.

The risk management unit has supported the Programme Managers to mitigate strategic and operational risks identified in the financial year under review. In addition to this the risk management unit also identified internal control weaknesses with respect to payments to be made within 30 days, record keeping, procurement of goods and services. Operating procedures were developed to strengthen the internal control environment. To date payments

are made within 14 days, the procedures has improved in the department and new checklists developed to ensure all Supply Chain Management legislation are adhered to.

3.3 FRAUD AND CORRUPTION

Fraud Prevention Plan Implementation

All public sector organisations are exposed to corruption risks, and some functions carry substantial risks that cannot be transferred or eliminated. Thus the Department's risk management approach to fraud prevention is appropriate because it helps to identify structural weaknesses that may facilitate fraud prevention and corruption. It also provides a framework for all staff to take part in identifying risk factors and treatments, and embeds fraud prevention within a well-established governance framework.

The department reviewed the fraud prevention strategy and the fraud prevention plan in the financial year under review. This was based on the risk assessment workshops conducted by the risk management unit. Management accountability and implementation practice for fraud prevention improved by allocating responsibilities and sharing roles and task designations for fraud prevention amongst departmental staff, especially managers.

The following is a summary of the reviewed fraud prevention plan.

Mechanisms in place to report fraud and corruption

- ◆ Officials are encouraged to report the incidents of fraud and corruption.
- ◆ The officials are assured protection, in accordance with the Protected Disclosure Act when reporting the incidents of fraud and Corruption.
- ◆ Officials shall be informed that they have a right to remain anonymous and
- ◆ Feedback shall be given to the whistle blowers, to encourage them in reporting any allegations of fraud and corruption activities that is occurring or that might occur.

Reporting and dealing with cases of Fraud and Corruption

- ◆ It is the responsibility of all employees to report all incidents of corruption, fraud, theft and maladministration to their supervisors. They in turn will report to their supervisor who will then report the incident to the relevant structure

Thus the Fraud Prevention Plan has been implemented to enable officials to protect public funds and assets, protect the integrity, security and reputation of DEDaT, its stakeholders and maintain high levels of services to all the people of the Northern Cape Province consistent with the principles and practices of good governance.

3.4. MINIMISING CONFLICT OF INTEREST

Conflict of interest is managed through formal written declarations by members of Senior Management Service (SMS). The declaration of members also includes all the members of the Bid Adjudication Committee, Specification Committee and Evaluation Committee. All committee members are compelled to declare their interest at every meeting. Non designated members of staff are regularly reminded to declare their interest where applicable

All suppliers of the Department are also required to complete the standard bidding documentation (SBD 4) and (SBD 9) to ensure proper internal controls are in place.

3.5. CODE OF CONDUCT

All employees are expected to comply with the code of conduct for the Public Service. The purpose of the conduct is to guide employees as to what is expected from them from an ethical point of view, both in their individual conduct and their relationship with others.

During the year the practical guides and to ethical dilemmas in the workplace which amongst others include the Code of Conduct for Public Service were distributed to staff and workshops were held to raise awareness.

The code of conduct has been circulated to all employees who have signed for the receipt thereof. Instances of breach of code of conduct are dealt with through disciplinary processes within the department.

3.6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department is regularly inspected by the Department of Labour on health and safety issues such as electrical safety, adequate and safe office accommodation and safety of equipment. We have in place a Health and Safety Committee as required by law and has been trained accordingly.

The Department has appointed the first Aid official whose responsibilities are in terms of the Occupational Health and Safety Act (OHSA) no 85 of 1993 as amended

3.7 INTERNAL CONTROL

The work performed by internal control during the year.

The risk assessment has been conducted regularly to identify emerging risks of the institution. A risk management strategy which includes the fraud prevention plan has been used to direct the internal audit effort and priorities and to determine the skills required of managers and staff to improve controls and to manage the risks. The strategy is communicated to all the officials to ensure that the risk management strategy is incorporated into the language and culture of the institution.

3.8. AUDIT COMMITTEE REPORT

REPORT OF THE AUDIT COMMITTEE For the financial year ending 31 March 2013

We are pleased to present our report for the financial year ending 31 March 2013.

Audit Committee Members and background information concerning its establishment.

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.

Audit committee membership and attendance of meetings

The Audit committee consists of 4 (four) members for the year ended 31 March 2013, the committee held 4 meetings

Member and their meeting attendance details during 2012/2013 financial year were as follows:

Member	Number of meeting attended
Mr. Jim Besnaar CA (SA)- Chairperson (Independent)	3
Ms B Mdlalo (independent member)	1
Adv. D Block (Independent member)	4
Ms. O Gill	3
Ms. E Botes	2

Resignation

Ms. B Mdlalo resigned during 2012/13 financial year

Effectiveness of internal controls

In performing its responsibilities, the Committee has reviewed the following:

- ◆ The effectiveness of internal control systems,
- ◆ The effectiveness of the internal audit function,
- ◆ In Year Monitoring reports
- ◆ Progress report on the audit action plan
- ◆ Report of the Auditor General on the audit of 2011/2012 financial year
- ◆ Predetermine Objectives (SCM & Asset Management)
- ◆ Intangible Assets treatment
- ◆ Register of fruitless and wasteful expenditure

Management has implemented corrective action where possible to ensure that controls are in place and operating as intended. However, the Audit committee is of the opinion, based on the information and explanations given by management and the internal auditors unit that the internal control environments relating to Budget Processes needs improvement to provide reasonable assurance that the major inherent risks are appropriately managed.

Evaluation of Financial Statements

The Audit and Risk Committee has evaluated the annual financial statements of Department of Economic Development and Tourism, Northern Cape Province for the year ended 31 March 2013 and concluded that they comply, in all materials respects, with the requirements of the Public Finance Management Act, together with the associated Treasury Regulations.

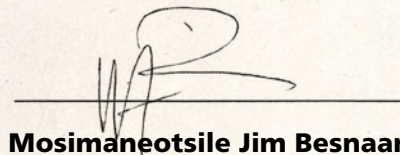
In performing its responsibilities, the Committee has reviewed the following

- ◆ Enquire from management if the Annual Financial Statements have been prepared in accordance with the Preparation Guide and Specimen Financial Statements issued by National Treasury and in compliance with all applicable laws and regulations;
- ◆ Review Annual financial statement for abnormal and/or significant transactions of the department and the disclosure thereof in the Annual Financial Statements;
- ◆ Obtain explanations for all significant variances in the annual financial statements as compared to the appropriated budget and prior year;
- ◆ Identify areas for the external audit to consider adding to the audit plan;
- ◆ Review any new or proposed legislation that may have a material impact on policies, the financial statements and disclosure thereof and departmental compliance therewith;
- ◆ Enquire from management if there are any matters of significant judgement in the financial statements;
- ◆ Enquire from management, the Auditor-General and Internal Audit about any outstanding litigation, contingencies and claims, and how these matters are reflected in the department's financial statements.

Auditor General Report

We have reviewed the department's implementation plan for the audit issues raised in the prior year and are satisfied that the matters have been adequately resolved.

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



Mosimaneotsile Jim Besnaar CA (SA)

Cluster Audit Committee Chairperson

Northern Cape Department of Economic Development and Tourism

8th August 2013

PART D:
HUMAN
RESOURCE
MANAGEMENT



PART D: HUMAN RESOURCE MANAGEMENT

4.1. LEGISLATURE THAT GOVERNS HUMAN RESOURCE MANAGEMENT

Human Resource practices of the department are regulated by the following;

- ◆ Public Service Act and Regulations
- ◆ Employment Equity Act
- ◆ Skills Development Act

4.2 INTRODUCTION

The value of human capital

Human capital is highly valued in the department as it forms the backbone for service delivery, as a result we always strive to recruit, train and retain the best human capital.

Overview of HR matters

Department has developed a comprehensive HR Plan to guide its recruitment, training and retention of talent. In addition, the Employment Equity Plan has been approved to ensure legally-compliant recruitment practices.

Guided by these strategic policies a total number of 19 posts were filled, inclusive of the posts in Consumer Protection Authority. 18 posts were job evaluated and results implemented.

To ensure that our human capital is continually capacitated we have approved the Workplace Skills Plan and the HRD Strategy to guide our training programmes. To this effect our bursary scheme is being successfully implemented with 11 officials awarded bursaries and 20 staff members enrolled for Management Development Programme.

As part of human capital and talent management, the Employee Performance Management Development System (EPMDS) in respect of levels 1-12 was successfully implemented for the year under review. Eighty five (85) employees were assessed and rewards ranging from pay progression and performance bonus were awarded.

Human Resource Priorities

The priorities were set as follows in the HR Plan for the period under review:

- ◆ Reduction of vacancy rate
- ◆ Ensure that the HR strategic plans such as WSP, HR, EE and HRD strategies are approved
- ◆ Personnel clean-up
- ◆ Institutionalisation of exit strategy
- ◆ Implementation of the employee performance management and development system

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

Department has an approved HR Plan and EE Plan, both of which guide its recruitment and staff development matters.

Employee performance management framework

This matter is governed and implemented in terms of provincial EPMDS Policy.

Employee wellness programmes

The department does not have a formal employee wellness programme; however awareness was done relating to

- ◆ healthy lifestyle and healthy eating
- ◆ fitness exercises
- ◆ HIV/AIDS

Policy development

For the year under review the department has adopted the following strategic plans and policies governing human resources:

- ◆ HR Plan
- ◆ EE Plan
- ◆ HRD Implementation Plan
- ◆ Workplace Skills Plan
- ◆ Remuneration of Work Outside the Public Service Policy
- ◆ Gifts Policy

4.3 HUMAN RESOURCE OVERSIGHT STATISTICS

4.3.1 Personnel related expenditure

Table 4.3.1.1 : Personnel expenditure by programme

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	37 684	17 886	0	0	47.46	110
Integrated Econ Development Services	56 093	9 918	0	0	17.68	61
Trade and Sector Development	22 699	7 978	0	0	35.15	49
Business Regulation and Governance	24 930	5 189	0	0	20.81	32
Economic Planning	15 030	10 007	0	0	66.58	62
Tourism	69 007	6 725	0	0	9.75	41
Total	223 288	57 703	0	0	25.84	356

Table 4.3.1.2: Personnel costs by salary bands

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Skilled (level 3-5)	4 610	7.9	21	219 524
Highly skilled production (levels 6-8)	8 944	15.3	42	212 952
Highly skilled supervision (levels 9-12)	23 621	40.3	59	414 404
Senior and Top management (levels 13-16)	15 077	25.7	19	793 526
Total	52 252	89.2	141	1,640,406

Table 4.3.1.3: Salaries, Overtime, Home Owners Allowance and Medical Aid by programme

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	% of personnel costs of programme	Amount (R'000)	% of personnel costs of programme	Amount (R'000)	HOA as a % of personnel costs of programme	Amount (R'000)	% of personnel costs of programme
Administration	13577	77	0	0	457	2.6	661	3.8
Integrated Econ Development Services	7761	74.6	0	0	352	3.4	384	3.7

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
HUMAN RESOURCE MANAGEMENT INFORMATION
For the year ended 31 March 2013

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	% of personnel costs of programme	Amount (R'000)	% of personnel costs of programme	Amount (R'000)	HOA as a % of personnel costs of programme	Amount (R'000)	% of personnel costs of programme
Trade and Sector Development	6359	79.9	0	0	273	3.4	185	2.3
Business Regulation and Governance	4197	75.1	0	0	182	3.3	189	3.4
Economic Planning	8066	80.7	0	0	126	1.3	275	2.8
Tourism	5337	76	0	0	151	2.1	278	4
Total	45297	77.3	0	0	1541	2.6	1972	3.4

Table 4.3.1.4: Salaries, Overtime, Home Owners Allowance and Medical Aid by salary bands

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	% of personnel costs of salary bands	Amount (R'000)	% of personnel costs of salary bands	Amount (R'000)	% of personnel costs of salary bands	Amount (R'000)	% of personnel costs of salary bands
Skilled (level 1-2)								
Skilled (level 3-5)	3159	68.2	0	0	287	6.2	437	9.4
Highly skilled production (levels 6-8)	6493	71.8	0	0	363	4	629	7
Highly skilled supervision (levels 9-12)	18626	77	0	0	420	1.7	683	2.8
Senior management (level 13-16)	12526	80.5	0	0	305	2	224	1.4
Contract(L1-2)	420	96.6	0	0	0	0	0	0
Contract(L3-5)	488	92.6	0	0	0	0	0	0
Contract(L6-8)	248	93.6	0	0	0	0	0	0
Contract(9-12)	1410	98.2	0	0	0	0	0	0
Contract(L13-16)	1928	79.7	0	0	166	6.9	0	0
Abnormal	0	0	0	0	0	0	0	0
Total	45 298	77.3	0	0	1541	2.6	1973	3.4

4.3.2 Employment and Vacancies

Table 4.3.2.1: Employment and vacancies by programme

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
1	81	69	15%	0
2	30	26	13%	0
3	18	13	28%	0
5	26	20	23%	0
6	27	21	22%	0
Total	182	149	18%	0

Table 4.3.2.2: Employment and vacancies by salary bands

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	0	0	0
Skilled(3-5)	28	25	11%	0
Highly skilled production (6-8)	58	44	24%	0
Highly skilled supervision (9-12)	70	59	16%	0
Senior management (13-16)	26	21	19%	0
Total	182	149	18%	0

Table 4.3.2.3: Employment and vacancies by critical occupation

Critical occupations	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Economist	4	1	75%	0
Senior Researcher	2	0	100%	0
				0
Total	6	1	83%	0

4.3.3 Job Evaluation

Table 4.3.3.1: Job Evaluation

	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	0	0	0	0	0	0
Skilled (Levels 3-5)	28	12 (Benchmarked)	43%	0	0	0	0
Highly skilled production (Levels 6-8)	58	6	10%	6	100%	0	0
Highly skilled supervision (Levels 9-12)	70	13	19%	1	8%	0	0
Senior Management Service Band A	18	2	11%	0	0	0	0
Senior Management Service Band B	7	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Senior Management Service Band D	0	0	0	0	0	0	0
Total	182	21	12%	7	33%	0	0

Table 4.3.3.2: Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	2	0	3	1	6
Male	0	0	1	0	1
Total	2	0	4	1	7
Employees with a disability					0

Table 4.3.3.3: Employees who have been granted higher salaries than those determined by job evaluation by race

Beneficiary	Number of employees/posts	Job evaluation level	Remuneration level	Reason for deviation
Indian	0	0	0	N/A
White	0	0	0	N/A
Black	1	9	10	Official was transferred to unit prior to JE and already on L10
Coloured	0	0	0	N/A
Total	1			
Percentage of total employed				

Table 4.3.3.4 – Profile of employees who have been granted higher salary bands than those determined by job evaluation

Beneficiaries	African	Asian	Coloured	White	Total
Employees with a disability					0
Female	1	0	0	0	0
Male	0	0	0	0	0
Total	1	0	0	0	0

4.3.4 Employment Changes

Table 4.3.4.1: Annual turnover rates by salary band

Salary Band	Employment at beginning of period- April 2012	Appointments	Terminations	Turnover rate
Lower skilled (Levels 1-2)				
Skilled (Levels3-5)	34	0	4	11.7
Highly skilled production (Levels 6-8)	40	5	5	12.5
Highly skilled supervision (Levels 9-12)	58	4	1	1.7
Senior Management Service Bands A	14	3	2	14.3
Senior Management Service Bands B	4	1	0	0
Senior Management Service Bands C	2	0	0	0
Senior Management Service Bands D				0
Contracts	12	2	1	8.3
Total	164	15	15	9.1

Table 4.3.4.2: Annual turnover rates by critical occupation

Critical Occupation:	Employment at beginning of period	Appointments	Terminations	Turnover rate
Economist	1	0	0	0
Senior Researcher	0	0	0	0
Total	1	0	0	0

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Table 4.3.4.3: Reasons why staff are leaving the department

Termination Type	Number	% of Total Employment
Death	7	5%
Resignation	0	0
Expiry of contract	0	0
Dismissal – operational changes	2	1.3%
Dismissal – misconduct	0	0
Dismissal – inefficiency	1	.7%
Discharged due to ill-health	1	.7%
Retirement	3	2%
Transfer to other Public Service Departments	0	0
Other	14	9%
Total	14	9%

Table 4.3.4.4: Promotions by critical occupation

Occupation:	Employees 1 April 2012	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
Economist	1	1	100%	0	N/A
Senior Researcher	0	N/A	N/A	N/A	N/A

Table 4.3.4.5: Promotions by salary band

Salary Band	Employees 1 April 2011	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch promotions as a % of employees by salary bands
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled (Levels3-5)	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	1	0	0	0
Senior Management (Level 13-16)	0	2	0	0	0
Total	0	3	0	0	0

4.3.5 Employment Equity

Table 4.3.5.1: Total number of employees including employees with disabilities per occupational categories as at 31 March

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	5	5	2	1	5	2	0	0	21
Professionals	23	12	0	3	11	11	0	3	63
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	6	5	0	0	29	21	0	4	65
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	34	22	2	4	45	34	0	8	149
Employees with disabilities	0	0	0	1	2	1	0	0	4

Table 4.3.5.2: Total number of employees (including employees with disabilities in each of the following occupational bands on 31 March 2013

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)	4	5	1	1	5	2	0	1	19
Professionally qualified and experienced specialists and mid-management	23	12	0	3	11	11	0	3	63
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	5	0	0	19	15	0	2	44
Semi-skilled and discretionary decision making	3	0	0	0	10	6	0	2	21
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	34	22	2	4	45	34	0	8	149

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Table 4.3.5.3: Recruitment for the period 1 April 2012 till 31 March 2013

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	1	0	0	1
Senior Management	0	0	0	0	2	0	0	1	3
Professionally qualified and experienced specialists and mid-management	2	2	0	0	1	1	0	1	7
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	1	0	0	1	1	0	0	4
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
Total	3	3	0	0	4	3	0	2	15
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 4.3.5.4: Promotions for the period 1 April 2012 to 31 March 2013

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	1	0	0	1
Senior Management	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	1	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
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
Total	0	0	0	0	1	2	0	0	3
Employees with disabilities	0	0	0	0	0	0	0	0	0

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Table 4.3.5.5: Terminations

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management	0	0	0	0	1	0	0	1	2
Professionally qualified and experienced specialists and mid-management	1	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	6	2	0	0	10
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
Total	2	0	0	0	7	2	0	1	12
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 4.3.5.6: Disciplinary action

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	11	0	0	0	0	1	0	0	12

Table 4.3.5.7: Skills development (In terms of Bursaries)

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	1	0	0	0	0	0	0	0	1
Professionals	1	0	0	0	0	0	0	0	1
Technicians and associate professionals	3	0	0	0	0	0	0	0	3
Clerks	2	2	0	0	0	0	0	1	5
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	7	2	0	0	0	0	0	1	10
Employees with disabilities	0	0	0	0	0	0	0	0	0

4.3.6 Performance Rewards

Table 4.3.6.1: Performance Rewards by race, gender and disability

	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Male	2	17	12%	14 433.55	7216.78
Asian, Male	0	0	0	0	0
Coloured Male	1	13	8%	23 404.35	23 404.35
White Male	0	2	0	0	0
African Female	2	29	7%	12 994.20	6497.10
Asian Female	0	0	0	0	0
Coloured Female	3	20	15%	24 741.70	8247.24
White Female	3	4	90%	31 169.50	10389.84
Total	11	85			9703.94

Table 4.3.6.2: Performance Rewards by salary bands for personnel below Senior Management Service

Salary Bands	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Lower Skilled (Levels 1-2)	0	0	0	0	0
Skilled (level 3-5)	5	21	24%	24849.00	4969.80
Highly skilled production (level 6-8)	2	26	8%	17 730.00	8865
Highly skilled supervision (level 9-12)	4	38	11%	64 165.00	16 041.25
Total	11	85		106 744.00	9704

Table 4.3.6.3: Performance Rewards by critical occupations

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Economist	0	1	0	0	0
Senior Researcher	0	0	0	0	0
Total	0	1	0	0	0

Table 4.3.6.4: Performance related rewards (cash bonus), by salary band for Senior Management Service

Salary Band	Number of beneficiaries			Total Cost (R'000)	Average cost per employee	% of SMS wage bill
	Number of beneficiaries	Number of employees	% of total within band			
Band A	0	0	0	0	0	0
Band B	0					
Band C	1	2	50%	52	52 000	2.1
Band D	0	0	0	0	0	0
Total	1	2	50%	52	52 000	2.1

4.3.7 Foreign Workers

Table 4.3.7.1: Foreign workers by salary band

Salary Band	April 2012		31 March 2013		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	N/A	0	N/A	0	N/A
Highly skilled production (Lev. 6-8)	0	N/A	0	N/A	0	N/A
Highly skilled supervision (Lev. 9-12)	0	N/A	0	N/A	0	N/A
Contract (level 9-12)	0	N/A	0	N/A	0	N/A
Contract (level 13-16)	0	N/A	0	N/A	0	N/A
Total	0	0	0	0	0	0

Table 4.3.7.2: Foreign workers, April 2011 to March 2012 by major occupation

Major occupation	April 2012		31 March 2013		Change	
	Number	% of total	Number	% of total	Number	% Change
	0	N/A	0	N/A	0	N/A

4.3.8 Leave utilisation for the period 1 April 2012 to 31 March 2013

Table 4.3.8.1: Sick leave

GRADE (SALARY BAND)	Total days	Per cent certification	Number of Employees using sick leave	% of total employees using sick leave	Average per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	187		20	95%	9.35	79350.25
Highly skilled production (levels 6-8)	253		31	70%	8.16	159536.15
Highly skilled supervision (levels 9 -12)	394		43	68%	9.16	479278.74
Top and Senior management (levels 13-16)	61		13	62%	4.69	115428.13
Total	895		107	71.81%	8.36	833593.27

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Table 4.3.8.2: Disability leave (temporary and permanent)

GRADE (SALARY BAND)	Total days taken	Per cent certification	Number of Employees using disability leave	% of total employees using disability leave	Average per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 4.3.8.3: Annual Leave

GRADE (SALARY BAND)	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	0	0	0
Skilled Levels 3-5)	531	27	19.66
Highly skilled production (Levels 6-8)	975	45	21.66
Highly skilled supervision(Levels 9-12)	1394	65	21.44
Senior management (Levels 13-16)	482	22	21.9
Total	3382	159	21.27

Table 4.3.8.4: Capped leave

GRADE (SALARY BAND)	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee
Lower skilled (Levels 1-2)	0	0	0
Skilled Levels 3-5)	0	0	0
Highly skilled production (Levels 6-8)	0	0	0
Highly skilled supervision(Levels 9-12)	11	1	11
Senior management (Levels 13-16)	0	0	0
Total	11	1	11

Table 4.3.8.5: Leave payouts

REASON	Total Amount (R'000)	Number of Employees	Average per employee (R'000)
Leave payout for 2011/12 due to non-utilisation of leave for the previous cycle	R15 291.00	1	R15 291.00
Capped leave payouts on termination of service for 2012/13	R45 000.00	1	R45 000.00
Current leave payout on termination of service for 2012/13	R100 702.52	7	R14 386.07
Total	R165 418.68	9	R18 379.85

4.3.9 HIV/AIDS & Health Promotion Programmes

Table 4.3.9.1: 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	None

Table 4.3.9.2: 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.	Yes		Senior Manager: Corporate Affairs, Communications & IT
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.	Yes		2 x Employees in Equal Opportunities
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.		No	N/A
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.		No	N/A
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.		No	N/A
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.	Yes		
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		No	N/A

4.3.10 Labour Relations

Table 4.3.10.1: Collective agreements, 1 April 2012 to 31 March 2013

Subject Matter	Date
None	N/A
Total collective agreements	
None	N/A

Table 4.3.10.2: Misconduct and disciplinary hearings finalised, 1 April 2012 to 31 March 2013

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	None	N/A
Verbal warning	None	N/A
Written warning	5	42%
Final written warning	3	25%
Suspended without pay	3	25%
Fine	None	N/A
Demotion	1	8%
Dismissal	0	N/A
Not guilty	None	N/A
Case withdrawn	None	N/A
Total	12	100%

Table 4.3.10.3: Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Gross insubordination	2	12.5%
Acts of sexual harassment	1	6.25%
Unauthorised leave	1	6.25%
Unauthorised vehicle usage	2	12.5%
Misrepresentation	1	6.25%
Dishonesty	2	12.5%
Failure to carry out a lawful instruction	2	12.5%
Repeated absent from work without permission	4	25%
Disrepute	1	6.25%
Total	16	100%

Table 4.3.10.4: Grievances logged for the period 1 April 2012 till 31 March 2013

	Number	% of Total
Number of grievances resolved	3	100%
Number of grievances not resolved	0	N/A
Total number of grievances lodged	3	100%

Table 4.3.10.5: Disputes logged for the period 1 April 2012 till 31 March 2013

	Number	% of Total
Number of disputes upheld	1	50%
Number of disputes dismissed	1	50%
Total number of disputes lodged	2	100%

Table 4.3.10.6: Strike actions for the period 1 April 2011 till 31 March 2012

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

Table 4.3.10.7: Precautionary suspensions for the period 1 April 2011 till 31 March 2012

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

4.3.11 Skills development

Table 4.3.11.1: Training needs identified 1 April 2012 to 31 March 2013

Occupational Categories	Gender	Number of employees as at 1 April 2012	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	Female	0	0	0	0	0
	Male	2	0	2	0	2
Professionals	Female	3	0	3	0	3
	Male	4	0	4	0	4
Technicians and associate professionals	Female	12	0	12	0	12
	Male	6	0	6	0	6
Clerks	Female	4	0	4	0	4
	Male	5	0	5	0	5
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0

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Occupational Categories	Gender	Number of employees as at 1 April 2012	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	19	0	19	0	19
	Male	17	0	17	0	17
Total		36	0	36	0	36

Table 4.3.11.2: Training provided for the period 1 April 2012- 31 March 2013

Occupational Categories	Gender	Number of employees as at 1 April 2012	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	1	0	1	0	1
	Male	1	0	1	0	1
Professionals	Female	3	0	3	0	3
	Male	4	0	4	0	4
Technicians and associate professionals	Female	11	0	11	0	11
	Male	1	0	1	0	1
Clerks	Female	5	0	5	0	5
	Male	5	0	5	0	5
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	20	0	20	0	20
	Male	11	0	11	0	11
Total		31	0	31	0	31

4.3.12 Injury on duty

Table 4.3.12.1: Injury on duty

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

4.3.13 Utilisation of Consultants

Table 4.3.13.1: Report on consultant appointments using appropriated funds:

Project Title	Total Number of consultants that worked on project	Duration Work days	Contract value in Rand
Feasibility study on a business incubator centre in the John Taolo Gaetsewe District Municipality	1	15.2	220 000
Development of a Provincial Renewable Energy Strategy	3	150	R811 041 (Paid ±R400K by 31 March 2013) project is carried over into the 2013/14 financial year
Maloof Money Cup: Event Management	1	88	985 619
Maloof Money Cup: Sponsorship Management	1	123	798 000
Route sign application	2	60	598 382.31
Review of Tourism Master Plan	1	181	356 261.91
Emthanjeni Goat Cheese Factory Feasibility Study	1	82	157,320
Feasibility study for the Development of a Small Business Incubation Centre in the Sol Plaatje Municipality	2	25	186 276.00
Correction of asset register and related asset management matters	3	37	222 145
Development of the business plan and implementation plan of Kimberley Diamond and Jewellery Hub.	1	76	349,528.56
Consumer Protection Act and establishment of entities related Continued support to NCLB; NCGB; NCEDA and NCTA	1	330	4 090 000
Local Enterprise Fund (LDSW)	1	330	581 000
Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
12	18	1497	9 355 573.78

Table 4.3.13.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Feasibility study on a business incubator centre in the John Taolo Gaetsewe District Municipality	21%	16.7	1
Development of a Provincial Renewable Energy Strategy	80%	80%	2
Maloof Money Cup: Event Management	100%	100%	3
Maloof Money Cup: Sponsorship Management	0%	0%	0
Route sign application	45%	16%	0
Review of Tourism Master Plan	45%	16%	0
Emthanjeni Goat Cheese Factory Feasibility Study	80%	80%	2
Feasibility study for the Development of a Small Business Incubation Centre in the Sol Plaatje Municipality	100%	100%	1
Correction of asset register and related asset management matters	25%	29%	3
The Development of Business Plan and Implementation Plan for the Kimberley Diamond and Jewellery Hub	100%	100%	4
Consumer Protection Act and establishment of entities related Continued support to NCLB; NCGB; NCEDA and NCTA	0%	0%	0
Local Enterprise Fund (LDSW)	33%	37,5%	2

Table 4.3.13.3: Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on project	Duration Work days	Donor and Contract value in Rand
N/A	N/A	N/A	N/A
Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
0	N/A	N/A	N/A

Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
N/A	N/A	N/A	N/A

PART E: FINANCIAL INFORMATION

5.1 Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2013

The Accounting Office is responsible for the preparation of the department's 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 designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements.

In my opinion, the financial statements fairly reflect the operations of the department for the financial year ended 31 March 2013.

The external auditors are engaged to express an independent opinion on the AFS of the department.

The Department of Economic Development and Tourism AFS for the year ended 31 March 2013 have been examined by the external auditors and their report is presented on page 168 to page 171.

The Annual Financial Statements of the Department set out on page 172 to page 250 have been approved.



Mr. Patrick Seboko
ACCOUNTING OFFICER
Department of Economic Development and Tourism
31 May 2013

5.2 AUDITOR GENERAL'S REPORT

REPORT OF THE AUDITOR-GENERAL TO THE NORTHERN CAPE PROVINCIAL LEGISLATURE ON VOTE NO. 6: DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

Introduction

1. I have audited the financial statements of the department of Economic Development and Tourism set out on pages 171 to 250, which comprise the appropriation statement, the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with *The Departmental financial reporting framework* prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (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.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), *the General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. 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 2013, and its financial performance and cash flows for the year then ended in accordance with the Departmental financial reporting framework prescribed by the National Treasury and the requirements of the PFMA and DoRA.

Emphasis of matters

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

Restatement of corresponding figures

8. The corresponding figures for 31 March 2012 have been restated as a result of an error discovered during 2012 in the financial statements of the Department of Economic Development and Tourism at, and for the year ended, 31 March 2012.

Material losses/impairments

9. As disclosed in note 29 to the financial statements, material impairments to the amount of R3 800 000 were incurred as a result of the re assessment of shares.

Material under spending of the budget

10. As disclosed in the appropriation statement, the department has materially under spent the budget on all their programmes to the amount of R11 946 000 mainly due to lack of implementation of all economic development programmes. As a consequence, the department has not achieved its objectives.

Additional matters

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

Financial reporting framework

12. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework. Section 20(2)(a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

Unaudited supplementary schedules

13. The supplementary information set out in annexure 1A to 8 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 thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

14. In accordance with the PAA and the General Notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

15. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 17 to 140 of the annual report.
16. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

17. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matter

18. Although no material findings concerning the usefulness and reliability of the performance information was identified in the of annual performance report, I draw attention to the following matter below. This matter does not have an impact on the predetermined objectives audit findings reported above.

Achievement of planned targets

19. Of the total number of 201 targets planned for the year, 55 of targets were not achieved during the year under review. This represents 27% of total planned targets that were not achieved during the year under review. This was due to the shifting and reprioritizing of funds.

Compliance with laws and regulations

20. I performed procedures to obtain evidence that the department has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the PAA are as follows:

Annual financial statements, performance and annual reports

21. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1) (a) and (b) of the Public Finance Management Act. Material misstatements of non-current assets, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

22. A contract was awarded to a bidder who did not submit a declaration of past supply chain practices such as fraud, abuse of SCM system and non-performance, which is prescribed in order to comply with Treasury regulation 16A9.2.

Human resource management and compensation

23. Employees were appointed without following a proper process to verify the claims made in their applications in contravention of Public Service Regulation 1/VII/D.8.

Internal control

I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

24. The accounting officer did exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls. Oversight was however not fully effective as there was material correction to the financial statements and material non compliance findings.
25. The department did implement effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored. The department have however not fully complied with all DPSA regulations for the appointment of some officials and the management of family responsibility leave.

Financial and performance management

26. The financial statements submitted for auditing were prepared in accordance with the prescribed financial reporting framework. Material misstatements were however identified by the auditors in the submitted financial statement which were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.
27. The department did implement controls over daily and monthly processing and reconciling of transactions, these controls did however not identify material corrections required for accruals and commitments
28. The department did monitor compliance with laws and regulations, the monitoring did however not identify all non compliance with supply chain management and human resource management.

OTHER REPORTS

Investigations

29. An investigation is being conducted to probe the manner in which some projects utilised funds advanced as transfer payments by the department. The investigation aims to establish whether the funds were utilised for the intended purpose and in accordance with approved business plans. The investigation was still ongoing at the reporting date.
30. An investigation is being conducted on request by the department. The investigation was initiated based on the allegation of possible misappropriation of uncut diamonds that was acquired by the department. The investigation was still ongoing at the reporting date.

Auditor General

Kimberley
31 July 2013



The background of the cover page is a landscape photograph of a savanna. In the foreground, there is a field of tall, golden-brown grass. In the middle ground, a single, dark, rounded tree stands on the left. The horizon is flat with some low hills in the distance. The sky is filled with large, white and grey clouds, with sunlight breaking through on the left side, creating a bright glow.

ANNUAL
FINANCIAL
STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2013

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Report by the Accounting Officer to the Executive Authority and Provincial Legislature of the Republic of South Africa.

1. General review of the state of financial affairs

1.1 Important policy decisions and strategic issues facing the department

Our National Government has developed the New Growth Path with its twin imperative policies, (1) to provide a supporting environment for growth and development, while (2) promoting a more labour-absorptive economy. It proposes to eliminate poverty and reduce inequality, by lowering the cost of living for poor households and for businesses through targeted microeconomic reforms, especially in transport, public services, telecommunications and food. Lowering the cost of living is a necessary adjunct to raising the standard of living and encouraging investment for the Northern Cape economy to become more inclusive and grow faster. The National Development Plan Commission builds on this approach and proposes to create 11 million jobs by 2030 through targeted interventions and plans to:

- ◆ Realise an environment for sustainable employment and inclusive economic growth;
- ◆ Promote employment in labour-absorbing industries;
- ◆ Raise export levels and competitiveness;
- ◆ Strengthen government's capacity to give leadership to economic development; and
- ◆ Mobilise all sectors of society around a national vision.

Meeting these objectives require a change in the structure of the economy and the pace at which it grows. The Northern Cape Department of Economic Development and Tourism recognises the New Growth Path and the National Development Plan as the guiding policy frameworks to ensure that it creates the environment, services and opportunities for skills and capacities of the people and organisations to improve their lives. The Northern Cape (NC) Government, as a whole, will continue to implement the policies prepared to support the

organisations, people and communities of the NC to become their own engines of development.

During the year under review, the Department of Economic Development and Tourism (DEDaT) focused on the following sectors: Green Economy; Information & Communication Technology; SMME Beneficiation; Manufacturing; Agriculture; Infrastructure Development; Mining and Mineral beneficiation; and Tourism.

Green Economy

Internationally the concept of sustainable development is combining economic development, social welfare and environmental protection into what is today known as the Green Economy. The DEDaT is leading the creation of the Provincial Renewable Energy Strategy and is scheduled to be completed in the next financial year. The strategy will bring much needed clarity and guidance on how we plan to develop and implement the renewable energy programme of the Province, and will serve to complement our Provincial Climate Change Response Strategy. The natural endowment of our climate places us at an apex to have a greater role in the ever growing clean and green agenda of the country and the world. Subsequently, a solar corridor has been identified between Upington, Groblershoop and Prieska, as the location for a Special Economic Zone (SEZ). Our SEZ will focus on solar energy and the manufacturing of its related components.

The combination of economic development, social welfare and environmental protection will see the first ever Eco Motorsport event this year. This event will be coupled with the second Kalahari Speed Week and continue to assist, the build up towards the Bloodhound Supersonic Car's attempt to break the world land speed record.

Information & Communication Technology

Information and communications technologies (ICTs) ability to rapidly exchange data for the formation of information continues to serve as the precursor for the Information Society and the Knowledge Economy. The DEDaT has implemented remote conferencing facilities, at the Further Education

and Training (FET) colleges in De Aar, Kuruman and Upington. A fourth site is scheduled for completion by April at the Namakwa District Municipality. These facilities are expected to promote the drive towards e-governance and stimulate innovative approaches to closing the vast distances of the Northern Cape. Furthermore, the reduced travel will go a long way towards lowering the carbon footprint of the Province.

The department's wireless mesh network (WMN) pilot in the rural area of John Taolo Gaetsewe (JTG) is proceeding apace. As articulated in the NDP, high-speed broadband internet connectivity, at competitive pricing, is a basis for effective competition. The WMN is partly financed by Kumba Iron Ore Company and will bring much needed internet connectivity to the schools and communities in the JTG. The CSIR's, Meraka Institute is managing the programme and plans for phase one of the network to go live in September 2013. The project still faces a funding shortfall of R5 million and we are engaging InfraCo (Pty) Ltd. to address the funding shortfall.

The Department has doubled its efforts to capacitate SMMEs in the Province on ICTs and demonstrate to them how ICTs can improve their businesses. In addition, information sharing sessions were conducted with emerging ICT enterprises, to inform them on the ICT opportunities emerging in the Province. In particular, the Square Kilometer Array (SKA), Southern Africa's Largest Telescope (SALT) and the establishing of the university, amongst others.

SMME Beneficiation

Government has prioritised entrepreneurship and the advancement of Small, Medium and Micro sized Enterprises (SMMEs) as the catalyst to achieving economic growth and development. The focus on SMMEs is a core area of the DEDaT, expressed through its units of Enterprise Development and Empowerment, and Regional and Local Economic Development. The DEDaT's leading role in SMME development coordinates the delivery of relevant information from key stakeholders, to the furthest corners of the Province. The Provincial SMME 'pilgrimage' with important SMME stakeholders, is

an expression of the Departments performance in taking services to the people. DEDaT also successfully hosted the International Day of Cooperatives in Kimberley.

Manufacturing

Through the Economic Growth and Development Fund (EGDF) the DEDaT has supported various micro and small enterprises in the province. The majority of these were manufacturing enterprises and included the diamond bed factory which created 65 permanent employees. In addition, a biscuit factory in Douglas was supported which now has 15 permanent employees. These are examples of successes emanating from support awarded from the EGDF.

A collaborative project between Provincial and local Government, the small Enterprise Development Agency and private business has led to the establishment of a Malt production plant. This plant will create 20 permanent jobs, 200 temporary jobs and support the sustainable livelihoods of about 2000 people who depend on small farming.

Agriculture

The potential of agriculture to create a million jobs through agricultural development based on effective land reform, the growth of irrigated agriculture and land production is well recognized by the DEDaT. Through the support of the Department, the Namakwa District Municipality is project managing the upgrades and maintenance of the Port Nolloth and Hondeklip Bay harbours and fish factories. The projects are well on track and currently employ 107 people. It is foreseen that the success of these projects will see the Department of Agriculture, Forestry and Fisheries (DAFF) extending their footprint in this area.

Two project feasibilities for regional incubators and one for agro-processing are currently being finalised in the districts of Pixely Ka Seme, John Taolo Gaetsewe and Frances Baard. The Department has also identified the establishment of a meat processing plant and a leather tannery in Groblershoop and Kathu respectively. This projected R570 million investment has the potential to serve markets in Italy,

the USA, Germany and the UK. Approximately 50% of the required farming hectares, will be earmarked for allocation to emerging farmers along with a skills development component to ensure their capabilities.

Infrastructure Development

The NDP emphasised that our country, South Africa, needs to invest in a strong network of economic infrastructure designed to support the country's medium and long-term economic and social objectives. The DEDaT's unit on Regional and Local Development (RaLED), in partnership with Department of Public Works and Department of Agriculture secured R40 million for the Dikgatlong rural investment to build a bridge that will link Wildeklaar and Pniel and is expected to be completed over the next 3 years. This investment will be a crucial catalyst for employment creation and retention, agricultural production and agro-processing.

Mining and Mineral Beneficiation

The National Development Plan (NDP) identified certain structural challenges in the mining sector and placed emphasis on mineral beneficiation, and increasing the rate of mineral extraction. The Department has intervened in the supply side and established a jewellery training academy, known as KIDJA (Kimberley International Diamond and Jewellery Academy). The Academy graduated 96 students in November 2012 with Mining Qualification Authority (MQA) accredited certificates. In the same period, 48 learnerships were awarded under the Mining and Minerals Sector Education and Training Authority (MqaSETA). Of these, 4 were for disabled students to enrol at KIDJA for the MQA accredited courses. Additional infrastructure is currently being built at KIDJA for an incubation centre called the Kimberley Diamond and Jewellery Hub. Funding, amounting to R4.2 million to assist in setting up the incubation centre has been sourced from the Small Enterprise Development Agency (SEDA).

The local mining sector has expressed an interest in locally procuring reflective gear, industrial overalls, headlamps and smart ports amongst others. A company, Sibahle Reflective Gear Co. has been

registered to take up this opportunity and will be supported by the Department. The majority of members of this company consist of disabled persons.

In order to promote local procurement in the mining sector the Department has cooperated with stakeholders for the establishment of the Tsantsabane Black Business Procurement Forum, the John Taolo Gaetsewe Procurement Forum and the Frances Baard Procurement Forum. These forums will support implementation of the Provincial Mining Procurement Initiative (PMPI) and will give effect to the Preferential Procurement Policy Framework Act (PPPFA).

Tourism

Tourism is a key sector of the Northern Cape economy and is making a difference in the lives of ordinary people. This sector is fertile breeding ground for entrepreneurs and SMMEs. The Province welcomed 142, 000 tourists last year who went on an average 254, 000 trips. They stayed an average 4.4 nights, spending R204 million. We are very happy with this performance and look forward to a much increased number of visits in the future given the positive feedback.

We are proud to announce that we have currently, resulting from engagements at trade road shows and exhibitions, a total of 21 joint marketing agreements. These include key source markets such as Germany, Holland, the UK, and watch markets such as China, and Italy and developing markets such as Scandinavia, Italy, Chile, Japan, Southern Korea, Uruguay, Argentina and Brazil. We are looking forward in increasing business from these agreements.

1.2 Spending Trends

The departmental expenditure for the year under review amounted to R223 288 000 (R206 956 000 in 2011/12) which is 94.92% (98.37% in 2011/12) of the allocated budget of R235 254 000 (R210 377 000 in 2011/12). In the 2012/13 financial year the department realized savings to the value of R11 946 000 (R3 421 000 in 2011/12).

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
REPORT OF THE ACCOUNTING OFFICER
For the year ended 31 March 2013

The table below illustrates each program's and the total Departmental unspent funds in the year under review:

Programme	2012/13 R'000	Percentage of final Appropriation
Programme1: Administration	2,119	5.62%
Programme2: Integrated Economic Development Services	15	0.03%
Programme3: Trade and Sector Development	5,843	20.47%
Programme4: Business Regulation and Governance	613	2.35%
Programme5: Economic Planning	2,618	14.84%
Programme6: Tourism	738	1.06%
TOTAL	11,946	5.08%

The financial year 2012/13 savings as per economic classification are:

- ◆ Compensation of employees was R1 650 000 (R96 000 in 2011/12);
- ◆ Goods and services R9 198 000 (R682 000 in 2011/12);
- ◆ Interest and rent on land R42 000 (R55 000 in 2011/12);
- ◆ Transfer payments R11 000 (R7 000 in 2011/12) and
- ◆ Capital goods R1 045 000 (R2 613 000 in 2011/12)

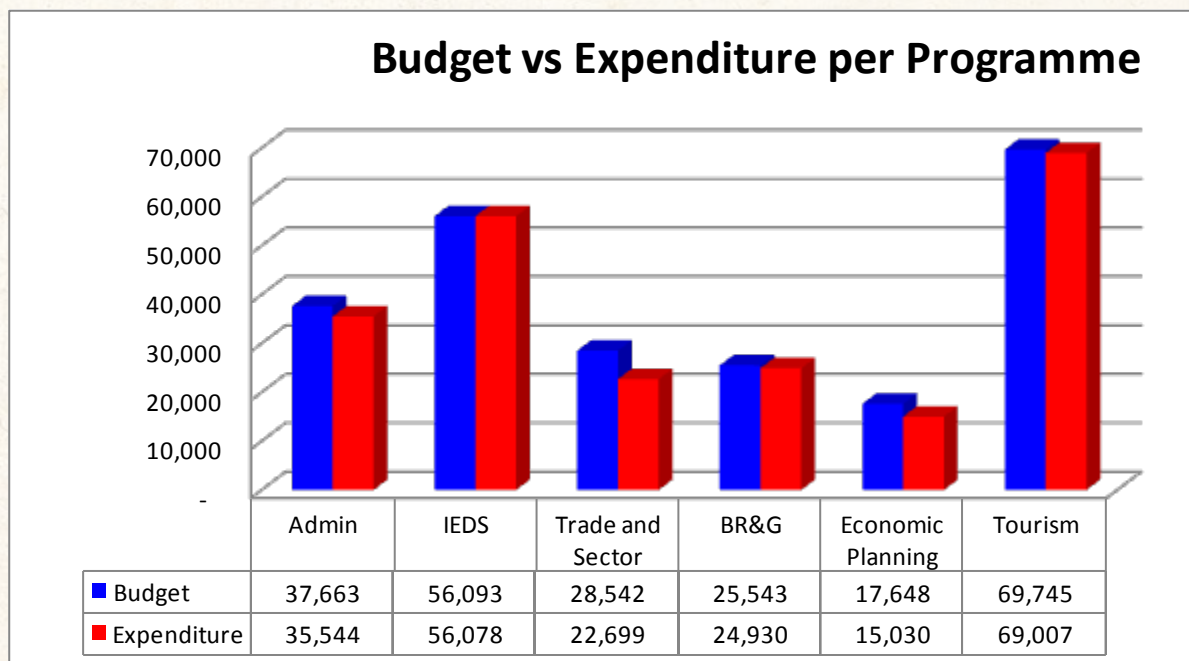
A request for roll-over, in terms of section 6.4 of the Treasury Regulation, has been submitted to Provincial Treasury to the value of R7 694 000. These roll-overs are made up as follows:

- ◆ Goods and Services R6 359 000 (82.65%); and
- ◆ Capital Goods R1 335 000 (17.35%).

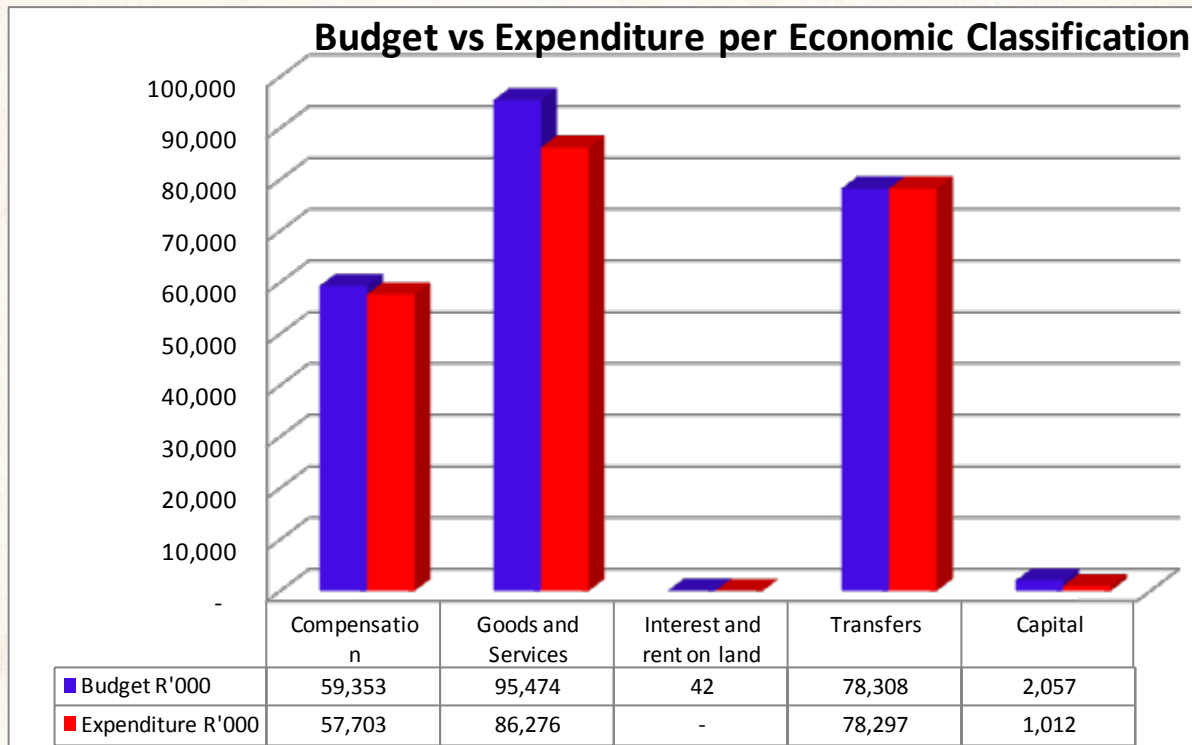
Thus the total real unspent funds amounts to R4 252 000 amounts to 1.81% of the total allocated budget of R235 254 000 for the 2012/13 financial year.

The graphs below illustrate the expenditure patterns for the 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 year under review.

Graph 1: Budget versus Expenditure per Programme for 2012/13



Graph 2: Budget versus Expenditure per Economic Classification 2012/13



1.3 Virement

After the Adjusted Appropriation Act of the 2012/13 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	Business Regulation & Governance	1,477
Administration	Integrated Economic Development Services	100
Integrated Economic Development Services	Trade and Sector Development	52
Integrated Economic Development Services	Tourism	1,041
Integrated Economic Development Services	Economic Planning	210
Integrated Economic Development Services	Business Regulation & Governance	7
Business Regulation & Governance	Administration	1,062
Business Regulation & Governance	Tourism	1
Economic Planning	Integrated Economic Development Services	974
Economic Planning	Business Regulation & Governance	410
Economic Planning	Administration	5
Economic Planning	Tourism	363
Tourism	Business Regulation & Governance	220

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Per economic classification:

From	To	Amount R'000
Compensation	Goods and Services	1,019
Compensation	Transfer payments - Households	23

For more information, please refer to the appropriation statement in the annual financial statements.

1.4 Roll-overs

After the completion of the 2012/13 financial year, the Department realized a savings 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 Provincial Treasury by 30 April 2013.

The submission for roll-over submitted to Provincial Treasury for the Department of Economic Development and Tourism was R7 694 000 and was made up as follows:

- ◆ R735 000 to pay Department of Public Works for the paving done at the Maloof Skate Plaza;
- ◆ R3.2 million to effect the final payment on the Maloof SLC contract for the 2012/13 financial year;
- ◆ R1.6 million for the establishment of the computer refurbishment centre and the implementation of the e-Box digital information solution, all forming part of the INSPIRE project's aim to build an inclusive Provincial knowledge-based economy;
- ◆ R600 000 for the procurement of fleet vehicles for the newly established Consumer Authority and Consumer Court in the Province;
- ◆ R600 000 to develop a Provincial renewable energy strategy;
- ◆ R260 000 for the development and implementation of a business plan for KIDJA
- ◆ R340 000 for the development of the SAM modelling system with DBSA; and
- ◆ R359 000 for the payment on the business plan developed for the Clay Brick Project.

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

Programme	Saving Funds R'000	Roll-over requested R'000	Funds not rolled-over R'000
Administration	2,119	Nil	2,119
Integrated Economic Development Services	15	Nil	15
Trade and Sector Development	5,843	4,060	1,783
Business Regulation and Governance	613	600	13
Economic Planning	2,618	2,299	319
Tourism	738	735	3
Total	11,946	7,694	4,252

2 Service rendered by the department

The Department does not charge tariffs for the services rendered.

2.1 Tariff policy

The Department does not charge tariffs for the services rendered. Tariffs for liquor license fees and gambling taxes are prescribed by the Northern Cape Liquor Act and Northern Cape Gambling Act respectively.

2.2 Free Services

The Department of Economic Development and Tourism does not provide any free basic services that would yield significant revenue had a tariff been charged.

2.3 Inventories

The stock on hand as at 31 March 2012 was R 2 000. For further information on inventory refer to Annexure 6 of the Annual Financial Statements

3 Capacity constraints

Department has experienced the following capacity constraints for the year under review:

3.1 Unfilled posts

This was caused largely by the unfunded posts and delays in job evaluation. Through persal clean-up this problem has been resolved and only funded 30 vacant posts (constituting 14% of vacancy rate) has been targeted to be filled in the coming financial year.

3.2 Job evaluation

Job evaluation was one of the reasons posts remained unfilled. Job evaluation will be outsourced to deal with the backlog and avoid audit queries, while at the same time the HR and embedded persons will be trained as job analysts.

3.3 Office accommodation

Our current office space creates capacity constraint in that even if we were to recruit new employees, there will be a shortage of accommodation for them.

Already the current staffs are packed uncomfortably in an open plan at Khayalabantu. The Department of Public Works and Roads has been approached to assist with the procurement of more buildings in Kimberley.

3.4 Business Continuity Management and Disaster Recovery Plans

One of the weaknesses identified by the Auditor-General is the absence of Business Continuity Management and Disaster Recovery Plans for the department. This has been identified as a capacity constraint. The Department is currently training eight officials in Business Continuity Management and Disaster Management in order to build minimum capacity in these areas.

4 Utilisation of donor funds

The Department of Economic Development and Tourism forwarded two proposals to the European Commission's Sector Budget Support Programme in line with the Employment Creation Fund (ECF) which was launched by President J. G. Zuma on the 11 September 2009.

The two proposals submitted were:

- ◆ Kimberley International Diamond and Jewellery Academy (KIDJA); and
- ◆ Kimberley Diamond and Jewellery Hub.

The objective for KIDJA was to establish an Academy to develop critical skills for the diamond and jewellery industry within the context of the Centre of Excellence: Academy, Incubation Centre, Research and Development, hosting Conferences.

The objective for the Kimberley Diamond and Jewellery Hub was to developed and establish the Kimberley Diamond and Jewellery Hub that will offer access to infrastructure, services, incentives and statutory bodies within a secure environment to new entrants existing in the South African industry and foreign investors.

The total donor funding approved for the Kimberley International Diamond and Jewellery Academy was R18 597 092.00 over a MTEF period, and for the Kimberley Diamond and Jewellery Hub a total funding of R53, 600 000.00 was approved in March 2010 over the MTEF.

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The Provincial Treasury received a total amount of R33 million with respect to the donor funding. DEDaT agreed with Provincial Treasury to draw only amounts as required by the projects. The Department to date spent R22 million and the balance as at 31 March 2013 is R11 million which is in the Provincial Revenue Fund Bank account of Provincial Treasury.

In the financial year under review, the Department requested R2 million from Provincial Treasury and spent R1 605 million and the balance of R395 000 will be surrendered to Provincial Treasury. The Department (DEDaT) will request from Provincial Treasury the outstanding balance to complete the work on the projects.

In the previous financial year the Department constructed additional ablution facilities in the green flank which has just been completed and the payment could only be processed in the first quarter of the 2013/14 financial year. The Department could not complete the carport project since it was delayed due to the following technical reason:

A contractor was appointed to erect the carports at the Kimberley Diamond and Jewellery Centre, the trenches were dug for the carport poles to be mounted, a soil test was done and then results indicated that the ground was not firm enough and needed to be compacted. The project was put on hold because a Technical Engineer needed to be appointed in order to ensure that the ground is compact and strong enough to hold the carport structure, in order to withstand adverse weather conditions. The primary delay in the project was caused by the appointment process of the Technical Engineer. We are in the process of appointing a Technical Engineer in order to fast-track the project. The IDT has been appointed as the project managers for the construction of the Canteen and additional ablution facilities in the yellow flank and the new infrastructure at the Kimberley Diamond and Jewellery Centre. All the above projects were delayed by the procurement process of the IDT to appoint contractors. These projects will be completed in the next financial year.

5 Trading entities and public entities

The Department has four public entities reporting to the accounting officer. The table below indicates these entities:

Name of Entity	Listing Date on schedule 3 of PFMA
Northern Cape Tourism Agency (NCTA)	1 April 1999
NCEDA (Trade and Investment Agency)	1 April 2011
Gambling Board	1 April 2010
Liquor Board	1 September 2011

The Department supports these public entities by means of transfer payments to the entities, based on their annual plans and budget projections, and the entities report to the Accounting Officer on a quarterly basis on the progress in terms of their plans and spending. These entities annually prepare their own financial statements and annual reports and submit them to the accounting officer. For the year under review the all four public entities will submit their own financial statements.

The table below indicates the financial value of the transfer payments to these entities included in the financial statements of the Department:

	NCEDA R'000	NCGB R'000	NCLB R'000	NCTA R'000
Transfer payments	3,147	8,148	6,618	15,447
TOTAL	3,147	8,148	6,618	15,447

6 Organisations to whom transfer payments have been made

During the 2012/13 financial year the following transfer payments have been incurred by the Department:

6.1 Transfers to Local Governments

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATE EXPENDITURE R'000
Kareeberg Municipality	200	200
Mier Municipality via Department of Roads, Transport and Public Works	847	847
Kamiesberg Municipality	50	50
Sol Plaatje Municipality (Rates and Taxes)	77	77
TOTAL	1,174	1,174

The transfer to municipalities was to support tourist projects in the above municipalities with the exception of Sol Plaatje Municipality which represents the Rates and Taxes paid on the buildings the Department occupies.

6.2 Transfers to departmental agencies and accounts

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATE EXPENDITURE R'000
NCTA	15,447	15,447
Frances Baard SMME Trust	8,663	8,663
NCEDA	3,147	3,147
NCGB	8,148	8,148
NCLB	6,618	6,618
Department of Communication (SABC TV License)	1	1
TOTAL	42,024	42,024

This transfer to Frances Baard SMME Trust was made to assist the agency with operational costs, SMME support and to comply with the departmental contractual obligations towards the entity. The transfers to the Public Entities NCTA, NCGB, NCLB and NCEDA are according to the departmental budget and Appropriation Act. These entities carry out certain legislative functions on behalf of the department hence the transfers are utilised for this purpose. The transfer to Department of Communication was to renew the TV Licenses of the Department for the Video Conferencing Facilities.

6.3 Transfers to Public corporations and public enterprises

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATE EXPENDITURE
Diamond Bed Factory	18,000	18,000
Various SMME's – To attend Durban Tourism INDABA (15 SMME's)	150	150
Gariiep Kunstefees	250	250
Eternal City Trading	13,643	13,643
Kimberley Golf Club – Barney Bernato Golf Tournament	100	100
Ntingataka Trading Enterprise	119	119
SANPARKS	600	600
Community projects in Tourism (2 – Richmond and South African San Institute)	280	280

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATE EXPENDITURE
Williston Winter Festival	100	100
WA Sheba Productions	150	150
Tourism Blue Print	50	50
Bright Ideas Project	92	92
Verneukpan Speedweek Event Management	1,375	1,375
TOTAL	34,909	34,909

The identification of projects focussed on the following government priorities:

- ◆ Manufacturing;
- ◆ SMME development and sustainability;
- ◆ Tourism;
- ◆ Township revitalisation; and
- ◆ The empowerment of designated groups.

Please refer to note 7 and annexure 1B, 1C and 1E for additional information.

6.4 Transfers to Households

DESCRIPTION	AMOUNT TRANSFERRED R'000	ESTIMATE EXPENDITURE R'000
Leave gratuity pay-outs – 15 officials	184	184
TOTAL	184	184

According to the new SCOA classifications payments to employees regarding leave gratuity pay-outs must be classified as transfers to households. The payments above are related to these activities in the Department for the year under review. For more detail, please refer to Annexure 1H to the financial statements.

7 Public private partnerships (PPP)

The department does not have any public private partnerships.

8 Corporate governance arrangements

Refer to the Annual Report Part C: Governance, since this section is discussed comprehensively in Part C.

9 Discontinued activities/activities to be discontinued

The department has not discontinued any activity in this financial year.

10 New/proposed activities

There were no new or proposed activities for the financial year under review.

11 Asset Management

During the 2011/12 financial audit, the Department received a qualified audit opinion on assets to the value of R2 772 849, after extrapolation. The asset management unit was tasked to draw up an action plan on how to address the qualification as well as other matters reported on asset management.

The action plan of the asset management unit included inter alia the following:

- ◆ Perform a full count of all Departmental assets in all regions;
- ◆ Update the asset register accordingly with count results;
- ◆ Assign missing bar-codes to all assets;
- ◆ Review the current asset management strategy, asset management policy and disposal of assets policy;
- ◆ Appoint a disposal committee;
- ◆ Dispose of all redundant and absolute assets; and
- ◆ Transfer all assets relating to the public entities to the public entities.

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
 REPORT OF THE ACCOUNTING OFFICER
 For the year ended 31 March 2013

During the full asset counts several assets were not found to be verified and listed as "missing items". A second follow up count was performed whereby the number of "missing items" was reduced. A report on the missing items were then mailed to all programme managers to assist the asset management unit in locating the "missing items" to enable asset management to verify the assets and exclude them from the "missing items" list.

After all these processes were completed a final "missing items" list was compiled. All avenues have been pursued to find these "missing items" without any success. The department subsequently decided to write these "missing items" off to accurately report on the assets of the Department. Details of the "missing items" that has been written off to the total value of R1 907 648.30 are as follows:

Major assets will be decreased with the following amounts:

Description	Total Number of items	Number of items at R1	Number of items at cost	Amount
Audio Visual Equipment	6	0	6	R 52,125.03
Computer Peripherals	14	13	1	R 70.29
Computer Hardware -Desktops	121	80	41	R 272,447.24
Computer Hardware - Laptops	61	2	59	R 766,858.17
Office Equipment	3	0	3	R 13,916.39
Office Furniture	24	1	23	R 170,718.98
Photographic Equipment	1	0	1	R 6,985.00
TOTAL	230	96	134	R 1,283,121.10

Minor assets will be decreased with the following amounts:

Description	Number of items	Number of items at R1	Number of items at cost	Amount
Audio Visual Equipment	19	0	19	R 58,492.00
Laptop Bags	72	5	67	R 33,762.56
Computer Peripherals	17	6	11	R 15,164.80
Computer Equipment - Desktops	95	6	89	R 15,026.14
Kitchen Appliances	43	2	41	R 30,124.99
Office Equipment	47	8	39	R 69,337.79
Office Furniture	485	49	436	R402,618.92
TOTAL	778	76	702	R624,527.20

In addition, minor assets to the value of R141 127.50 were added to the minor asset register, since it represented minor assets transferred from Department of Environment and Nature Conservation but was never uploaded to the asset register.

The asset management unit can provide the following possible reasons for this occurrence:

- ◆ The asset counts of prior years were never updated on the system to generate exceptions to be followed up and sorted out;
- ◆ Losses of assets were not reported to the asset management unit to update the asset register accordingly;
- ◆ Movements of assets due to disposal of assets were never updated on the asset register; and
- ◆ Oversight on the accuracy and completeness of the asset register was not performed timeously and satisfactory.

To address these shortcomings, the asset management unit has reviewed and updated the asset management policy with additional controls, including inter alia:

- ◆ Monthly spot checks on assets;
- ◆ Monthly updates on the asset register with all necessary adjustments;
- ◆ Monthly review of the asset register and all adjustments to it by the asset manager.
- ◆ Monthly reconciliations of the asset register with BAS;
- ◆ Quarterly asset counts;
- ◆ Bi-annual full asset counts;
- ◆ Implementation of "Asset Movement Forms" to manage and control asset movements;
- ◆ Implementation of room inventory lists for each user, which is signed by the user to verify assets in their possession; and
- ◆ Additional controls regarding notification to asset management regarding the assets of suspended and dismissed officials as well as officials who resign.
- ◆ Review of the current asset management strategy, asset management policy and disposal of movable assets policy of the Department, to include additional controls regarding the management of assets of the Department.

We trust that these additional controls will contribute positively towards accounting accurately and completely on assets in future.

Due to new SCOA classifications, assets were re-classified according to these classifications, resulting in the following corrections per category:

Category	Amount
Computer equipment	R226,643.50
Furniture and office equipment	(R359,567.07)
Other machinery and equipment	R132,923.57

The Department furthermore obtained an expenditure breakdown from the Maloof Skateboarding LLC Company, indicating their utilisation of the contract fees in terms of expenditure. Based on this breakdown, the Department calculated that 7% of the contractual payments are in fact attributable to the exclusive use and promotion of the Licensed Product and will therefore be classified as an intangible asset. The correction on intangible assets for the previous years has been disclosed in the

financial statements as per disclosure note 31. This correction will address the qualification received on the omission of the intangible asset related to the Licensed Product.

Please refer to note 31 for more detail.

12 Inventories

All Inventory opening and closing balances, together with movements for the year will be reflected in the Annexure 6 on Inventory.

13 Events after the reporting date

Note should be taken that, included in the movable tangible asset balance are the following assets that will be transferred to other institutions after reporting date:

- ◆ R497,138.09 to be transferred to KIDJA;
- ◆ R237,945.97 to be transferred to Northern Cape Gambling Board; and
- ◆ R129, 075.06 to be transferred to Northern Cape Liquor Board.

14 Information on predetermined objectives

Performance information is an effective tool for management which includes planning, budgeting, risk identification, implementation, monitoring and reporting. The availability of performance information allows managers to pursue results-based management approaches, such as performance contracts, risk management, benchmarking. Through Performance information managers are able to detect whether the department is achieving or not achieving its goals and objectives, it also gives an indication of whether policies and processes are working. The Department improved on guidelines and budget tools to direct programme and responsibility managers to align their annual performance plans to government priorities and policies. The improved budget tools assisted programme and responsibility managers to cost the annual performance plans based on activity based costing.

The following departmental processes are in place to ensure reporting and recording of information on pre-determined objective;

Strategic Plan (SP): The Strategic Plan (3-5years) of the Department is reviewed on an annual basis. The first and the second drafts of the reviewed

SP are submitted to Provincial Treasury in August and December of the preceding financial year respectively. The final reviewed SP is tabled in parliament during February of the preceding year. In the next financial year of 2013-14 the department will embark on developing a new Strategic Plan for the next five year period taking into account the new policy developments such as the New Growth Path and the National Development Plan Vision of 2030.

Annual Performance Plan (APP): The Annual Performance Plan of the Department is developed on an annual basis focusing on achieving objectives as set out in the Strategic Plan in the short term (one year). The first and second drafts of the APP are submitted to Provincial Treasury in August and December of the preceding financial year respectively. The final APP is then tabled at Provincial Treasury and Legislature between February and March of the preceding financial year.

Annual Budget and MTEF: The 1st draft of the Budget of the Department which is aligned to the pre-determined objectives, as per the APP is submitted in July. The 2nd draft of the APP will reflect the budget allocations underpinning the medium-term budget policy statement which is submitted in November. This budget and the planning is for the current financial year as well as the following two years.

Business Plans: Business Plans captures objectives and targets of a specific unit/programme/sub-programme in the department. These are developed to further the achievement of a department's aims and objectives as captured in the APP. Strategic and operational risks are also identified during the planning and budgeting cycles.

Individual Performance Agreement: A performance agreement specifies individual performance targets for the accounting officer and other officials based on or directed by objectives and targets captured in the Programme APP/Business Plan. EPMDs planning documentation are completed by the end of April every financial year.

Monthly Financial Report (IYM): On a monthly basis the Department submit a financial report on expenditure of all programmes to Provincial Treasury before the 15 of each month.

Interim Financial Statements (IFS): On a quarterly basis the Department submits Interim Financial Statements to the Provincial Treasury.

Quarterly non-financial performance report:

A Performance report on progress made on the achievement of objectives as captured in the APP is compiled and submitted to the Office of the Premier, Provincial Treasury and Legislature on a quarterly basis.

Supporting documents in the form of portfolio of evidence (POE) are prepared on a quarterly basis.

Monitoring and Evaluation of Programmes and Projects:

The internal Monitoring and Evaluation unit of the Department submits to the HOD a quarterly report on the implementation and progress made in terms of service delivery programmes and projects implemented by the Department

Individual Performance Assessment:

At the end of every quarter individual performance is reviewed as per the signed agreement. This is done within a month after the end of the quarter. Again at the end of the year individual performance is reviewed within a month after the end of the financial year (in April). Supporting documents in the form of individual portfolio of evidence are submitted with the assessment.

Annual Report:

A report on the Department's performance against all the set targets in relation to strategic objectives and programme performance indicators is submitted to the Auditor General along with the Annual Financial Statements (AFS) by the end of May each year. The Annual Report serves to inform the Legislature and the public how the department has performed in achieving its stated objectives.

Management Performance Assessment Tool (MPAT):

The department assesses its performance on the issues as determined by the National Department of Monitoring and Evaluation and as per Departmental MPAT Action Plan. The department reports on these issues to the Office of the Premier in October. Supporting documentation is submitted with the assessment report.

The Senior Management Advisory Council (SMAC) of the Department plays an active role in the monitoring and evaluation of the performance within the Department. This process unfolds in a monthly meeting setup chaired by the HOD whereby senior managers' reports progress on performance relating to their specific mandates including the cost and expenditure involved.

15 SCOPA Resolutions

Include a table on the SCOPA resolutions. The table should conform to the following format:

Reference to previous audit report and SCOPA resolutions	Subject	Findings on Progress
The department must strengthen the internal controls to ensure that irregular expenditure is detected and prevented	Irregular Expenditure	<p>The Department has developed and implemented a new Supply Chain Management Policy to strengthen the internal controls in order to ensure that irregular expenditure is detected and prevented.</p> <p>The Department has also developed and implemented internal control checklist and Memo's to ensure that treasury regulations with respect to Supply Chain Management practices are adhered to.</p>
The Department must identify the root causes relating to the findings by the office of the Auditor General, implement key drivers for the clean audit outcome and observe the commitments made by the Provincial Government to drive Operation Clean Audit 2014	Action Plans	The department has implemented action plans regarding the audit findings by the Auditor General as part of the operation clean audit 2014. During the financial year under review the Department has implemented the Action Plan and this information has been submitted to Provincial Treasury as part of the oversight body for the Department.

16 Prior modifications to audit reports

In the prior financial year the Department received a qualified audit opinion and the basis for the qualification was on the following:

Nature of qualification	Financial year in which it first arose	Progress made in clearing / resolving the matter*
<p>Movable Tangible Capital Assets</p> <p>The Auditor General was unable to obtain sufficient appropriate evidence to confirm the existence of machinery and equipment as stated at R2 772 894 in the financial statements the departments financial records did not allow confirmation of the physical existence of the these assets by alternative means.</p>	2011-12 Financial year	Management has resolved this finding. See section 11 on Assets for detail explanations.
<p>Immovable Tangible and Intangible Capital Assets</p> <p>The Department did not disclose the tangible and intangible capital assets which emanate from an agreement entered into by the department, as a lead department, on behalf of the Northern Cape Provincial Government to host the Maloof Money Cup.</p>	2011-12 Financial year	Management has resolved this finding. See section 11 on Assets for detail explanations.
<p>Irregular Expenditure.</p> <p>The department did not include in the disclosure notes to the financial statements particulars of irregular expenditure relating travel agents utilised in prior years and discovered during 2011-12 as required by section 40(3)(i) of PFMA resulting in irregular expenditure being understated by R 15 841 304.</p>	2011-12 Financial year	Management has resolved this with the Auditor General who accepted the deviation letters and Management has made the necessary correction as agreed with the Auditor General.
<p>Current Liabilities</p> <p>The department understated voted funds in the reconciliation of net surplus for the year in the statement of financial performance by R8 057 000.</p>	2011-12 Financial year	Management has restated the figures and made the appropriate corrections for the 2011/12 financial year.

17 Exemptions and deviations received from the National Treasury

According to general practice note 5 of 2006/07 the Department of Economic Development and Tourism was granted approval for the irregular expenditure incurred as a result of the Department entering into finance lease transactions with various suppliers in terms of National Treasury's Transversal Contracts RT3 of 2000 and RT3 of 2003 for the supply, delivery, installation, commissioning and maintenance of office equipment and labour saving devices.

18 Interim Financial Statements

The department completed four quarterly interim financial statements for the year under review and submitted to Provincial Treasury.

19 Other

The Statutory Appropriation was paid by Department of Finance. The Member of the Executive Committee (MEC) was appointed as a MEC for Department of Finance, Economic Development and Tourism. The Key Management Personnel range from level 15 to level 14 since these levels represent the Senior Management of the Department.

20 Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2013

The Accounting Office is responsible for the preparation of the department's annual financial statements and for the judgements made in this information.

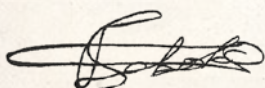
The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements.

In my opinion, the financial statements fairly reflect the operations of the department for the financial year ended 31 March 2013.

The external auditors are engaged to express an independent opinion on the AFS of the department.

The Department of Economic Development and Tourism AFS for the year ended 31 March 2013 have been examined by the external auditors and their report is presented on page 168 to page 171.

The Annual Financial Statements of the Department set out on page 172 to page 250 have been approved.



Mr. P.M Seboko
Accounting Officer
Department of Economic Development and Tourism
28 June 2013

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
 APPROPRIATION STATEMENT
 For the year ended 31 March 2013

Appropriation per programme									
APPROPRIATION STATEMENT	2012/13							2011/12	
	Ad-justed App-ropriation	Shift-ing of Funds	Vire-ment	Final App-ropriation	Actual Ex-pend-iture	Vari-ance	Expend-iture as % of final app-ropriation	Final App-ropriation	Actual Expend-iture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	37,767	(130)	(516)	37,121	35,003	2,118	94.3%	33,564	33,564
Transfers and subsidies	67	129	-	196	195	1	99.5%	-	-
Payment for capital assets	340	1	5	346	346	-	100%	2,178	2,178
Payment for financial assets	-	-	-	-	-	-	-	-	-
2. Integrated Economic Development Services									
Current payment	17,082	-	(261)	16,821	16,818	3	100.0%	17,373	17,340
Transfers and subsidies	39,172	-	(7)	39,165	39,153	12	100.0%	37,197	37,197
Payment for capital assets	75	-	32	107	107	-	100.0%	429	124
Payment for financial assets	-	-	-	-	-	-	-	-	-
3. Trade and Sector Development									
Current payment	23,095	-	52	23,147	17,392	5,755	75.1%	22,574	22,394
Transfers and subsidies	5,265	-	-	5,265	5,265	-	100.0%	12,618	12,612
Payment for capital assets	130	-	-	130	42	88	32.3%	214	85
Payment for financial assets	-	-	-	-	-	-	-	4	4
4. Business Regulation and Governance									
Current payment	10,121	-	389	10,510	9,910	600	94.3%	12,749	12,616
Transfers and subsidies	14,318	-	482	14,800	14,787	13	99.9%	9,510	9,510
Payment for capital assets	52	-	181	233	233	-	100%	675	24
Payment for financial assets	-	-	-	-	-	-	-	-	-
5. Economic Planning									
Current payment	18,275	-	(996)	17,279	14,883	2,396	86.1%	17,815	17,220
Transfers and subsidies	500	-	(500)	-	-	-	-	-	-
Payment for capital assets	415	-	(46)	369	147	222	39.8%	1,400	790
Payment for financial assets	-	-	-	-	-	-	-	-	-
6. Tourism									
Current payment	48,696	-	1,282	49,978	49,975	3	100.0%	18,677	18,669
Transfers and subsidies	18,821	-	73	18,894	18,894	-	100.0%	22,471	22,471
Payment for capital assets	1,043	-	(170)	873	138	735	15.8%	929	158
Payment for financial assets	-	-	-	-	-	-	-	-	-
Subtotal	235,234	-	-	235,234	223,288	11,946	94.9%	210,377	206,956
Statutory Appropriation									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	235,234	-	-	235,234	223,288	11,946	94.9%	210,377	206,956

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
 APPROPRIATION STATEMENT
 For the year ended 31 March 2013

	2012/13		2011/12	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	1,290		1,674	
Direct Exchequer receipts	-		-	
Aid assistance	2,000		12,066	
Actual amounts per statement of financial performance (total revenue)	238,524		224,117	
ADD				
Aid assistance		1,605		8,044
Direct Exchequer payments		-		-
Prior year unauthorised expenditure approved without funding		-		-
Actual amounts per statement of financial performance (total expenditure)		224,893		215,000

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
 APPROPRIATION STATEMENT
 For the year ended 31 March 2013

Appropriation per economic classification									
	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	61,723	(1,328)	(1,042)	59,353	57,703	1,650	97.2%	54,776	54,680
Goods and services	93,270	1,186	1,018	95,474	86,276	9,198	90.2%	67,752	67,070
Interest and rent on land	42	-	-	42	-	42	-	78	55
Transfers and subsidies									
Provinces and municipalities	1,144	30	-	1,174	1,174	-	100.0%	1,070	1,069
Departmental agencies and accounts	34,561	7,414	50	42,025	42,025	-	100.0%	45,668	45,662
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	42,373	(7,414)	(50)	34,909	34,909	-	100.0%	35,058	35,058
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	66	111	23	200	189	11	94.5%	-	-
Gifts and donations	-	-	-	-	-	-	-	-	-
Payments for capital assets									
Buildings and other fixed structures	963	(58)	(170)	735	-	735	-	-	-
Machinery and equipment	992	53	171	1,216	1,007	209	82.8%	5,821	3,339
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	100	6	-	106	5	101	4.7%	150	19
Payments for financial assets	-	-	-	-	-	-	-	4	4
Total	235,234	-	-	235,234	223,288	11,946	94.9%	210,377	206,956

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
 APPROPRIATION STATEMENT
 For the year ended 31 March 2013

Program 1 Per Economic classification	2012/13							2011/12	
	Adjust- ed Appropriation	Shift- ing of Funds	Vire- ment	Final Appropriation	Actual Ex- pendi- ture	Vari- ance	Expend- iture as % of final appropriation	Final Appropriation	Actual expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	17,804	-	1,062	18,866	17,886	980	94.8%	15,448	15,448
Goods and services	19,929	(130)	(1,578)	18,221	17,117	1,104	93.9%	18,067	18,067
Interest and rent on land	34	-	-	34	-	34	-	50	50
Transfers and subsidies									
Provinces and municipalities	47	30	-	77	77	-	100.0%	-	-
Departmental agencies and accounts	2	-	-	2	2	-	100.0%	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	18	99	-	117	117	-	100.0%	-	-
Gifts and donations	-	-	-	-	-	-	-	-	-
Payments for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	340	1	5	346	345	1	99.7%	2,177	2,177
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	38,174	-	(511)	37,663	35,544	2,119	94.4%	35,742	35,742

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
 APPROPRIATION STATEMENT
 For the year ended 31 March 2013

Detail per sub-programme	2012/13							2011/12	
	Adjust- ed Appro- pria- tion	Shift- ing of Funds	Vire- ment	Final Appro- pria- tion	Actual Expendi- ture	Vari- ance	Expendi- ture as % of final appro- pria- tion	Final Appro- pria- tion	Actual ex- pendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the MEC									
Current payment	1,112	475	-	1,587	1,587	-	100.0%	1,891	1,891
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
1.2 Office of the HOD									
Current payment	7,031	437	-	7,468	7,468	-	100.0%	8,349	8,349
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	42	(28)	-	14	14	-	100.0%	1,789	1,789
Payment for financial assets	-	-	-	-	-	-	-	-	-
1.3 Corporate Services									
Current payment	7,786	(122)	29	7,693	7,379	314	95.9%	6,263	6,263
Transfers and subsidies	2	94	-	96	96	-	100.0%	-	-
Payment for capital assets	78	(15)	-	63	63	-	100.0%	111	111
Payment for financial assets	-	-	-	-	-	-	-	-	-
1.4 Financial Management									
Current payment	21,838	(920)	(545)	20,373	18,569	1,804	91.1%	17,061	17,061
Transfers and subsidies	65	35	-	100	99	1	99.0%	-	-
Payment for capital assets	220	44	5	269	269	-	100%	278	278
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	38,174	-	(511)	37,663	35,544	2,119	94.4%	35,742	35,742

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
 APPROPRIATION STATEMENT
 For the year ended 31 March 2013

Program 2 Per Economic classification	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	11,224	-	(1,303)	9,921	9,918	3	100.0%	9,620	9,620
Goods and services	5,857	-	1,042	6,899	6,899	-	100.0%	7,736	7,719
Interest and rent on land	1	-	-	1	-	1	-	17	1
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	7,414	(7)	7,407	7,407	-	100.0%	7,255	7,255
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	39,149	(7,414)	-	31,735	31,735	-	100.0%	29,942	29,942
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	23	-	-	23	12	11	52.2%	-	-
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	75	-	32	107	107	-	100.0%	429	124
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	56,329	-	(236)	56,093	56,078	15	100.0%	54,999	54,661

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
 APPROPRIATION STATEMENT
 For the year ended 31 March 2013

Detail per sub-programme	2012/13							2011/12	
	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
2.1 Enterprise Development									
Current payment	3,928	(238)	(235)	3,455	3,455	-	100.0%	4,083	4,081
Transfers and subsidies	1,507	-	(7)	1,500	1,500	-	100.0%	6,197	6,197
Payment for capital assets	4	(2)	-	2	2	-	100.0%	150	20
Payment for financial assets	-	-	-	-	-	-	-	-	-
2.2 Local Economic Development									
Current payment	5,654	12	-	5,666	5,666	-	100.0%	5,571	5,564
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	3	1	32	36	36	-	100.0%	150	89
Payment for financial assets	-	-	-	-	-	-	-	-	-
2.3 Economic Empowerment									
Current payment	3,510	(12)	(26)	3,472	3,469	3	99.9%	3,830	3,830
Transfers and subsidies	23	-	-	23	23	-	100.0%	-	-
Payment for capital assets	-	1	-	1	1	-	100.0%	100	7
Payment for financial assets	-	-	-	-	-	-	-	-	-
2.4 Economic Growth and Development Fund									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	37,550	-	-	37,550	37,550	-	100.0%	31,000	31,000
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
2.5 Office of the Chief Director									
Current payment	3,990	238	-	4,228	4,228	-	100.0%	3,889	3,865
Transfers and subsidies	92	-	-	92	80	12	87.0%	-	-
Payment for capital assets	68	-	-	68	68	-	100.0%	29	8
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	56,329	-	(236)	56,093	56,078	15	100.0%	54,999	54,661

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
 APPROPRIATION STATEMENT
 For the year ended 31 March 2013

Program 3 Per Economic classification	2012/13							2011/12	
	Adjust- ed Appro- priation	Shift- ing of Funds	Vire- ment	Final Appro- priation	Actual Expendi- ture	Vari- ance	Expendi- ture as % of fi- nal appro- priation	Final Appro- priation	Actual expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	7,926	-	52	7,978	7,978	-	100.0%	6,769	6,769
Goods and services	15,167	-	-	15,167	9,414	5,753	62.1%	15,787	15,624
Interest and rent on land	2	-	-	2	-	2	-	3	1
Transfers and subsidies to:									
Provinces and municipalities	847	-	-	847	847	-	100.0%	-	-
Departmental agencies and accounts	4,403	-	-	4,403	4,403	-	100.0%	12,618	12,612
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	15	-	-	15	15	-	100.0%	-	-
Gifts and donations									
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	130	(6)	-	124	37	87	29.8%	219	85
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	6	-	6	5	1	83.3%	10	-
Payments for financial assets	-	-	-	-	-	-	-	4	4
Total	28,490	-	52	28,542	22,699	5,843	79.5%	35,410	35,095

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
 APPROPRIATION STATEMENT
 For the year ended 31 March 2013

Detail per sub-programme	2012/13							2011/12	
	Adjust- ed Appro- priation	Shift- ing of Funds	Vire- ment	Final Appro- priation	Actual Expendi- ture	Vari- ance	Expendi- ture as % of fi- nal appro- priation	Final Appro- priation	Actual expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Trade and Investment Promotion									
Current payment	4,627	-	-	4,627	4,143	484	89.5%	4,681	4,675
Transfers and subsidies	5,250	-	-	5,250	5,250	-	100.0%	12,618	12,612
Payment for capital assets	30	(24)	-	6	5	1	83.3%	73	29
Payment for financial assets	-	-	-	-	-	-	-	4	4
3.2 Sector Development									
Current payment	5,844	-	-	5,844	4,619	1,225	79.0%	6,090	6,090
Transfers and subsidies	15	-	-	15	15	-	100.0%	-	-
Payment for capital assets	-	24	-	24	24	-	100.0%	8	8
Payment for financial assets	-	-	-	-	-	-	-	-	-
3.3 Strategic Initiatives									
Current payment	10,199	-	-	10,199	6,510	3,689	63.8%	8,357	8,184
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	30	-	-	30	13	17	43.3%	53	19
Payment for financial assets	-	-	-	-	-	-	-	-	-
3.4 Office of the Chief Director									
Current payment	2,425	-	52	2,477	2,120	357	85.6%	3,446	3,445
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	70	-	-	70	-	70	-	80	29
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	28,490	-	52	28,542	22,699	5,843	79.5%	35,410	35,095

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
 APPROPRIATION STATEMENT
 For the year ended 31 March 2013

Program 4 Per Economic classification	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	7,858	(994)	(1,063)	5,801	5,189	612	89.5%	8,306	8,306
Goods and services	2,262	982	1,477	4,721	4,721	-	100.0%	4,309	4,309
Interest and rent on land	-	-	-	-	-	-	-	2	1
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	14,309	-	457	14,766	14,766	-	100.0%	9,510	9,510
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	10	12	-	22	22	-	100.0%	-	-
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	52	-	181	233	232	1	99.6%	757	24
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	50	-
Payments for financial assets									
	-	-	-	-	-	-	-	-	-
Total	24,491	-	1,052	25,543	24,930	613	97.6%	22,934	22,150

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
 APPROPRIATION STATEMENT
 For the year ended 31 March 2013

Detail per sub-programme	2012/13							2011/12	
	Ad-justed Approp-riation	Shift-ing of Funds	Vire-ment	Final Approp-riation	Actual Ex-pendi-ture	Vari-ance	Expendi-ture as % of fi-nal approp-riation	Final Approp-riation	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Corporate Governance									
Current payment	2,039	132	-	2,171	2,171	-	100.0%	2,221	2,221
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	10	-	8	18	18	-	100.0%	3	3
Payment for financial assets	-	-	-	-	-	-	-	-	-
4.2 Consumer Protection									
Current payment	5,968	(982)	342	5,328	4,728	600	88.7%	4,111	4,111
Transfers and subsidies	-	-	-	-	(13)	13	-	-	-
Payment for capital assets	42	-	171	213	213	-	100%	22	21
Payment for financial assets	-	-	-	-	-	-	-	-	-
4.3 Liquor Regulation									
Current payment	379	550	48	977	977	-	100.0%	2,735	2,735
Transfers and subsidies	6,941	(780)	482	6,643	6,643	-	100.0%	3,828	3,828
Payment for capital assets	-	-	2	2	2	-	100.0%	100	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
4.4 Gambling and Betting									
Current payment	1,735	300	(1)	2,034	2,034	-	100.0%	3,682	3,549
Transfers and subsidies	7,377	780	-	8,157	8,157	-	100.0%	5,682	5,682
Payment for capital assets	-	-	-	-	-	-	-	550	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	24,491	-	1,052	25,543	24,930	613	97.6%	22,934	22,150

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
 APPROPRIATION STATEMENT
 For the year ended 31 March 2013

Program 5 Per Economic classification	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	9,852	-	210	10,062	10,007	55	99.5%	8,530	8,434
Goods and services	8,421	-	(1,205)	7,216	4,875	2,341	67.6%	9,282	8,784
Interest and rent on land	2	-	-	2	-	2	-	3	2
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	500	-	(500)	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	315	-	(47)	268	148	120	55.2%	1,370	771
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	100	-	-	100	-	100	-	30	19
Payments for financial assets									
	-	-	-	-	-	-	-	-	-
Total	19,190	-	(1,542)	17,648	15,030	2,618	85.2%	19,215	18,010

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
 APPROPRIATION STATEMENT
 For the year ended 31 March 2013

Detail per sub-programme	2012/13							2011/12	
	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
5.1 Policy and Planning									
Current payment	1,418	1,000	-	2,418	1,514	904	62.6%	1,248	1,172
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	30	-	-	30	5	25	16.7%	70	19
Payment for financial assets	-	-	-	-	-	-	-	-	-
5.2 Research and Development									
Current payment	3,101	-	-	3,101	2,415	686	77.9%	2,971	2,660
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	20	-	-	20	-	20	-	50	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
5.3 Knowledge Management									
Current payment	6,807	-	(36)	6,771	5,965	806	88.1%	9,787	9,782
Transfers and subsidies	500	-	(500)	-	-	-	-	-	-
Payment for capital assets	300	-	(47)	253	131	122	51.8%	1,120	691
Payment for financial assets	-	-	-	-	-	-	-	-	-
5.4 Monitoring and Evaluation									
Current payment	3,076	(1,000)	(159)	1,917	1,917	-	100.0%	1,610	1,410
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	30	-	1	31	2	29	6.5%	80	55
Payment for financial assets	-	-	-	-	-	-	-	-	-
5.5 Office of the Chief Director									
Current payment	3,873	-	(801)	3,072	3,072	-	100.0%	2,199	2,196
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	35	-	-	35	9	26	25.7%	80	25
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	19,190	-	(1,542)	17,648	15,030	2,618	85.2%	19,215	18,010

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
 APPROPRIATION STATEMENT
 For the year ended 31 March 2013

Program 6 Per Economic classification	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	7,059	(334)	-	6,725	6,725	-	100.0%	6,103	6,103
Goods and services	41,634	334	1,282	43,250	43,250	-	100.0%	12,571	12,567
Interest and rent on land	3	-	-	3	-	3	-	3	-
Transfers and subsidies to:									
Provinces and municipalities	250	-	-	250	250	-	100.0%	1,070	1,069
Departmental agencies and accounts	15,347	-	100	15,447	15,447	-	100.0%	16,285	16,285
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	3,224	-	(50)	3,174	3,174	-	100.0%	5,116	5,116
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	23	23	23	-	100.0%	-	-
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	963	(58)	(170)	735	-	735	-	-	-
Machinery and equipment	80	58	-	138	138	-	100.0%	869	158
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	60	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	68,560	-	1,185	69,745	69,007	738	98.9%	42,077	41,298

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
 APPROPRIATION STATEMENT
 For the year ended 31 March 2013

Detail per sub-programme	2012/13							2011/12	
	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
6.1 Research, Planning and Quality Management									
Current payment	4,505	(277)	-	4,228	4,228	-	100.0%	4,148	4,147
Transfers and subsidies	-	-	-	-	-	-	-	400	400
Payment for capital assets	9	8	-	17	17	-	100.0%	60	60
Payment for financial assets	-	-	-	-	-	-	-	-	-
6.2 Partnerships and Industry Development									
Current payment	40,950	417	1,282	42,649	42,646	3	100.0%	10,882	10,877
Transfers and subsidies	18,821	-	73	18,894	18,894	-	100.0%	21,881	21,881
Payment for capital assets	1,032	(9)	(170)	853	118	735	13.8%	813	97
Payment for financial assets	-	-	-	-	-	-	-	-	-
6.3 Tourism Awareness									
Current payment	1,550	(246)	-	1,304	1,304	-	100.0%	1,758	1,758
Transfers and subsidies	-	-	-	-	-	-	-	190	190
Payment for capital assets	-	-	-	-	-	-	-	13	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
6.4 Office of the Chief Director									
Current payment	1,691	106	-	1,797	1,797	-	100.0%	1,889	1,887
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	2	1	-	3	3	-	100.0%	43	1
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	68,560	-	1,185	69,745	69,007	738	98.9%	42,077	41,298

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
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Administration

Current payment	37,121	35,003	2,119	6%
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The saving is on Goods and Services, due to the contract on office leases that did not realise in this financial year.

Trade and Sector Development

Current payment	23,147	17,392	5,755	25%
Payment for capital assets	130	42	88	68%

All appropriated funds for the development of the business plan and implementation plan of the Kimberley Diamond and Jewellery Hub could not be spend in time, submit request for roll-over. The Mining Desk was also not established as planned.

**Business Regulation and
Governance**

Current payment	10,522	9,910	612	6%
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Funds budgeted to procure two vehicles for the Northern Cape Consumer Protection Authority and the Consumer Court could not be spent before the end of the financial year due to the time consuming procurement process. A roll-over request for this was submitted.

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
 NOTES TO THE APPROPRIATION STATEMENT
 For the year ended 31 March 2013

Economic Planning

Current payment	17,280	14,882	2,398	14%
Payment for capital assets	368	148	220	60%

Urban Econ was appointed as a service provider to develop a renewable strategy for the province, but the appointment could not be finalised before year end, hence a request for roll-over was submitted. Request roll-over for the Accounting Matrix and the Clay Brick Project, because the commitment was made, but not paid yet.

Tourism

Payment for capital assets	873	138	735	84%
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Amount budgeted on Buildings & other fixed structures were not spent.

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	59,353	57,703	1,650	3%
Goods and services	95,474	86,276	9,198	10%
Interest and rent on land	42	0	42	100%
Transfers and subsidies				
Provinces and municipalities	1,174	1,174	0	0%
Departmental agencies and accounts	42,025	42,025	0	0%
Foreign governments and international organisations	34,909	34,909	0	0%
Households	200	189	11	6%
Payments for capital assets				
Buildings and other fixed structures	735	0	735	100%
Machinery and equipment	1,216	1,007	209	17%
Software and other intangible assets	106	5	101	95%
Payments for financial assets	-	-	-	-

Personnel were not appointed speedily as planned due to external vetting to be obtained on qualifications. The office rental of the planned new building never materialised. Due to factors outside our control the final Maloof contract payment of 2012/13, the set up of the e-Box and computer refurbishment centre did not materialise prior to year end. The payment to Public Works for the paving at Maloof Skate Plaza did not materialise prior to year end and will be paid in 2013/14.

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 31 March 2013

PERFORMANCE	Note	2012/13 R'000	2011/12 R'000
REVENUE			
Annual appropriation	<u>1</u>	235,234	210,377
Departmental revenue	<u>2</u>	1,291	1,674
Aid assistance	<u>3</u>	2,000	12,066
TOTAL REVENUE		238,525	224,117
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>4</u>	57,703	54,680
Goods and services	<u>5</u>	86,276	67,070
Interest and rent on land	<u>6</u>	-	55
Total current expenditure		143,979	121,805
Transfers and subsidies			
Transfers and subsidies	<u>8</u>	78,297	81,789
Aid assistance	<u>3</u>	1,605	8,044
Total transfers and subsidies		79,902	89,833
Expenditure for capital assets			
Tangible capital assets	<u>9</u>	1,006	3,339
Software and other intangible assets	<u>9</u>	6	19
Total expenditure for capital assets		1,012	3,358
Payments for financial assets	<u>7</u>	-	4
TOTAL EXPENDITURE		224,893	215,000
SURPLUS/(DEFICIT) FOR THE YEAR		13,632	9,117
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		11,946	3,421
Departmental revenue and NRF Receipts	<u>15</u>	1,291	1,674
Aid assistance	<u>3</u>	395	4,022
SURPLUS/(DEFICIT) FOR THE YEAR		13,632	9,117

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
STATEMENT OF FINANCIAL POSITION
as at 31 March 2013

POSITION	Note	2012/13 R'000	2011/12 R'000
ASSETS			
Current assets		20,737	9,635
Cash and cash equivalents	<u>10</u>	12,735	7,880
Prepayments and advances	<u>11</u>	63	494
Receivables	<u>12</u>	7,939	1,261
Non-current assets		3,800	3,800
Investments	<u>13</u>	3,800	3,800
TOTAL ASSETS		24,537	13,435
LIABILITIES			
Current liabilities		13,941	9,635
Voted funds to be surrendered to the Revenue Fund	<u>14</u>	11,946	3,421
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>15</u>	1,471	1,999
Payables	<u>16</u>	129	193
Aid assistance unutilised	<u>3</u>	395	4,022
TOTAL LIABILITIES		13,941	9,635
NET ASSETS		10,596	3,800
Represented by:			
Capitalisation reserve		3,800	3,800
Recoverable revenue		6,796	-
TOTAL		10,596	3,800

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
STATEMENT OF CHANGES IN NET ASSETS
For the year ended 31 March 2013

NET ASSETS	Note	2012/13 R'000	2011/12 R'000
Capitalisation Reserves			
Opening balance		3,800	3,800
Closing balance		<u>3,800</u>	<u>3,800</u>
Recoverable revenue			
Transfers:		6,796	-
Debts raised		6,796	-
Closing balance		<u>6,796</u>	<u>-</u>
Retained funds			
Opening balance		-	8,057
Utilised during the year		-	(8,057)
Closing balance		<u>-</u>	<u>-</u>
TOTAL		<u><u>10,596</u></u>	<u><u>3,800</u></u>

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
CASH FLOW STATEMENT
For the year ended 31 March 2013

CASH FLOW	Note	2012/13 R'000	2011/12 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		257,543	242,229
Annual appropriated funds received	<u>1.1</u>	235,234	210,377
Departmental revenue received	<u>2</u>	20,309	19,786
Aid assistance received	<u>3</u>	2,000	12,066
Net (increase)/decrease in working capital		(6,311)	(2,187)
Surrendered to Revenue Fund		(24,258)	(30,681)
Surrendered to RDP Fund/Donor		(4,022)	-
Current payments		(143,979)	(121,805)
Payments for financial assets		-	(4)
Transfers and subsidies paid		(79,902)	(97,890)
Net cash flow available from operating activities	<u>17</u>	(929)	(10,338)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>9</u>	(1,012)	(3,358)
Net cash flows from investing activities		(1,012)	(3,358)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		6,796	-
Net cash flows from financing activities		6,796	-
Net increase/(decrease) in cash and cash equivalents		4,855	(13,696)
Cash and cash equivalents at beginning of period		7,880	21,576
Cash and cash equivalents at end of period	<u>18</u>	12,735	7,880

ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, 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, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2010.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting.

Under this basis, the effects of transactions and other events are recognised in the financial records when the resulting cash is received or paid. The "modification" results from the recognition of certain near-cash balances in the financial statements as well as the revaluation of foreign investments and loans and the recognition of resulting revaluation gains and losses.

In addition supplementary information is provided in the disclosure notes to the financial statements where it is deemed to be useful to the users of the financial statements.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

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.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Any amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

Any amount due from the Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Fund at the end of the financial year is recognised as a payable in the statement of financial position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure notes to the annual financial statements.

2.3 Direct Exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4 Direct Exchequer payments

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

2.5 Aid assistance

Aid assistance is recognised as revenue when received

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year)

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised

as payables in the statement of financial position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year).

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

3. Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential

liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

3.2 Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5, 000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as goods and services and not as rent on land.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.6 Unauthorised expenditure

When confirmed unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date stipulated in the Act.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

Bank overdrafts are shown separately on the face of the statement of financial position.

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.

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.6 Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.8.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets". On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.8.3 Intangible assets

Initial recognition

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.*

Subsequent expenditure

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the department.

Maintenance is expensed as current "goods and services" in the statement of financial performance.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

5.4 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.5 Accruals

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.6 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as a capital expense in the statement of financial performance and are not apportioned between the capital and the interest portions. The total finance lease payment is disclosed in the disclosure notes to the financial statements.

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

5.8 Impairment

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

5.9 Provisions

Provisions are disclosed 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 will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements. These receivables are written off when identified as irrecoverable and are disclosed separately.

7. Net Assets

7.1 Capitalisation reserve

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 Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

7.2 Recoverable revenue

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 Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

9. Key management personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

10. Public private partnerships

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	Final Appropriation R'000	Actual Funds Received R'000	2012/13 Funds not requested/ not received R'000	2011/12 Appropriation received R'000
Administration	37,663	37,663	-	35,742
Integrated Economic Development Services	56,093	56,093	-	54,999
Trade and Sector Development	28,542	28,542	-	35,410
Business Regulation and Governance	25,543	25,543	-	22,934
Economic Planning	17,648	17,648	-	19,215
Tourism	69,745	69,745	-	42,077
Total	235,234	235,234	-	210,377

Provide an explanation for funds not requested/not received

2. Departmental revenue

	Note	2012/13 R'000	2011/12 R'000
Tax revenue		20,031	19,489
Sales of goods and services other than capital assets	2.1	20	74
Fines, penalties and forfeits	2.2	225	192
Transactions in financial assets and liabilities	2.3	33	31
Total revenue collected		20,309	19,786
Less: Own revenue included in appropriation	15	19,019	18,112
Departmental revenue collected		1,290	1,674

2.1 Sales of goods and services other than capital assets

	Note	2012/13	2011/12
	2	R'000	R'000
Sales of goods and services produced by the department		20	74
Sales by market establishment		20	43
Other sales		-	31
Total		20	74

2.2 Fines, penalties and forfeits

Penalties		225	192
Total		225	192

2.3 Transactions in financial assets and liabilities

Stale cheques written back		-	7
Other Receipts including Recoverable Revenue		33	24
Total		33	31

3. Aid assistance

3.1 Aid assistance received in cash from other sources

Foreign			
Opening Balance		4,022	-
Revenue		2,000	12,066
Expenditure		(1,605)	(8,044)
Transfers		(1,605)	(8,044)
Surrendered to the donor		(4,022)	-
Closing Balance		395	4,022

3.2 Total assistance

Opening Balance		4,022	-
Revenue		2,000	12,066
Expenditure		(1,605)	(8,044)
Transfers		(1,605)	(8,044)
Surrendered / Transferred to retained funds		(4,022)	-
Closing Balance		395	4,022

3.3 Analysis of balance

	Note	2012/13 R'000	2011/12 R'000
Aid assistance unutilised		395	4,022
Other sources		395	4,022
Closing balance		395	4,022

4. Compensation of employees

4.1 Salaries and Wages

Basic salary		40,201	37,933
Performance award		159	70
Service Based		6	343
Compensative/circumstantial		416	262
Periodic payments		171	156
Other non-pensionable allowances		9,869	9,621
Total		50,822	48,385

4.2 Social contributions

Employer contributions

Pension		4,896	4,476
Medical		1,978	1,811
Bargaining council		8	8
Total		6,882	6,295

Total compensation of employees

		57,703	54,680
Average number of employees		169	209

The decrease in average number of employees during the previous financial year resulted in officials being transferred to establish the Gambling and Liquor Boards, as well as the termination of contract appointments in 2012/13.

5. Goods and services

	Note	2012/13	2011/12
	5	R'000	R'000
Administrative fees		1,178	1,513
Advertising		4,183	7,331
Assets less than R5,000	5.1	657	359
Bursaries (employees)		54	58
Catering		1,387	1,627
Communication		1,781	1,562
Computer services	5.2	1,853	2,133
Consultants, contractors and agency/outsourced services	5.3	47,128	18,986
Audit cost – external	5.4	3,326	1,708
Inventory	5.5	1,189	1,815
Operating leases		3,838	4,011
Property payments	5.6	3,346	3,540
Rental and hiring		-	1,184
Transport provided as part of the departmental activities		-	31
Travel and subsistence	5.7	12,393	16,796
Venues and facilities		1,761	1,370
Training and staff development		1,301	2,287
Other operating expenditure	5.8	900	759
Total		86,275	67,070

5.1 Assets less than R5,000

Tangible assets	559	275
Machinery and equipment	559	275
Intangible assets	98	84
Total	657	359

Please refer to Disclosure Note 43.4 for more detail on these purchases.

5.2 Computer services

SITA computer services	1,014	520
External computer service providers	839	1,613
Total	1,853	2,133

5.3 Consultants, contractors and agency/outsourced services

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Business and advisory services		39,524	14,049
Infrastructure and planning		284	334
Legal costs		76	142
Contractors		7,115	4,074
Agency and support/outsourced services		129	387
Total		<u>47,128</u>	<u>18,986</u>

5.4 Audit cost – External

Regularity audits		3,326	1,708
Total		<u>3,326</u>	<u>1,708</u>

5.5 Inventory

Food and food supplies		42	97
Other consumables		6	55
Materials and supplies		21	4
Stationery and printing		1,120	1,659
Total		<u>1,189</u>	<u>1,815</u>

5.6 Property payments

Municipal services		-	1,008
Other		3,346	2,532
Total		<u>3,346</u>	<u>3,540</u>

5.7 Travel and subsistence

Local		8,528	7,374
Foreign		3,865	9,422
Total		<u>12,393</u>	<u>16,796</u>

5.8 Other operating expenditure

Learnerships		-	29
Resettlement costs		185	77
Gifts		1	84
Other		714	569
Total		<u>900</u>	<u>759</u>

6. Interest and rent on land

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Interest paid		-	55
Total		-	55

7. Payments for financial assets

Material losses through criminal conduct		-	4
Other material losses	7.1	-	4
Total		-	4

7.1 Other material losses

Nature of other material losses

Incident	Disciplinary Steps taken/ Criminal proceedings		
Software Lost	Official suspended one month without pay and to re-pay the value of the software over a period of 1 year	-	4
Total		-	4

8. Transfers and subsidies

Provinces and municipalities	<i>Annex 1B</i>	1,174	1,069
Departmental agencies and accounts	<i>Annex 1C</i>	42,025	45,662
Public corporations and private enterprises	<i>Annex 1E</i>	34,909	35,058
Households	<i>Annex 1H</i>	184	-
Gifts, donations and sponsorships made	<i>Annex 1K</i>	5	-
Total		78,297	81,789

Unspent funds transferred to the above beneficiaries

9. Expenditure for capital assets

	Note	2012/13 R'000	2011/12 R'000
Tangible assets		1,006	3,339
Machinery and equipment	30	1,006	3,339
Software and other intangible assets		6	19
Computer software	31	6	19
Total		1,012	3,358

9.1 Analysis of funds utilised to acquire capital assets – 2012/13

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	1,006	-	1,006
Machinery and equipment	1,006	-	1,006
Software and other intangible assets	6	-	6
Computer software	6	-	6
Total	1,012	-	1,012

Please refer to note 30 for more detail on these purchases.

9.2 Analysis of funds utilised to acquire capital assets – 2011/12

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	3,339	-	3,339
Machinery and equipment	3,339	-	3,339
Software and other intangible assets	1,839	-	1,839
Computer software	19	-	19
Patents, licences, copyright, brand names, trademarks	-	-	-
Total	3,358	-	3,358

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10. Cash and cash equivalents

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Consolidated Paymaster General Account		12,736	7,878
Cash receipts		(2)	1
Cash on hand		1	1
Total		12,735	7,880

11. Prepayments and advances

Staff advances		-	88
Travel and subsistence		7	7
Prepayments		-	343
Advances paid to other entities	11.1	56	56
Total		63	494

11.1 Advances paid

Other Institutions	56	56
Total	56	56

12. Receivables

	<i>Note</i>	R'000 Less than one year	R'000 One to three years	R'000 Older than three years	2012/13 R'000 Total	2011/12 R'000 Total
Claims recoverable	12.1	7,125	-	-	7,125	548
Recoverable expenditure	12.2	-	-	-	-	-
Staff debt	12.3	-	197	-	197	183
Other debtors	12.4	-	617	-	617	530
Total		7,125	814	-	7,939	1,261

12.1 Claims recoverable

Provincial departments	329	548
Private enterprises	6,796	-
Total	7,125	548

12.2 Staff debt

Salary reversal	157	140
Salary Tax Debt	19	30
Sal: Deduction Disall Acc: CA	20	11
Sal: Pension Fund: CI	1	-
Sal: Insurance Deductions: CL	-	2
Total	197	183

12.3 Other debtors

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Sal: Income Tax CL		105	24
Disallowance Miscellaneous – Outbound Mission		104	104
Disallowance Miscellaneous – Legaeng Guest House		11	11
Disallowance – Iceberg Trading		19	19
Rec:Dom:CLMs: PVT Ent: Claim Reco		372	372
Sal: Insurance deductions		1	-
Disallowance		5	-
Total		617	530

13. Investments

Non-Current

Shares and other equity

Wavelength 101 (Pty) Ltd		3,800	3,800
Total		3,800	3,800

Total non-current

3,800	3,800
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Analysis of non-current investments

Opening balance		3,800	3,800
Closing balance		3,800	3,800

The Department has a 70% shareholding in Wavelength 101 (Pty) Ltd and the amount disclosed represents the cost price of the shareholding.

This investment has been re-valued subsequent to obtaining the shares and has been impaired to a R 0 value in 2008/09. Please refer to note 29 for the impairment of this investment.

Details of the investment can furthermore be found in Annexures 2A and 2B respectively.

14. Voted funds to be surrendered to the Revenue Fund

Opening balance		3,421	10,713
Transfer from statement of financial performance		11,946	3,421
Paid during the year		(3,421)	(10,713)
Closing balance		11,946	3,421

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

	Note	2012/13 R'000	2011/12 R'000
Opening balance		1,999	2,181
Transfer from Statement of Financial Performance		1,291	1,674
Own revenue included in appropriation		19,018	18,112
Paid during the year		(20,837)	(19,968)
Closing balance		1,471	1,999

16. Payables – current

Other payables	16.1	129	193
Total		129	193

16.1 Other payables

Description			
Payable: Advance Public Corp and Private Enterprises		90	93
GEPF (SAL):ens		16	-
Northern Cape Gambling Board		23	100
Total		129	193

17. Net cash flow available from operating activities

Net surplus/(deficit) as per Statement of Financial Performance	13,632	1,060
Add back non cash/cash movements not deemed operating activities	(14,560)	(11,398)
(Increase)/decrease in receivables – current	(6,678)	330
(Increase)/decrease in prepayments and advances	431	308
Increase/(decrease) in payables – current	(64)	(2,825)
Expenditure on capital assets	1,012	3,358
Surrenders to Revenue Fund	(24,258)	(30,681)
Surrenders to RDP Fund/Donor	(4,022)	-
Own revenue included in appropriation	19,019	18,112
Net cash flow generated by operating activities	(929)	(10,338)

18. Reconciliation of cash and cash equivalents for cash flow purposes

Consolidated Paymaster General account	12,736	7,878
Cash receipts	(2)	1
Cash on hand	1	1
Total	12,735	7,880

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

19. Contingent liabilities and contingent assets

19.1 Contingent liabilities

Liable to	Nature	Note	2012/13 R'000	2011/12 R'000
Claims against the department		<i>Annex 3B</i>	745	520
Other departments (interdepartmental unconfirmed balances)		<i>Annex 5</i>	45	253
Total			790	773

20. Commitments

Current expenditure

Approved and contracted	110,229	7,478
Approved but not yet contracted	914	-
Total	111,143	7,478

Capital expenditure

Approved and contracted	-	-
	-	65,521
	-	65,521
Total Commitments	111,143	72,999

The following commitments exceed a period of one year:

R91, 816 million and R6, 911 million has been committed for the Maloof Money with respect to current and capital expenditure respectively. R2,699 million is allocated for the next three years for service provided to raise sponsorship for the Maloof Money Cup. This is for the South African World Cup Skateboarding qualifying championships to be hosted in Kimberley for the next three years. An amount of R919,880 is for Cleaning Services over the next three years and R4,569 million is allocated for Security Services over the next three years.

21. Accruals

Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	3,310	255	3,565	3,468
Other	-	-	-	9
Total	3,310	255	3,565	3,477

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	<i>Note</i>	2012/13 R'000	2011/12 R'000
Listed by programme level			
Administration		930	1,014
Integrated Economic Development Services		701	566
Trade and Industry Development		1,312	449
Business Regulation and Governance		430	42
Economic Planning		85	68
Tourism		107	1,338
Total		3,565	3,477

Confirmed balances with other departments	<i>Annex 5</i>	37	31
Total		37	31

22. Employee benefits

Leave entitlement*		2,303	2,483
Service bonus (Thirteenth cheque)		1,683	1,499
Performance awards**		657	631
Capped leave commitments		1,709	1,499
Total		6,352	6,112

* Included in the 2012/13 disclosure for leave entitlement is a negative amount of R47 364 for leave owed to the department.

** Performance awards for the financial year 2012/13 are calculated at 1.5% on the 2013/14 financial year budget for Basic Salary of employees in the Department and the for the financial year 2011/12 are calculated at 1.5% on the 2012/13 financial year budget for Basic Salary of employees in the Department.

23. Lease commitments

23.1 Operating leases expenditure

2012/13	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	2,981	-	2,981
Later than 1 year and not later than 5 years	-	-	13,035	-	13,035
Later than five years	-	-	10,392	-	10,392
Total lease commitments	-	-	26,408	-	26,408

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2011/12	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	3,671	-	3,671
Later than 1 year and not later than 5 years	-	-	16,016	-	16,016
Later than five years	-	-	10,393	-	10,393
Total lease commitments	-	-	30,080	-	30,080

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

Company	Property in Kimberley	Escalation Rate per annum	Lease Period	Date of Renewal
Metropolitan	MetLife Towers	7%	24 months	1 July 2013
Ocean Echo Properties	Khaya La Bantu	8%	119 months	1 October 2020

23.2 Finance leases expenditure**

2012/13	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	1,283	1,283
Later than 1 year and not later than 5 years	-	-	-	1,967	1,967
Total lease commitments	-	-	-	3,250	3,250

2011/12	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	301	301
Later than 1 year and not later than 5 years	-	-	-	2,538	2,538
Total lease commitments	-	-	-	2,839	2,839
LESS: finance costs	-	-	-	55	55
Total present value of lease liabilities	-	-	-	2,784	2,784

**This note excludes leases relating to public private partnership as they are separately disclosed to note no.39.

24. Receivables for departmental revenue

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Tax revenue		1,171	360
Total		1,171	360

24.1 Analysis of receivables for departmental revenue

Opening balance		360	173
Less: amounts received		360	173
Add: amounts recognised		1,171	360
Closing balance		1,171	360

25. Irregular expenditure

25.1 Reconciliation of irregular expenditure

Opening balance		37,607	9,933
Add: Irregular expenditure – relating to prior year		-	8,112
Add: Irregular expenditure – relating to current year		400	19,617
Less: Amounts condoned		(24,176)	(55)
Less: Amounts recoverable (not condoned)		(6,796)	-
Less: Amounts not recoverable (not condoned)		(7,035)	-
Irregular expenditure awaiting condonation		-	37,607

Analysis of awaiting condonation per age classification

Current year	-	19,562	
Prior years	-	18,045	
Total	-	37,607	

25.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2012/13 R'000
Supply Chain Management processes not followed for acquisition of goods and services	The official was on precautionary suspension and misrepresented DEDaT, The official did not follow the proper procurement procedure. The official was charged for misconduct and consequently dismissed.	400
Total		400

25.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2012/13 R'000
Cleaning and Security services during 2008/09 financial year	Accounting Officer	1,081
Cleaning and Security services during 2009/10 financial year	Accounting Officer	753
Cleaning and Security services during 2010/11 financial year	Accounting Officer	867
Cleaning and Security services during 2011/12 financial year	Accounting Officer	950
DEDAT Official	Accounting Officer	400
Original Valid Tax Clearance Certificates	Auditor General confirmed the valid Tax Clearance Certificates	1,071
Transfers to SMME's	Accounting Officer	10,942
Travel Agency	Accounting Officer	8,112
Total		<u><u>24,176</u></u>

25.4 Details of irregular expenditure recoverable (not condoned)

KIDJA specialised Training Material	6,796
Total	<u><u>6,796</u></u>

25.5 Details of irregular expenditure not recoverable (not condoned)

Incident	Not condoned by (condoning authority)	
80/20 Preference Points System	National Treasury or Accounting Officer	6,978
ICT related goods and services	National Treasury or Accounting Officer	57
Total		<u><u>7,035</u></u>

26. Fruitless and wasteful expenditure

26.1 Reconciliation of fruitless and wasteful expenditure

	Note	2012/13 R'000	2011/12 R'000
Fruitless and wasteful expenditure – relating to current year		50	-
Less: Amounts resolved		(50)	-
Fruitless and wasteful expenditure awaiting resolution		<u><u>-</u></u>	<u><u>-</u></u>

26.2 Analysis of awaiting resolution per economic classification

Current	50	-
Total	<u><u>50</u></u>	<u><u>-</u></u>

26.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2012/13
Cuban Trip	Cancellation of Cuban trip admin costs	40
Adriaan van Niekerk	Legal settlement costs	10
Total		50

27. Related party transactions

Payments made	Note	2012/13 R'000	2011/12 R'000
Goods and services		163	1077
Total		163	1077
Total		-	-
Other			
Guarantees issued/received			
Investment: Wavelength 101 (Pty) Ltd		-	-
Total		-	-

List related party relationships

- The following related party relationships have been identified by the Department:
The Department has an administrative oversight role over the following public entities of the Department, to whom funds are transferred to via transfer payments, as disclosed in Note 11 and Annexure 1C:
 - Northern Cape Tourism Agency (NCTA);
 - NCEDA;
 - Northern Cape Gambling Board (NCGB); and
 - Northern Cape Liquor Board (NCLB).

The Department paid the car rental of NCLB on their behalf for the period under review. These rentals will be transferred to the individual entities from 1 April 2013 and included in the budgets of the respective entities from 1 April 2013. The first month's office rental has been paid on behalf of the Gambling Board, Liquor Board and NCEDA. It was subsequently transferred to their respective budgets.
- The Department serves as a Trustee on the Board of Trustees of Frances Baard SMME Trust, to whom funds are transferred via transfer payments, as disclosed in Note 11 and Annexure 1C.
- The Department serves as a Trustee on the Board of Trustees of Kimberley International Diamond and Jewellery Academy (KIDJA) and during the financial year under review the Department has assisted them administratively to procure goods and services from the donor funding received from the European Union, since their system of financial and internal controls were not established during the year to enable the Department to transfer the funds to KIDJA. All these transactions are captured under the Employment Creation Fund. Please refer to Note 6.2 for additional details on these transactions.
- The Department has a 70% shareholding in Wavelength 101 (Pty) Ltd, a corrugated iron manufacturing company. This company has been dormant since 2008/09 financial year and no transactions have been entered into with this company. Please refer to Note 14, Annexure 2A and Annexure 2B for more details on the interest of the Department in this company. The investment and related impairment has been written off during the 2011/12 year.
- The Department occupied/utilised two buildings owned by Department of Roads, Transport and Public Works rent free for the period under review

28. Key management personnel

	No. of Individuals	2012/13 R'000	2011/12 R'000
Political office bearers (provide detail below)			
Officials:			
Level 15 to 16	2	2,383	2,223
Level 14 (incl. CFO if at a lower level)	6	4,662	14,653
Total		7,045	16,876

The decrease in key management personnel costs between opening balance and current year is due to the following:

During 2011/12, department included officials on level 13 as key management personnel costs.

During 2012/13, department includes officials only from level 14 as key management personnel costs.

29. Impairment

Impairment			
Investments		3,800	3,800
Debtors		7	7
Other		104	104
Total		3,911	3,911

The impairment represents the total cost price of the investment which was impaired to R(Nil) after a re-evaluation of the investment was done in the 2008/09 financial year and subsequently the investment company has been dormant.

The cost price of the investment can be obtained in Note 10

Details of the investment can be obtained in Annexures 2A and 2B respectively.

The impairment and related investment was written off during the 2011/12 year.

30. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	16,563	(1,292)	1,007	4,145	12,133
Computer equipment	5,252	(812)	370	-	4,810
Furniture and office equipment	3,668	(545)	276	-	3,399
Other machinery and equipment	7,643	65	361	4,145	3,924
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	16,563	(1,292)	1,007	4,145	12,133

Based on the qualification received in 2011/12 financial year, the Department found numerous errors on the asset register, resulting in the following corrections being made to the opening balance of the previous year:

1. Write-off of major assets to the value of R1 283 121.10 in total and as follows per category:

Category	Amount	Number of items at R1	Number of items at cost
Computer equipment	R1 039 375.70	95	101
Furniture and office equipment	R 184 635.37	1	26
Other machinery and equipment	R59 110.03	0	7

Please refer to paragraph 11 of the Accounting Officers Report for more detail.

2. Errors on classification between minor and major assets noted in the asset register totalling R9 000 and as follows per category:

Category	Amount	Number of items at R1	Number of items at cost
Other machinery and equipment	R 9 347.25	0	4

3. Due to new SCOA classifications, assets were re-classified according to these classifications, resulting in the following corrections per category:

Category	Amount
Computer equipment	R 226 643.50
Furniture and office equipment	(R 359 567.07)
Other Machinery and equipment	R 132 923.57

30.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Cash R'000	Non- cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	703	-	304	-	1,007
Computer equipment	370	-	-	-	370
Furniture and office equipment	276	-	-	-	276
Other machinery and equipment	57	-	304	-	361
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	703	-	304	-	1,007

Please refer to Note 9 for additional detail.

30.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
MACHINERY AND EQUIPMENT	-	4,145	4,145	-
Other machinery and equipment	-	4,145	4,145	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	4,145	4,145	-

Included in the transfer out of "Other machinery and equipment" are the following:

1. PVA assets of the 2010 FIFA Soccer World Cup transferred out to the remaining two Municipalities in the districts, to the value of R2 053 million each (R4 106 million in total). These Municipalities are:
 - . Nama Khoi Municipality
 - . Sol Plaatje Municipality
2. One GS50 component of the video conferencing facility at Namakwa District Municipality, which was lost when renovations were made to the municipal building to the value of R39 250.46.

30.3 Movement for 2011/12

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	19,500	3,339	6,276	16,563
Transport assets	-	-	-	-
Computer equipment	4,225	1,144	117	5,252
Furniture and office equipment	3,345	323	-	3,668
Other machinery and equipment	11,930	1,872	6,159	7,643
TOTAL MOVABLE TANGIBLE ASSETS	19,500	3,339	6,276	16,563

30.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2013

	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	-	1,217	-	3,525	-	4,742
Curr Year Adjustments to Prior Year balances	-	14	-	151	-	165
Additions	-	98	-	559	-	657
Disposals	-	-	-	(625)	-	(625)
TOTAL MINOR ASSETS	-	1,329	-	3,610	-	4,939

	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 R1 minor assets	-	-	-	140	-	140
Number of minor assets at cost	-	905	-	2,457	-	3,362
TOTAL NUMBER OF MINOR ASSETS	-	905	-	2,597	-	3,502

Please refer to Note 5.1 for additional detail.

Based on a qualified audit opinion received in 2011/12 financial year, the Department found numerous errors on the asset register, resulting in the following corrections being made to the opening balance of the previous year:

1. Write-off of minor assets to the value of R 624 527.40 in total and as follows per category:

Category	Amount	Number of items at R1	Number of items at cost
Machinery and Equipment	R 624 527.40	76	702

Please refer to paragraph 11 of the Accounting Officers Report and sub-note 43.5 for more detail.

2. Errors on classification between minor and major assets noted in the asset register totalling R 17 242.84 and as follows per category:

Category	Amount	Number of items at R1	Number of items at cost
Machinery and equipment	R 9 347.25	0	4
Intangible	R 7 895.59	0	4

3. Minor assets transferred from Environment and Nature Conservation previously not captured in the asset register:

Category	Amount	Number of items at R1	Number of items at cost
Machinery and equipment	R 141 127.50	0	80

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2012

	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	-	1,133	-	3,250	-	4,383
Additions	-	84	-	275	-	359
Disposals	-	-	-	-	-	-
TOTAL MINOR ASSETS	-	1,217	-	3,525	-	4,742

	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 R1 minor assets	-	-	-	216	-	216
Number of minor assets at cost	-	878	-	3,019	-	3,897
TOTAL NUMBER OF MINOR ASSETS	-	878	-	3,235	-	4,113

30.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2013

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	625	-	625
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	625	-	625

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2012

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	-	-	-
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	-	-	-

31. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance R'000	Current Year Adjust- ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
COMPUTER SOFTWARE	453	(177)	6	-	282
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	10,779	-	-	10,779
TOTAL INTANGIBLE CAPITAL ASSETS	453	10,602	6	-	11,061

The Department was qualified on the non-inclusion of the Maloof Money Cup intangible asset related to the Licensed Product. The correction to the prior year balance of R10 779 000 for this specific item was made in the current financial year, as disclosed above.

During the plan of action implementation to correct the asset register of the Department, it was noted that intangible assets to the value of R 177 352.35 was erroneously disclosed as major intangible assets, and included in the minor disclosure note. The investigation indicated that these items are in fact minor intangible assets, as already included in the minor asset register and disclosed as minor intangible assets, and was therefore erroneously disclosed as major intangible assets in the prior years. The correction of the prior year balance of computer software is therefore related to the correction of this error.

31.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Cash R'000	Non-Cash R'000	(Develop- ment work in progress - current costs) R'000	Received current year, not paid (Paid current year, received prior year) R'000	Total R'000
COMPUTER SOFTWARE	6	-	-	-	6
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	6	-	-	-	6

Please refer to Note 9 for additional detail.

31.2 Movement for 2011/12

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	434	19	-	453
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	434	19	-	453

32. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	213	-	1,438	1,438	213
Other fixed structures	213	-	1,438	1,438	213
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	213	-	1,438	1,438	213

Include discussion here where deemed relevant

Included in the amount above are the following:

1. R213 000 regarding upgrading/improvements at the Frances Oats Wing of the Kimberley Boy's High Hostel where the students from outside Kimberley are housed. This was done based on a lease agreement entered into by the Department and Kimberley Boys' High to supply accommodation for the students of KIDJA. The lease agreement is for the period 1 February 2011 to 30 November 2011 and is renewable on an annual basis for a period of 5 years. The cost price of said upgrading/improvements will be transferred to Kimberley Boys' High School upon termination of the lease agreement.

32.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Cash	Non- cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	1,438	-	-	-	1,438
Other fixed structures	1,438	-	-	-	1,438
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	1,438	-	-	-	1,438

32.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	1,438	1,438	-
Other fixed structures	-	1,438	1,438	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	-	1,438	1,438	-

Include discussion here where deemed relevant

The transfer out represents finished refurbishments at KIDJA which was transferred to Department of Roads, transport and Public Works to be disclosed in their immovable asset register.

32.3 Movement for 2011/12

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	4,979	4,766	213
Other fixed structures	-	4,979	4,766	213
TOTAL IMMOVABLE TANGIBLE ASSETS	-	4,979	4,766	213

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
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**ANNEXURE 1B
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2011/12 Total Available R'000	
	Amount R'000	Roll Overs R'000	Adjust- ments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by municipality R'000	Amount spent by municipality R'000		% of available funds spent by municipality %
Kareeberg Municipality	200	-	-	200	200	100%	-	-	-	100
Sol Plaatje Municipality	-	-	-	-	-	-	-	-	-	150
Dept Transport, Roads & Public Works	847	-	-	847	847	100%	-	-	-	-
Kamiesberg Municipality	50	-	-	50	50	100%	-	-	-	-
Momentum Investments (Sol Plaatje Rates % Taxes for Metlife)	77	-	-	77	77	100%	-	-	-	-
Kai Garip Municipality										269
Ritchersveld Municipality										50
Mier Municipality										500
	1,174	-	-	1,174	1,174	-	-	-	-	1,069

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
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ANNEXURE 1C
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2011/12
	Adjusted Appropriation	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Transferred	Appro- priation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Small Enterprise Development Agency	-	-	-	-	-	-	1,500
Frances Baard SMME Trust	8,663	-	-	8,663	8,663	100%	5,755
NCTA	15,447	-	-	15,447	15,447	100%	14,365
NCEDA	3,147	-	-	3,147	3,147	100%	12,712
Gambling Board	8,148	-	-	8,148	8,148	100%	5,682
Liquor Board	6,618	-	-	6,618	6,618	100%	3,828
SABC	2	-	-	2	2	100%	-
	42,025	-	-	42,025	42,025	-	43,842

**ANNEXURE 1E
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2011/12 Appropriation Act R'000	
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Capital R'000		Current R'000
						%			
Private Enterprises									
Transfers	18,000	-	-	18,000	18,000	100%	-	-	13,000
Diamond Bed Factory	-	-	-	-	-	-	-	-	10
African Diamond Guesthouse	-	-	-	-	-	-	-	-	10
Audrey's Guesthouse	-	-	-	-	-	-	-	-	10
Aukwatowa Tours	-	-	-	-	-	-	-	-	10
Boitumelo JWA Sechaba Guesthouse	10	-	-	10	10	100%	-	-	10
Bosele Tsogang Trading	-	-	-	-	-	-	-	-	10
Buzzing Connection	-	-	-	-	-	-	-	-	3,870
Carnarvon Sweis-en Bou Dienste BK	-	-	-	-	-	-	-	-	138
Chilali Trading 25CC	-	-	-	-	-	-	-	-	100
D Pansi	-	-	-	-	-	-	-	-	100
Gariep Kunstefees	250	-	-	250	250	100%	-	-	250
Hotel Kgalagadi	-	-	-	-	-	-	-	-	10
House of Decor	-	-	-	-	-	-	-	-	491
Ibhotwe Guesthouse	10	-	-	10	10	100%	-	-	175
Independent Development Trust	-	-	-	-	-	-	-	-	1,000
IWRS	-	-	-	-	-	-	-	-	400
Jo's Catering & Guesthouse	-	-	-	-	-	-	-	-	10
Kafi Mr-t/a Sakhisiwe Tour	-	-	-	-	-	-	-	-	25
Kalahari Kuierfees	-	-	-	-	-	-	-	-	100
Karona Trading 720CC	10	-	-	10	10	100%	-	-	50
Ke-Seledile Management & Comm Se	-	-	-	-	-	-	-	-	10
Khamkirri	-	-	-	-	-	-	-	-	600
Kimberley Gold Club	100	-	-	100	100	100%	-	-	100
Leliefontein Culture Camp	10	-	-	10	10	100%	-	-	10

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NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2011/12 Appropriation Act R'000	
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Capital R'000		Current R'000
Leruo's Guesthouse CC	10	-	-	10	10	100%	-	-	50
Letona Guesthouse	-	-	-	-	-	-	-	-	60
Magelevende Lodge	10	-	-	10	10	100%	-	-	60
Mc Gregor Museum	-	-	-	-	-	-	-	-	190
Moving Forward Trading&Prj 199CC	-	-	-	-	-	-	-	-	7,072
Namaqualand Flower Power Run	-	-	-	-	-	-	-	-	30
Ntingataka Trading Enterprise	10	-	-	10	10	100%	-	-	125
Open Africa	119	-	-	119	119	100%	-	-	462
Repa Guesthouse CC	10	-	-	10	10	100%	-	-	10
Richmond Community Dev Foundation	100	-	-	100	100	100%	-	-	100
Sanparks	600	-	-	600	600	100%	-	-	50
Tata Matata Tours	10	-	-	10	10	100%	-	-	10
Thuba Kobo Segole	-	-	-	-	-	-	-	-	20
Undulata Country Lodge	-	-	-	-	-	-	-	-	10
Villa D'Este	10	-	-	10	10	100%	-	-	110
WA Sheba Productions	150	-	-	150	150	100%	-	-	100
Williston Winter Festival	100	-	-	100	100	100%	-	-	100
World Travel & Tours	10	-	-	10	10	100%	-	-	10
Zascotrax (Pty) Ltd t/a Ashanti	-	-	-	-	-	-	-	-	6,000
Bright Ideas Project	92	-	-	92	92	100%	-	-	-
Eternal City Trading 664	13,643	-	-	13,643	13,643	100%	-	-	-
Fritz Johan Edwin	10	-	-	10	10	100%	-	-	-
Heerengracht Hotel	10	-	-	10	10	100%	-	-	-
Mouto Conrad	10	-	-	10	10	100%	-	-	-
Richmond Community	100	-	-	100	100	100%	-	-	-
Riemsmaak Community Dev Trust	10	-	-	10	10	100%	-	-	-
South African San Institute	80	-	-	80	80	100%	-	-	-
The Tourism Blue Print	50	-	-	50	50	100%	-	-	-
Verneukpan Speedweek Event Man	1,375	-	-	1,375	1,375	100%	-	-	-
TOTAL	34,909	-	-	34,909	34,909	-	-	-	35,058

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
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**ANNEXURE 1H
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Bergman HL	10	-	-	10	10	100%	-
Bhunu GM	-	-	1	1	1	100%	-
Dijwe Y	-	-	3	3	3	100%	-
Fortuin K	15	-	-	15	15	100%	-
Kapanda KM	-	-	5	5	5	100%	-
Makhonofane RME	-	-	1	1	1	100%	-
Masike RP	-	-	23	23	23	100%	-
Mathane JE	-	-	6	6	6	100%	-
Mokwena MF	-	-	5	5	5	100%	-
Mzambo NM	23	-	-	23	23	100%	-
Schoeman A	-	-	94	94	94	100%	-
Sei TW	-	-	4	4	4	100%	-
Senye RM	18	-	18	36	18	100%	-
Clear Debt – TSS Jama	-	-	-	-	(13)	-	-
Other	-	-	-	-	(11)	-	-
	66	-	160	226	184	-	-
Total	66	-	160	226	184	-	-

**ANNEXURE 1J
STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDI- TURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
European Donor	Employment creation Fund KIDJA	4,022	2,000	5,627	395
Subtotal		4,022	2,000	5,627	395
TOTAL		4,022	2,000	5,627	395

**ANNEXURE 1K
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND
PAYMENTS MADE AS AN ACT OF GRACE**

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2012/13	2011/12
	R'000	R'000
Paid in cash		
Laerskool Groenpunt	-	20
Qumashe	-	25
Bontekoe Mine disaster in Namaqualand	5	-
Subtotal	5	45
Made in kind		
Kgabisho Trading	-	19
Pep Store	-	31
Ton Arts Signs	-	17
C. Louw	-	8
C. Louw	-	6
Subtotal	-	81
TOTAL	5	126

**ANNEXURE 2A
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES**

Name of Public Entity	State Entity's PFMA Schedule type (state year end if not 31 March)	% Held 12/13	% Held 11/12	Number of shares held		Cost of investment R'000		Net Asset value of investment R'000		Profit/(Loss) for the year R'000		Losses guaranteed
				2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	
National/Provincial Public Entity												
Wavelength 101 (Pty) Ltd	N/A	70%	70%	70	70	3,800	3,800	-	-	-	-	-
Subtotal				70	70	3,800	3,800	-	-	-	-	-
TOTAL				70	70	3,800	3,800	-	-	-	-	-

The Department acquired a 70% shareholding in this corrugated iron manufacturing company in 2003/04 financial year at a cost price of R3,800 000.00 representing 70 shares.

Please refer to Note 10 for the cost price of this investment.

During the 2008/09 financial year a re-valuation of this investment was performed by the Department, which resulted in the investment being impaired to Rzero in the 2008/09 financial year. Subsequent to the re-valuation, this company has been dormant. Please refer to Note 40 for the impairment of this investment. Also refer to Annexure 2B for more information on this investment. The investment and impairment was written off in the 2011/12 year.

**ANNEXURE 2B
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)**

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by Entities	
		R'000		R'000		R'000		R'000	
		2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12
Controlled entities									
Wavelength 101 (Pty) Ltd	Corrugated iron Manufacturing	3,800	3,800	-	-	-	-	-	-
Subtotal		3,800	3,800	-	-	-	-	-	-
TOTAL		3,800	3,800	-	-	-	-	-	-

The Department acquired 70% shareholding in this corrugated iron manufacturing company in 2003/04 financial year at a cost price of R3 800 000.00, representing 70 shares (see Note 10) for the cost price of the investment.

During 2008/09 financial year a re-valuation of this investment was performed by the Department which resulted in the investment being impaired to Zero. Subsequent to the re-valuation, this company has been dormant. Please refer to Note 40 for the impairment of this investment. Also refer to Annexure 2A for more information on this investment. The investment and impairment was written off in the 2011/12 year.

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
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**ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2012**

Nature of Liability	Opening Balance 1 April 2012 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2013 R'000
Claims against the department					
SAPS	1	-	-	-	1
Ngxazana – Liquor Board	-	200	-	-	200
Adriaan Van Niekerk	75	-	75	-	-
Adv Babuseng	106	-	-	-	106
Gaborone TB	338	-	-	-	338
Jama Sparks	-	100	-	-	100
Subtotal	520	300	75	-	745
TOTAL	520	300	75	-	745

**ANNEXURE 4
CLAIMES RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Environment and Nature Conservation	59	195	-	203	59	398
Sports, Arts & Culture	-	129	100	100	100	229
Transport, Safety & Liaison	-	-	126	100	126	100
Premier's Office	-	-	-	126	-	126
Transport, Public Works	19	-	-	19	19	19
Treasury	25	-	-	-	25	-
	103	324	226	548	329	872
TOTAL	103	324	226	548	329	872

NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM VOTE 6
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 5
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Environment and Nature Conservation	-	-	-	242	-	242
Premier's Office	-	-	-	11	-	11
Legislature	-	4	-	-	-	4
Department of Justice	14	27	-	-	14	27
Department Economic Development Gauteng Province	23	-	-	-	23	-
Department of Sports, Arts and Culture-Northern Cape			45		45	
Subtotal	37	31	45	253	82	284
Total	37	31	45	253	82	284

**ANNEXURE 6
INVENTORY**

Inventory	Note	Quantity	2012/13	Quantity	2011/12
			R'000		R'000
Opening balance		777	32	371	35
Add/(Less): Adjustments to prior year balance				-	-
Add: Additions/Purchases - Cash		2,114	1,189	7,263	1,814
Add: Additions - Non-cash					
(Less): Disposals					
(Less): Issues		-	-	(6,857)	(1,817)
Add/(Less): Adjustments		(2,827)	(1,219)	-	-
Closing balance		64	2	777	32



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