



## Economic Development & Tourism

Department:  
Economic Development & Tourism  
NORTHERN CAPE PROVINCE



# ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2017



**ANNUAL REPORT**  
**For the year ended the 31 March 2017**



**Mr MacCollen Ntsikelelo Jack**  
MEC for Finance, Economic  
Development and Tourism



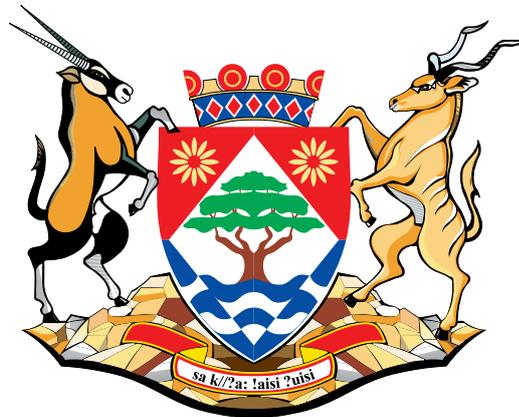
**D Babuseng**  
Acting Head of Department  
Economic Development and  
Tourism



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



**Mr K Packirisammy**  
Chief Financial Officer



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



**Mr D Christians**  
Executive Manager  
Small Business Development



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



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



**Mr S Mabilo**  
Executive Manager  
Policy, Research and Innovation



**Ms J Wilson**  
Executive Manager  
Tourism

**ANNUAL REPORT****For the year ended the 31 March 2017**

# TABLE OF CONTENTS

<b>PART A: GENERAL INFORMATION</b>	3
1.1 DEPARTMENT GENERAL INFORMATION	3
1.2 LIST OF ABBREVIATIONS/ ACRONYMS	4
1.3. FOREWORD BY THE MEC	6
1.4. REPORT OF THE ACCOUNTING OFFICER	8
1.5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT	19
1.6. STRATEGIC OVERVIEW	20
1.7 LEGISLATIVE MANDATE	21
1.8. ORGANISATIONAL STRUCTURE	25
1.9 ENTITIES REPORTING TO THE MEC	26
<b>PART B: PERFORMANCE INFORMATION</b>	28
2.1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES	29
2.2. OVERVIEW OF DEPARTMENTAL PERFORMANCE	29
2.3. STRATEGIC OUTCOME ORIENTED GOALS	51
2.4. PERFORMANCE INFORMATION BY PROGRAMME	62
2.5. TRANSFER PAYMENTS	105
2.6. CONDITIONAL GRANTS	109
2.7. DONOR FUNDS	111
2.8. CAPITAL INVESTMENTS	112
<b>PART C: GOVERNANCE</b>	113
3.1. INTRODUCTION	114
3.2. RISK MANAGEMENT	114
3.3. FRAUD AND CORRUPTION	115
3.4. MINIMISING CONFLICT OF INTEREST	115
3.5. CODE OF CONDUCT	115
3.6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES	115
3.7. PORTFOLIO COMMITTEES	116
3.8. SCOPA RESOLUTIONS	116
3.9. PRIOR MODIFICATIONS TO AUDIT REPORTS	117
3.10. INTERNAL CONTROL UNIT	117
3.11. INTERNAL AUDIT AND AUDIT COMMITTEES	117
3.12. AUDIT COMMITTEE REPORT	119
<b>PART D: HUMAN RESOURCE MANAGEMENT</b>	121
4.1. INTRODUCTION	122
4.2. HUMAN RESOURCE OVERSIGHT STATISTICS	123
<b>PART E: FINANCIAL INFORMATION</b>	148
5.1 REPORT OF THE AUDITOR GENERAL	149
5.2. ANNUAL FINANCIAL STATEMENTS	154

**GENERAL INFORMATION**

**For the year ended the 31 March 2017**

# PART A: GENERAL INFORMATION

## 1.1 DEPARTMENT GENERAL INFORMATION

**PHYSICAL ADDRESS** : MetLife Towers  
Corner of Stead and Knight Street

**POSTAL ADDRESS** : Private Bag X6108  
KIMBERLEY  
8300

**TELEPHONE NUMBER/S** : 053 839 4000  
**FAX NUMBER** : 053 831 3668

**EMAIL ADDRESS** : [tpalm@ncpg.gov.za](mailto:tpalm@ncpg.gov.za)  
**WEBSITE ADDRESS** : <http://economic.ncape.gov.za>



**GENERAL INFORMATION****For the year ended the 31 March 2017**

## 1.2 LIST OF ABBREVIATIONS/ ACRONYMS

<b>ABBREVIATION</b>	<b>MEANING</b>
<b>AGSA</b>	Auditor-General of South Africa
<b>AO</b>	Accounting Officer
<b>BBBEE</b>	Broad-Based Black Economic Empowerment
<b>BRICS</b>	Brazil, Russia, India, China and South Africa
<b>CAD</b>	Computer Aided Design
<b>CAM</b>	Computer Aided Manufacturing
<b>CFO</b>	Chief Financial Officer
<b>CSIR</b>	Council for Scientific and Industrial Research
<b>DEDaT</b>	Department of Economic Development and Tourism
<b>DGDS</b>	District Growth and Development Strategy
<b>DIRCO</b>	The Department of International Relations and Cooperation
<b>DSDf</b>	District Spatial Development Framework
<b>DTI</b>	Department of Trade and Industry
<b>EIA</b>	Enterprise Information Architecture
<b>EHW</b>	Employee Health and Wellness.
<b>ETAC</b>	Economic Technical Advisory Committee
<b>EXCO</b>	Executive Committee
<b>EPWP</b>	Extended Public Works Programme
<b>ESSA</b>	Economic Society of South Africa
<b>ETAC</b>	Economic Technical Advisory Committee
<b>EU</b>	European Union
<b>FABCOS</b>	Foundation for African Business and Consumer Services
<b>GDP-R</b>	Gross Domestic Product per Region
<b>HIPCC</b>	High Impact Project Coordinating Committee
<b>HOD</b>	Head of Department
<b>ICT</b>	Information and Communication Technology
<b>IDC</b>	Industrial Development Cooperation
<b>IDP</b>	Integrated Development Plan
<b>IDT</b>	Independent Development Trust
<b>IEDS</b>	Integrated Economic Development Services
<b>IYM</b>	In-Year Monitoring
<b>JTG</b>	John Taolo Gaetsewe
<b>KIDJA</b>	Kimberley International Diamond and Jewellery Academy
<b>KM</b>	Knowledge Management
<b>KD &amp; JC</b>	Kimberley Diamond & Jewellery Centre
<b>LED</b>	Local Economic Development

**GENERAL INFORMATION****For the year ended the 31 March 2017**

<b>ABBREVIATION</b>	<b>MEANING</b>
<b>MEC</b>	Member of Executive Committee
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTSF</b>	Medium Term Strategic Framework
<b>MIS</b>	Management Information System
<b>M &amp; E</b>	Monitoring and Evaluation
<b>MQA</b>	Mining Qualification Authority
<b>NCYCC</b>	Northern Cape Youth Chamber of Commerce
<b>NDP</b>	National Development Plan
<b>NEF</b>	National Empowerment Fund
<b>PGDS</b>	Provincial Growth and Development Strategy
<b>PAIA</b>	Promotion of Access to Information Act
<b>PAJA</b>	Promotion of Administrative Justice Act
<b>PFMA</b>	Public Finance Management Act
<b>RALED</b>	Regional and Local Economic Development
<b>REDS</b>	Regional Economic Development Services
<b>R&amp;D</b>	Research & Development
<b>SCM</b>	Supply Chain Management
<b>RWOPS</b>	Remuneration for Work Outside the Public Service
<b>SADPMR</b>	South African Diamond and Precious Metals Regulator
<b>SAT</b>	South African Tourism
<b>SDIP</b>	Service Delivery Improvement Plan
<b>SEDA</b>	Small Enterprise Development Agency
<b>SHERQ</b>	Safety, Health, Environment, Risk and Quality
<b>SIPP</b>	Swiss Import Promotion Programme
<b>SITA</b>	State Information Technology Agency
<b>SIP</b>	Strategic Integrated Project
<b>SLA</b>	Service Level Agreement
<b>SMME</b>	Small Medium and Micro Enterprises
<b>SPLUMA</b>	The Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA).
<b>TSA</b>	Tourism Satellite Account
<b>TVET</b>	Northern Cape Technical Vocational Education and Training
<b>TWIB</b>	Technology for Women in Business
<b>VFR</b>	Visiting Friends and Relatives
<b>UNWTO</b>	United Nations World Tourism Organisation
<b>WEMI</b>	Women Empowerment Movement International
<b>WiLAT</b>	Women in Logistics and Transport

**FOREWORD BY THE MEC**

**For the year ended the 31 March 2017**



We are mindful of the fact that the world is moving towards technological revolution...



## 1.3. FOREWORD BY THE MEC

I am tabling the Department of Economic Development and Tourism's (DEDaT) Annual Report at the time when the provincial annual growth for 2015 was 0.9%, measured at constant 2010 prices compared to national growth of 1.3%.

This was a significant decline in provincial growth against 2.8% in 2014.

The provincial economy was however not protected from the global developments, more so the commodity prices stalemate combined with the structural constraints that have persistently plagued our national economy.

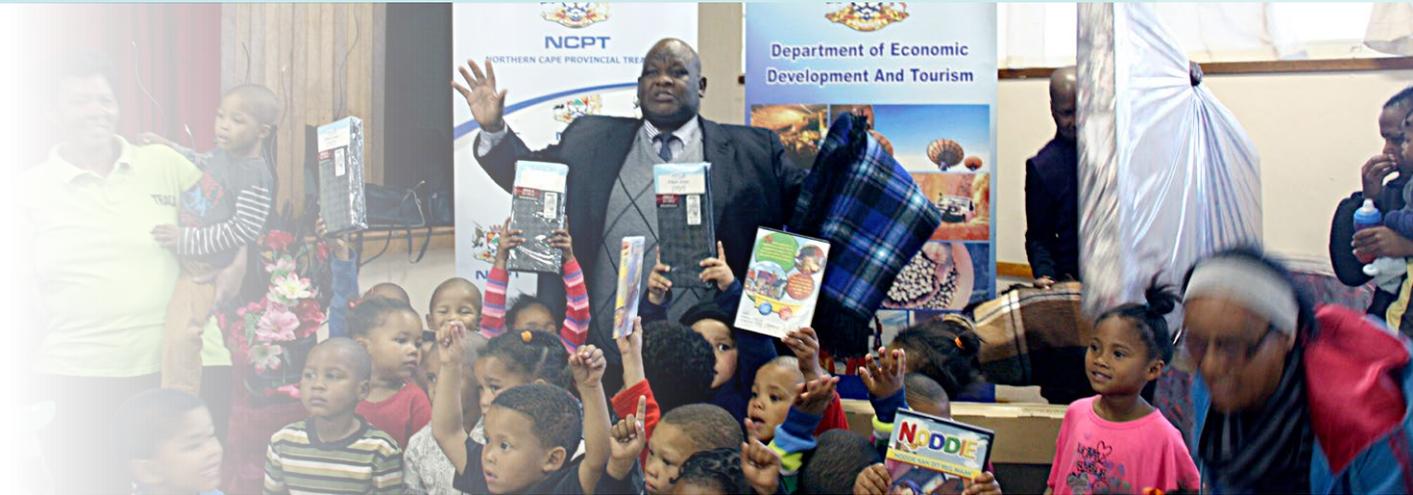
Without a doubt, the Northern Cape is rich with minerals and world class iron ore and manganese deposits which are extracted in the eastern part of the province. In addition a considerable amount of diamond production occurs across the entire province.

There is also a production of base metals in the form of copper, lead and zinc. Over and above the mineral endowments, the province also has substantial economic agricultural potential. As a result of primary resource endowments, primary sectors such as mining and agriculture, have been the mainstay of the Northern Cape economy.

According to the Quarterly Labour Force Survey (QLFS) which was released by StatsSA, unemployment in the province in the fourth quarter of 2016/2017 was measured at 32.0%, an increase of 4.2% points from the first quarter of 2016.

**FOREWORD BY THE MEC**

**For the year ended the 31 March 2017**



We are mindful of the fact that the world is moving towards a technological revolution and as the department we should decide on the best way to create jobs- whether through manual labour or technology.

These can be achieved if we put more effort in the implementation of the key Nine-Point Plan areas to reignite growth so that the economy can create the much needed jobs.

The focus areas include industrialisation, mining and beneficiation, agriculture and agro-processing, energy, small, medium and micro enterprises, attracting investments, growing the ocean economy and tourism.

In 2016 the department hosted a successful SMMEs & Co-operatives and Procurement Indaba. The Indaba provided a platform for SMMEs and Co-operatives to discuss key challenges, opportunities and repositioning of procurement in the private, parastatals and public institutions, as a tool for radical economic transformation in the province.

To achieve our ambitions for radical economic transformation, that is inclusive, we have to work together to build an economy in which business can grow and prosper and in which community organisations have a place alongside government in delivering public services.

All officials in DEDaT will put their hands on the deck in order to achieve tremendous results on:

- Small business development
- Trade and sector development
- Business regulation and governance
- Research and innovation and
- Tourism

The Annual Report 2016/17 demonstrates the Department's commitment to address the triple challenges of poverty, inequality and unemployment.

I hereby table the annual report for the year ended 31 March 2017.

**Mr MacCollen Ntsikelelo Jack**  
**MEC for Finance, Economic Development and Tourism**

**REPORT OF THE ACCOUNTING OFFICER**  
**For the year ended the 31 March 2017**

## 1.4. REPORT OF THE ACCOUNTING OFFICER

### 1.4.1. OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT

Radical Economic Transformation is the inherent development principles as expanded in the National Development Plan, the New Growth Path, the Industrial Policy Action Plan, the Agricultural Policy Action Plan, the Nine Point Plan and the various Operations Phakisa.

The Merriam-Webster dictionary defines “radical” as “very different from the usual or traditional” and “favouring extreme changes in existing views, habits, conditions, or institutions”. It thus implies that “radical” bears reference on bringing about a marked change to the fundamental ways in which things have been done. In this instance it implies changing the fundamental economic practices that has characterised the way in which business was conducted in order to grow the South African economy.

In an article entitled “What we mean by radical economic transformation?” (26 June 2014) Rob Davies described it as “...the radical transformation of the productive structures of our economy. It must mean radical transformation of production relations; less conflictual, characterised by more equitable benefit-sharing and by less inequality. It must mean placing job creation at the heart of work programmes and promoting a more inclusive job-rich pattern of growth.”

And this is indeed what is at the centre of the objectives of the Department. Economic Development and Tourism in the Northern Cape’s production relations are improved with the constant pursuit to eradicate duplication of functions and the development of an Organogramme that is designed to deliver on the mandate of the Department in an effective and efficient manner. To this end the oversight function of the entities NCEDA and NCTA were given to Programmes Three and Six respectively. The rationale behind this decision is that the budget for these entities reside in these respective programmes. The process to rationalise the Liquor Board and the Gambling Board into a single entity was advanced.



**REPORT OF THE ACCOUNTING OFFICER  
For the year ended the 31 March 2017**

All activities are guided by the developmental objectives as espoused in the National Development Plan, New Growth Path, Industrial Policy Action, the Nine Point Plan and the "Operations Phakisa" that find expression in the provincialization of these developmental objectives. The aim is to ensure the sustainable economic development of the province. Hence during the financial year 16/17 the Department facilitated the participation of 15 emerging SMME's to three exhibitions locally, nationally and internationally to expose them at such platforms, market their products and more importantly to look for export opportunities. These were The Northern Cape Food and Wine Show in Upington, South African International Trade Exhibition in Midrand, Johannesburg and the Mineral and Gem fair in Chenzhou, China in the province called "Hunan". The province signed an Action/Implementation Plan as per the agreed outcomes of the MOU signed with Hunan province during the financial year 2015/16.

There have been further developments with respect to the Metals Cluster with at least four firms indicating their intention to locate in the Cluster and have subsequently delivered their business proposals that are specific to the Metals Cluster.

These businesses have, with the support of the Department, further established themselves into a Non Profit Cluster Management Company that will be responsible for the implementation of a 3-year Cluster Business Plan. In terms of changing the fundamental economic practices that have historically characterised the economic landscape of the Province the Department has striven to diversify the economy by actively seeking to improve the skills vacuum that prohibits the citizens of the Province from taking advantage of the economic opportunities available to them. This will assist them in digitizing their manufacturing skills.

In terms of fostering the development of skills in the province, four students completed an internship programme on a Computer Aided Design course and currently 8 students are under-going a Computer Aided Design (CAD) Skills Programme at the Moremogolo FET College in Kimberley.

Sixteen students were enrolled at KIDJA for training in a short course on rough diamond evaluation. This training enables them to acquire a diamond dealer's licence and afford them the opportunity to become entrepreneurs in the industry and exploit the value-chain in the diamond and semi-precious stones pipeline. Twenty-five students completed their training at KIDJA in the year under review. KIDJA was awarded sixty-one NQF level 4 learnerships. Fifteen people were trained on various artisanal skills (jewellery design, bruiting and sawing) at the Kimberley Diamond and Jewellery Incubator (KDJI).

The Department increased the focus on e-learning, training and development in the different regions to expose the youth to the mobile applications development environment. The Department extended the network of relationships through Geekulcha's introduction of the Africa Code Week. Our progress with growing the "app developer ecosystem" received a major boost, which saw Kimberley as one of four cities participating in the Department of Public Service and Administration's (DPSA) Open Government Programme called the Responsive Cities Challenge. There were three local winners i.e. Joxicraft, 6Gig and We Big Data.

The Department continued to proactively implement economic development initiatives designed to accelerate the growth and transformation of the economy. This included the support given to five (5) companies supported as Black Industrialists (Rainbow Granite & Marble, Kabza Milling, Maiktronix, Mafarathla Technical Networks, NAM Petroleum). In addition the development of new and existing SMME's and Co-operatives continued. In addition 40 informal traders were trained as part of the strategic intent to develop the Informal Sector Upliftment Development Framework in order to uplift them to participate in the mainstream economy. As part of the multi-pronged approach the Shared Economic Infrastructure Facilities (SEIF) was also established.

In addition a successful SMME's & Co-operatives and Procurement Indaba was hosted to actively pursue avenues to addressing the bottlenecks such as access to procurement opportunities, localization, legislative constraints, access to information and coordination between the public and the private sector.

**REPORT OF THE ACCOUNTING OFFICER**  
**For the year ended the 31 March 2017**

The Economic Growth and Development Fund (EGDF) dispersed R12 million to SMME's and cooperatives through the Department and approximately R14 million was transferred to the Northern Cape SMME Trust to finalize the disbursements to the remainder of the SMME's and cooperatives. A total of 32 businesses were funded across the province. The focus of disbursements remain manufacturing and tourism.

In a concerted effort to diversify the economy by developing tourism in order to sustain the contribution of Tourism to the economy. To this effect the Provincial Tourism Indicator Report was completed. The Regional Tourism Tracking Survey Report was also concluded with the aim of creating a model for capturing tourism performance at a regional level. In addition, a Coastal and Marine Strategy was developed. The Provincial Tourism Forum was launched with the intention of coordinating tourism development activities.

Two key tourism development partnerships were maintained during the period under review i.e. South African National Parks and Open Africa. The Department availed funds to NCEDA to rejuvenate the tourism facilities at the Witsand Nature Reserve.

Working with Open Africa, the Department reaped significant benefits for the youth and employment creation in the province. Twenty (20) interns have been appointed on three routes. Eleven (11) of these youth have found permanent employment and four graduating to an Enterprise Development programme to help the start their own enterprises. A survey done on the Richtersveld, Namaqua Coastal and Kalahari Red Dune routes resulted in 102 new jobs (since 2013) which includes 63 new jobs for the youth. Dirk Pienaar, a member of the #Khomani San community in Mier travelled to Switzerland to participate in the Swiss Import Promotion Programme (SIPP) tourism development programme. Travel packages were developed for the routes, as well as brochure maps, e-brochures and video clips to enhance market access. Ten (10) route representatives attended the Indaba 2016 International Tourism Expo in Durban while support was rendered to the Richtersveld Wildrun, Williston Winter Festival, Namaqua Trail Run and the Naba! Food & Wine Festival.

The EPWP focused on exit strategies for EPWP projects nearing completion. One-hundred-percent of the DORA funds allocated for EPWP was transferred to the implementing partners. The Department reported 239 Work Opportunities (WO) as a result of the EPWP projects supported.

The Department identified six (6) different economic opportunities for the targeted groups, in the mining sector on the Kimberley diamond dumps, asbestos dump rehabilitation, and Iron ore transport. Other sectors in which economic opportunities were identified are the Tourism, Renewable Energy and Services sectors.

The Department of Economic Development and Tourism remains committed to addressing the imbalances in the Province by actively pursuing, implementing and exploiting all economic opportunities that guarantee the sustainable direct, indirect and induced growth of the provincial economy in all districts.

**REPORT OF THE ACCOUNTING OFFICER**  
**For the year ended the 31 March 2017**
**1.4.2. OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT**
**1.4.2.1. Departmental receipts**

Departmental receipts	2016/2017			2015/2016		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	29 218	28 848	370	26 732	26 658	74
Casino taxes	23 597	22 610	987	21 370	21 304	66
Horse racing taxes	1 543	2 477	(934)	1 497	1 596	(99)
Liquor licences	4 078	3 761	317	3 865	3 758	107
Sale of goods and services other than capital assets	50	86	(36)	72	73	(1)
Fines, penalties and forfeits	128	122	6	128	102	26
Sale of capital assets	26	0	26	25	-	25
Financial transactions in assets and liabilities	35	25	10	235	621	(386)
<b>Total</b>	<b>29 457</b>	<b>29 081</b>	<b>376</b>	<b>27 192</b>	<b>27 454</b>	<b>(262)</b>

**1.4.2.2 Programme Expenditure**

Programme Name	2016/2017			2015/2016		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	62 530	53 688	8 842	55 024	53 602	1 422
Integrated Economic Development Services	86 527	86 527	-	99 793	99 793	-
Trade and Sector Development	32 991	32 991	-	29 077	28 804	273
Business Regulation and Governance	34 246	34 246	-	31 531	31 531	-
Economic Planning	19 005	18 217	788	16 925	16 925	-
Tourism	49 058	46 798	2 260	49 919	49 196	723
<b>Total</b>	<b>284 357</b>	<b>272 467</b>	<b>11 890</b>	<b>282 089</b>	<b>279 671</b>	<b>2 418</b>

## REPORT OF THE ACCOUNTING OFFICER For the year ended the 31 March 2017

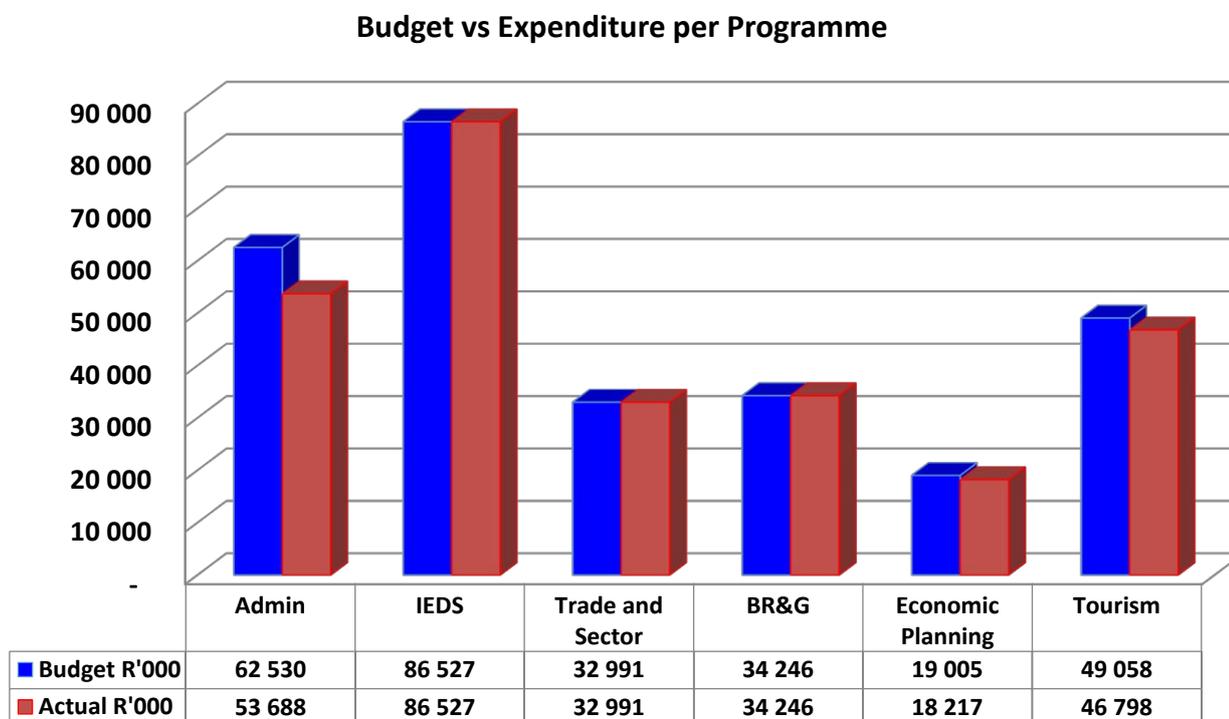
The Department's expenditure for the year under review amounted to R272 467 000 (R279 671 000 in 2015/16) which is 95.8% (99.1% in 2015/16) of the allocated budget of R284 357 000 (R282 089 000 in 2015/16). In the 2016/17 financial year the department underspent by R11 890 000 (R2 418 000 in 2015/16). However the Department did request a roll-over of R1 422 000 and if the roll-over is deducted from the underspending the real underspending of the Department amounts to R10 468 000 or 3.68% of the allocated budget. The underspending was realised due to the pending court case for the Mittah Seperepere International Convention Centre's utility bill to Sol Plaatje Municipality, which is amounting to R10 134 000. The Legal Advisor of the Department advised that the payment of the utility bill must be withheld until the outcome of this matter is known. These funds will be surrendered to Provincial Treasury until the court case is finalised.

The financial year 2016/17 under spending as per economic classification are:

- Compensation of employees was R nil (R723 000 in 2015/16);
- Goods and Services was R11 890 000 (R1 695 000 in 2015/16).
- A roll-over request was registered for R1 422 000 (R1 422 000 in 2015/16).
- No underspending was realised for transfers and subsidies for the 2016/17 financial year as in the previous year.
- No under spending was realized for Payments for Capital Assets for the 2016/17 financial year as in the previous year.

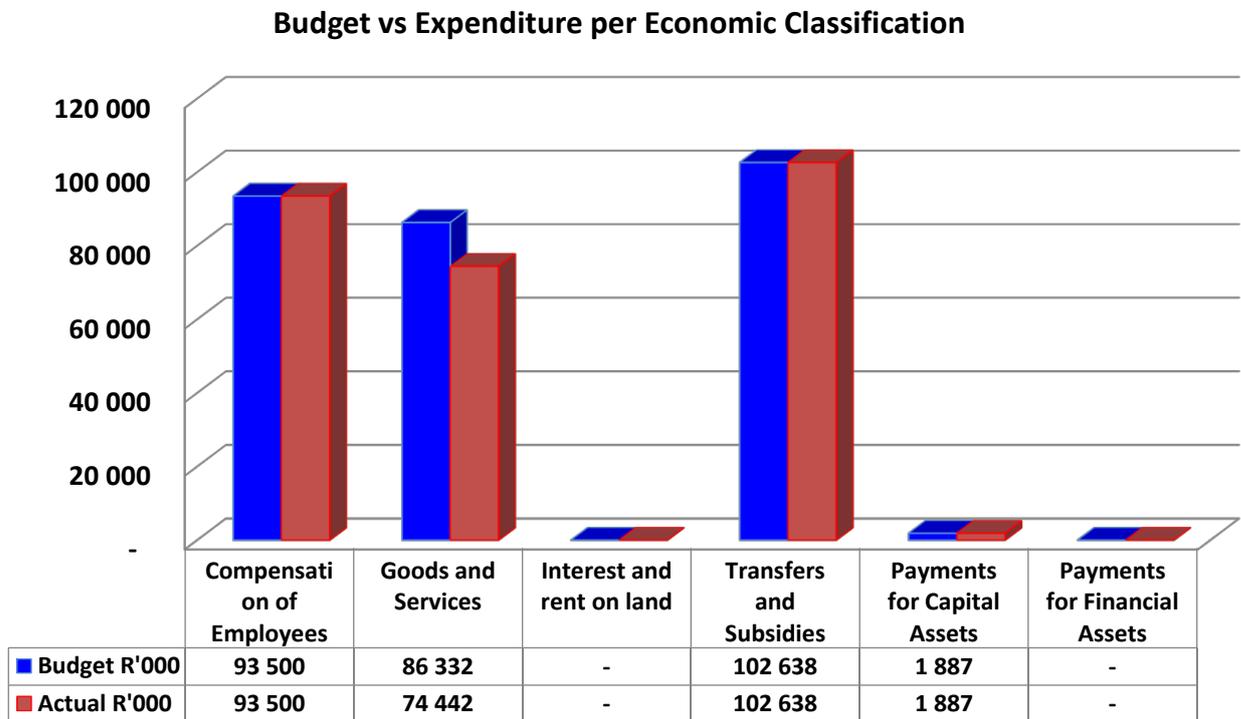
The graphs below illustrate the expenditure patterns for the financial year under review as compared with the budget allocations. Graph 1 illustrates the budget versus the expenditure per programme whereas in Graph 2 indicate the budget versus expenditure per economic classification for the financial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

**GRAPH 1: Budget versus Expenditure per Programme for 2016/2017**



## REPORT OF THE ACCOUNTING OFFICER For the year ended the 31 March 2017

**GRAPH 2: Budget versus Expenditure per Economic Classification for 2016/2017**



### 1.4.2.3. Virements/roll overs

#### Virements

After the Adjusted Appropriation Act of the 2016/17 financial year, the following virement on savings, according to section 43 of the Public Finance Management Act, Act No.1 of 1999 (PFMA), have been applied by the Department:

#### Per Programme:

FROM	TO	Amount R'000
Administration	Trade and Sector Development	26
Integrated Economic Development Services	Administration	507
Trade and Sector Development	Administration	1 143
Business Regulation and Governance	Administration	405
Economic Planning	Administration	1 424
Economic Planning	Trade and Sector Development	30
Economic Planning	Business Regulation and Governance	67
Tourism	Administration	2 728
Tourism	Integrated Economic Development Services	759
Tourism	Trade and Sector Development	695
Tourism	Business Regulation and Governance	37

**REPORT OF THE ACCOUNTING OFFICER**  
**For the year ended the 31 March 2017**

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

**Per Economic Classification:**

FROM	TO	Amount R'000
Compensation of Employees	Compensation of Employees	67
Compensation of Employees	Goods and Services	617
Goods and Services	Goods and Services	5 401
Machinery & Equipment	Buildings & other fixed structures	18
Machinery & Equipment	Machinery & Equipment	311
Departmental Agencies & Accounts	Departmental Agencies & Accounts	61
Departmental Agencies & Accounts	Households	26
Public Corporations and Private Enterprise	Public Corporations and Private Enterprise	682
Public Corporations and Private Enterprise	Departmental Agencies & Accounts	612
Provincial and Local Governments	Departmental Agencies & Accounts	26

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

**Roll-Overs**

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

After completion of the 2016/17 financial year, the Department realized an under spending on their expenses and requested a roll-over of funds; in terms of section 6.4 of the Treasury Regulations which was submitted to the Provincial Treasury by 30 April 2017.

The submission for roll-over submitted to Provincial Treasury for the Department of Economic Development and Tourism was R1 422 000 and was made up as follows:

- R1 422 000 for Goods and Service for Corporate Services, which relates to a signed contract for the upgrade of the data lines of the Department but which was not finalised at year-end.
- R10 134 000 will be surrendered to Provincial Treasury as earmarked funds and will re-allocated to the Department upon finalization of the pending court case.

Programme	Saving Funds R'000	Roll-over requested R'000	Funds not rolled- over R'000
Administration	8 842	1 422	7 420
Integrated Economic Development Services	-	-	-
Trade and Sector Development	-	-	-
Business Regulation and Governance	-	-	-
Economic Planning	788	-	788
Tourism	2 260	-	2 260
<b>Total</b>	<b>11 890</b>	<b>1 422</b>	<b>10 468</b>

No unauthorised, fruitless and wasteful expenditure was identified for the 2016/2017 financial year.

**REPORT OF THE ACCOUNTING OFFICER  
For the year ended the 31 March 2017****1.4.3. FUTURE PLANS OF THE DEPARTMENT****FUTURE PLANS OF THE DEPARTMENT 2017/2018**

The focus in 2017/2018 and over the MTEF period will be directed at consolidating the interventions conceptualised to be "Game Changers" and interventions set out in the Nine point Plan.

The Department will embark on initiatives that will see SMME's and cooperatives being assisted with access to markets, access to procurement opportunities and product development. The Africa World Expo will be used as a platform to give exposure to products and services of local SMME's/Co-ops and also link them with procurement opportunities. Exposure will also be given to SMME's through the Inspire print magazine. Product development in collaboration with the South African Bureau of Standards (SABS) will also be pursued.

The Department will expand the reach of the Department across the Province in collaboration with SEDA through the Cadet Programme by placing a "Cadet" in a further seven (7) municipalities throughout the province to ensure that SMME's identified can access services provided by the Department, SEDA and SEFA.

In order to ensure active participation of SMME's and Co-ops in the priority sectors identified in IPAP & NGP support for the established renewable energy, mining and agriculture & agro-processing incubators in collaboration with SEDA and the dti will be expanded. The feasibility of establishing satellite offices of these incubators in three districts will also be pursued and so too that of an automotive-repairs-and-service incubator as part of township revitalisation. Special attention will be given to the development of youth and women by ensuring that 30% of SMME's and cooperatives assisted must be youth or women owned.

The focus of the Economic Growth and Development Fund (EGDF) will be on assisting SMME's and Cooperatives in the manufacturing sector. Co-operative awareness campaigns will continue but will be used at the same time to mobilize newly-formed and existing cooperatives into regional structures.

Furthermore the department developed an investment profile for each of the five (5) District capitals to advise on the availability of land, cost of doing business and to develop an investment portfolio for these municipalities. The key focus for the LED support is to evaluate municipalities in terms of their LED maturity and performance status by using the LED Maturity Assessment and based on this, identify the worst performing Municipalities in terms of LED. In terms of Red Tape Reduction the evaluation of the municipality against the Red Tape Analysis Framework will be done. Upon completion, a synopsis will be provided to municipalities recommending which changes are to be implemented.

The EPWP focus will be to assist with planning exit strategies for EPWP projects nearing completion and to support EPWP initiatives and potential projects. These initiatives include business plans, funding applications and project implementation support.

The assistance provided to targeted groups will be informed by the sectors as prescribed by National Department of Small Business. They are, none core mining, value added agriculture, value added mining and renewable energy. In line with the Youth Accord the unit will participate in all Government structures e.g. Provincial Youth Inter-Departmental forum led by the Department of Social Development. During this financial year the intention is to focus on additional economic opportunities such as, Renewable Energy, a focus area of the 9-Point Plan.

In the financial year 2017/18 the department will follow up on all agreements signed between the province and international companies/ investors and or foreign governments to attract investment and grow the economy to create jobs for people of the Northern Cape. Specific focus will be on the Hunan Agreements and the implementation of the action plans. Pursuant to unlocking access to markets, DEDaT will continue to facilitate and support the participation of SMME's in various national and international trade fares/exhibitions.

**REPORT OF THE ACCOUNTING OFFICER  
For the year ended the 31 March 2017**

The implementation process for both the Agro-processing Cluster and the Metals Cluster will continue in 2017/2018 as well as the implementation of the Agro-processing Cluster. Coupled to this will be a skills development drive on technical engineering and artisan courses that are relevant to the Metals Industrial Cluster. Marketing of these Clusters will also be the focus for attraction of investors and participating firms as well as the market. The Cluster Management Company of the Metals Cluster will be fully operational by the end of 2017/18.

The Department will continue to monitor the developmental initiatives that are associated with the various Independent Power Producers (IPPs) and analyse their socio-economic impact in the surrounding communities.

Preferential Procurement in the mining sector is a critical tool for economic development and transformation of the Provincial economy to ensure that Historically Disadvantaged Individuals benefit and participate in the provincial mining sector. While in the previous financial years, ten or even more SMME's per annum have been linked to preferential opportunities in the sector, only six suppliers were linked to procurement opportunities in the 2016/17 financial year due to the global drop in commodity prices which resulted in unfortunate job losses in the sector as well as the contraction in the planned expenditures by mines. The outlook for 2017/18 remains with six SMME suppliers planned to be linked to procurement opportunities.

For the financial year 2017/18 the Department will continue to focus on skills development, create an enabling environment through the incubator for SMME development in the diamond and jewellery sector, as well as work towards the implementation of all other projects of the Diamond Strategy.

The Department will continue to perform an oversight function on all the entities i.e. Liquor Board, Gambling Board, NCEDA and the NCTA. There is a process in place to rationalise the Liquor Board and the Gambling Board into a single entity.

The Office of the Consumer Protector has an approved annual programme to improve education and awareness. This will include the education of our youth as Consumer Rights has become part of the curriculum in our schools. In order to operate in a cost-effective manner the Department will use the education and awareness campaign as platform to conduct unplanned compliance inspections in those areas, which in turn could lead to a higher amount of compliance inspections that have been envisaged and in turn could increase the target set for education and awareness programmes.

In the 2017/2018 financial year, the Department will continue to analyse performance on the IPAP. It will also conduct district engagements to further strengthen the relationships with the municipality and ensure that municipal IDPs are consistent with the provincial Nine Point Plan.

The departmental research agenda will outline the research priorities over the Medium Term Expenditure Framework (MTEF) and will consolidate all priorities into an annual research agenda. This will be reviewed and updated over the MTEF to ensure that the focus is on the strategic priorities of government. The relevant stakeholders will be consulted in terms of the agenda prior to tabling. It will be tabled at the highest management level in the Department for ratification and adoption. Economic intelligence reports focusing on relevant priority areas will be synchronised with the data releases of the official statistical agency and other reputable information collection and dissemination agencies.

Characterized by a fusion of technologies that are blurring the lines between the physical, digital, and biological spheres the Department is increasingly shifting its work, to motivate for digitalization as a driver and enabler of innovation, towards the promotion of an information society and knowledge economy. The focus is on broadband infrastructure funding and implementation, training and skills development of individuals, entrepreneurs and youth enterprises. Implementation will be leveraged to collaborate with other partners

## REPORT OF THE ACCOUNTING OFFICER For the year ended the 31 March 2017

and tap into the National Broadband roll-out plans in Pixley Ka Seme District Municipality (PKSDM) and the Universal Services and Access Agency of South Africa (USAASA) rural broadband initiative in Joe Morolong Local Municipality.

In terms of Tourism, the Department will continue to measure the tourism sector to ascertain trends. The Provincial Tourism Forum will be convened to coordinate tourism planning and implementation within the province. A partnership with the NCTA will ensure continuous radio tourism awareness programmes in the province. DEDaT will continue with industry interventions such as Responsible Tourism outreach programmes, events management training in JTG and Pixley ka Seme District Municipalities. Local Government Policy makers will also be empowered on Tourism to enable them to enhance the growth of the sector in their districts and local municipalities. Once again the Department will ensure provincial representation at this year's edition of the National Tourism Career Expo in the Free State Province.

In terms of Tourism Development the focus during the 2017/18 financial year will be on employment creation, entrepreneur skills development, infrastructure development and experience development. In this regard targeting youth and women will be paramount to contribute to radical economic transformation and redress past inequality.

Tourism development will target key geographical areas of Mier, the star-gazing destinations and routes for improvement of the destination attractiveness and positioning. In this regard we strive to drive a bigger market share, higher number of arrivals to the province and a greater revenue through prolonging the average stay of visitors.

The APP for the next financial year, 2017/18, clearly indicates that the Department will ensure that the provincial sector stakeholders are aware of latest policy and programme/project developments initiated by our national and provincial departments. These include the proposed amendments to the Tourism-BBBEE deigned to transform the sector in the Province. In addition the School Tourism Programmes will be continued with the annual National Tourism Career Expo (NTCE) being the flagship programme.

### 1.4.4. PUBLIC PRIVATE PARTNERSHIPS

The Department does not have any public private partnerships registered for the financial year ended 31 March 2017.

### 1.4.5. DISCONTINUED ACTIVITIES / ACTIVITIES TO BE DISCONTINUED

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

### 1.4.6. SUPPLY CHAIN MANAGEMENT

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

### 1.4.7. GIFTS AND DONATIONS RECEIVED IN KIND FROM NON-RELATED PARTIES

During the year under review, the Department did not receive any gift or donations.

### 1.4.8. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

According to General Practice Note 5 of 2006/2007 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 the National Treasury's Transversal Contracts RT3 of 2000 for the supply of photocopy machines.

### 1.4.9. EVENTS AFTER THE REPORTING DATE

There were none.

**REPORT OF THE ACCOUNTING OFFICER  
For the year ended the 31 March 2017**

**1.4.10. OTHER**

The Member of the Executive (MEC), Ms Gail Parker, was appointed as the MEC for Finance, Economic Development and Tourism for the period 10 May 2017 - 11 June 2017.

Mr D Babuseng was appointed as the Acting Accounting Officer (Head of Department) for the Department of Economic Development and Tourism.

**ACKNOWLEDGEMENT/S OR APPRECIATION**

The Department wishes to express sincere gratitude to:

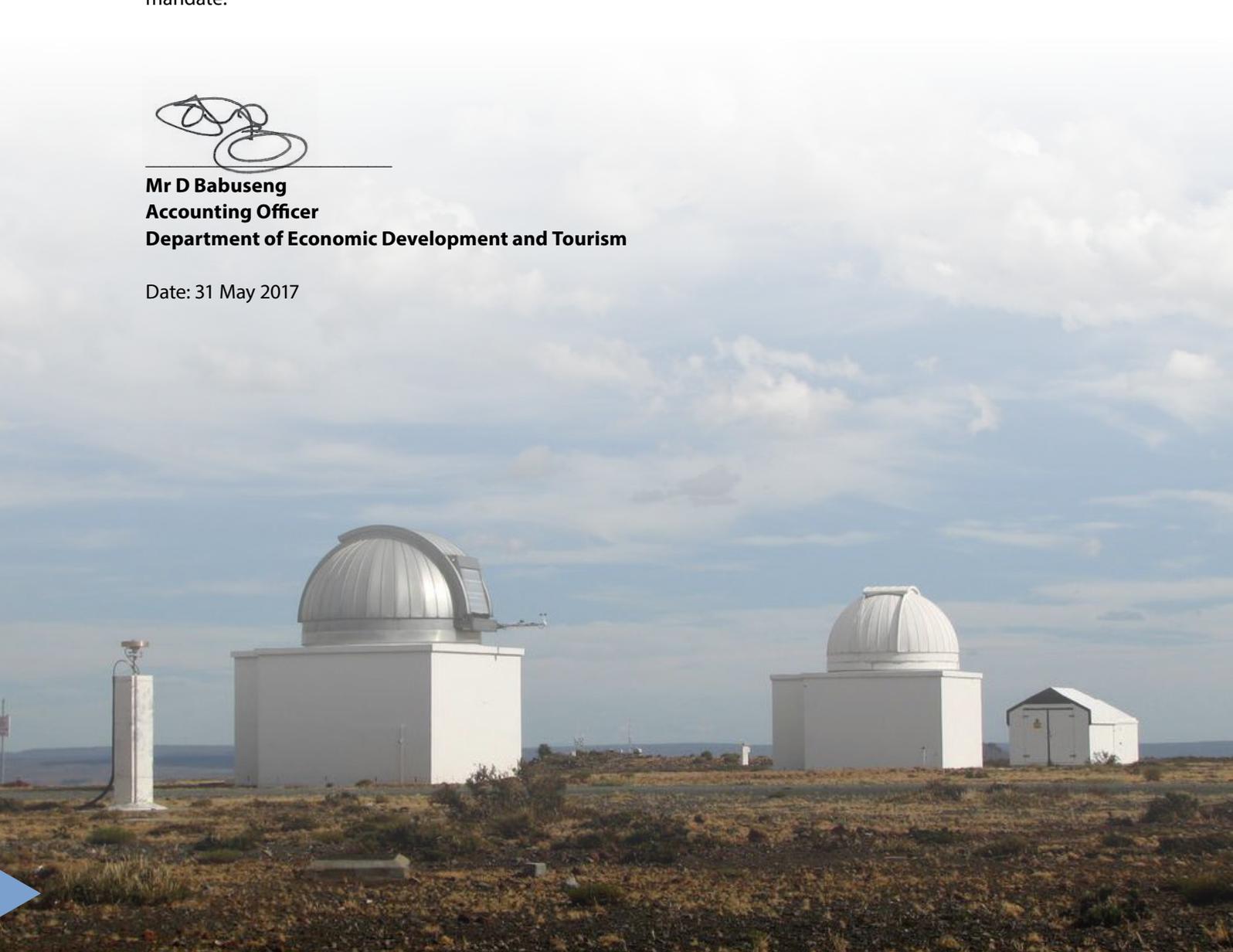
- Kumba Iron Ore for their contribution to the Kimberley Diamond Cup initiative that allowed for the Diamond Cup Skateboarding for Hope events and the two Grand Slam events.
- The Bloodhound UK team for partnering the Northern Cape Provincial Government on the Bloodhound Supersonic Car World Land Speed Record Project.
- The Hunan Province in China

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



**Mr D Babuseng**  
**Accounting Officer**  
**Department of Economic Development and Tourism**

Date: 31 May 2017



**GENERAL INFORMATION**

**For the year ended the 31 March 2017**

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

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

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

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department of Economic Development and Tourism for the financial year ended 31 March 2017.

Yours faithfully



---

**Mr D Babuseng**  
**Acting Accounting Officer**  
**Department of Economic Development and Tourism**

Date: 31 May 2017

**GENERAL INFORMATION**

**For the year ended the 31 March 2017**

## 1.6. STRATEGIC OVERVIEW

### VISION

A radically transformed economy in the Northern Cape.

### MISSION STATEMENT

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

### VALUES AND PRINCIPLES

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



**GENERAL INFORMATION****For the year ended the 31 March 2017**

## 1.7 LEGISLATIVE MANDATE

### DIRECT MANDATES

#### 1.7.1 CONSTITUTIONAL MANDATES

The broad mandate of the Department is derived from the Constitution of the RSA, 1996, which regulates government's duties and responsibilities to the citizens, in particular the promotion of socio-economic rights. Specific reference needs to be made to Provisions in the Bill of Rights (chapter 2) relating to equality (section 9); human dignity (section 10); freedom of trade, occupation and profession (section 22); and chapter 3 of the Constitution dealing with intergovernmental relations that inform the Department's work.

#### 1.7.2 LEGISLATIVE MANDATES

The following directive commands the mandate of the Department;

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

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

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

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

### INDIRECT MANDATES

#### 1.7.3 NATIONAL AND PROVINCIAL GOVERNMENT POLICIES

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

#### 1.7.4 ECONOMIC POLICY MANDATES

##### a) National Development Plan

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

This is proposed to be achieved by:

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

**GENERAL INFORMATION****For the year ended the 31 March 2017**

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

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

**b) Industrial Policy Action Plan**

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

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

**c) New Growth Path**

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

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

**Job creation targets for the New Growth Path**

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

**GENERAL INFORMATION****For the year ended the 31 March 2017**

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

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

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

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

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

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

**1.7.5 BI-LATERAL AGREEMENTS**

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

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

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

**1.7.6 MEDIUM TERM STRATEGIC FRAMEWORK**

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

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

**GENERAL INFORMATION****For the year ended the 31 March 2017**

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

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

**CHANGES IN THE POLICY ENVIRONMENT**

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

In addition, the Ocean's Economy has the potential to make an exponential contribution to the GDP through significant job creation. The areas for growth include Marine Transport and Manufacturing, Offshore Oil and Gas exploration, Aquaculture and Oceans' Governance and the Marine Protection Services.

**The introduction of the 9-Point Plan:**

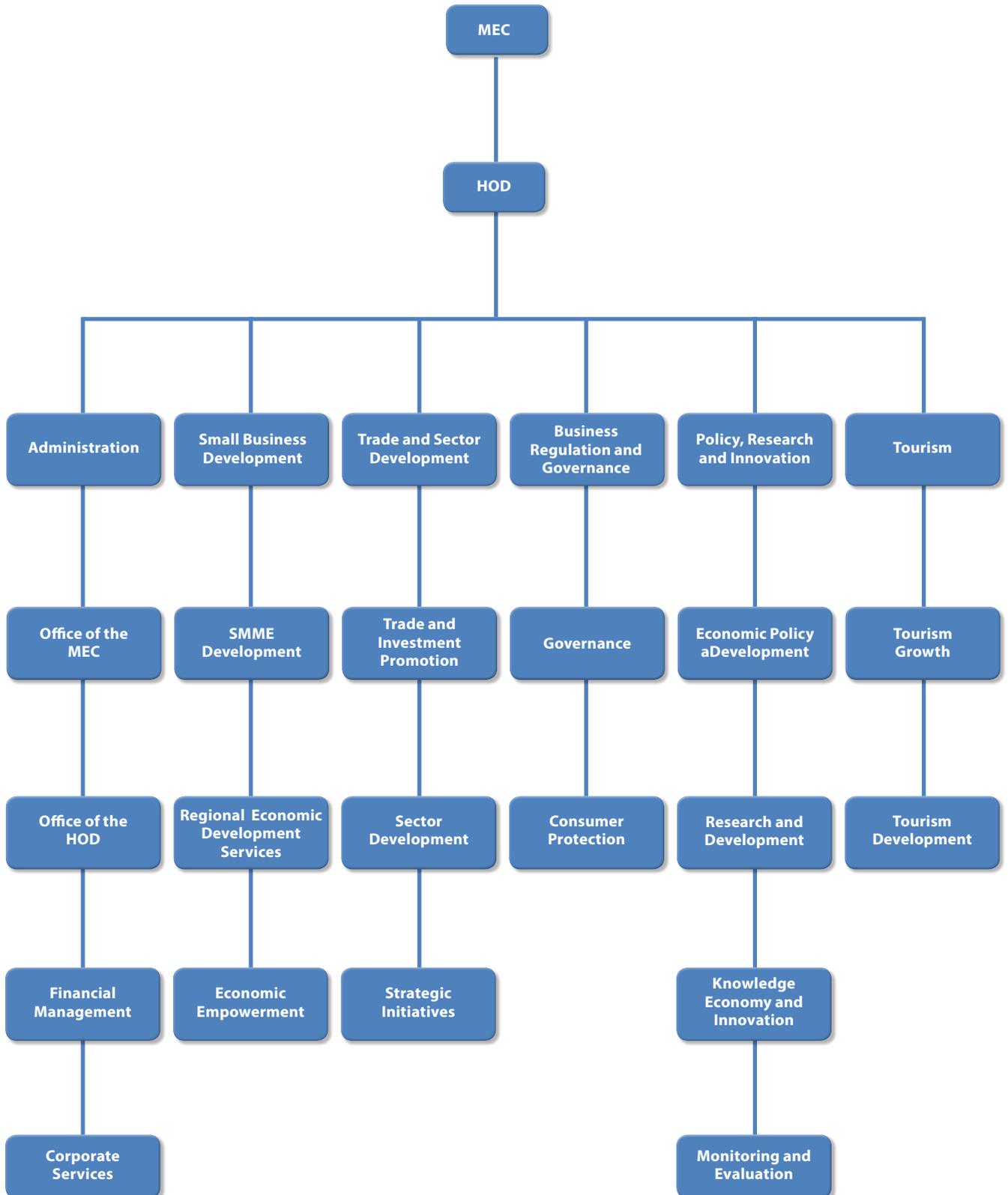
1. Revitalising the agriculture and agro-processing value-chain.
2. Advancing beneficiation (adding value to our mineral wealth).
3. More effective implementation of a higher impact IPAP.
4. Unlocking SMME, co-operatives, township and rural enterprises' potential.
5. Growing the ocean economy (including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



**GENERAL INFORMATION**

**For the year ended the 31 March 2017**

## 1.8. ORGANISATIONAL STRUCTURE



**GENERAL INFORMATION****For the year ended the 31 March 2017**

## 1.9 ENTITIES REPORTING TO THE MEC

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

**Public Entities reporting to the Department**

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

**GENERAL INFORMATION****For the year ended the 31 March 2017**

<b>Name of entity</b>	<b>Legislative Mandate</b>	<b>Financial Relationship</b>	<b>Nature of Operations</b>
<b>Northern Cape Tourism Authority (NCTA)</b>	Northern Cape Tourism Act, 2008	Transfer Payment.	To fortify the regulatory environment within the tourism industry of the Northern Cape.  Domestic and international leisure marketing.  Mice (Meetings, Incentives, Exhibitions, Conferences and Events) development  Quarterly reports to the Department of Economic Development and Tourism

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

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

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

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

**PERFORMANCE INFORMATION**

**For the year ended the 31 March 2017**



**PART B:  
PERFORMANCE  
INFORMATION**



## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

## 2.1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

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

## 2.2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.2.1. SERVICE DELIVERY ENVIRONMENT

#### 2.2.1.1. Provincial Economic Overview

##### **Global and National Economic Outlook**

The latest International Monetary Fund published in April 2017, recorded a global growth of 3.1% for 2016, 1.7% in advanced economies and 4.1% in emerging market and developing economies (1.4% for the Sub-Saharan region). The 2016 growth rates are in line with the projections made by the IMF in October 2016, except for the Sub-Saharan region which recorded 1.4% (0.2% points less than the projected gloomy growth of 1.4%) and advanced economies increased by 0.1% from 1.6% to 1.7%.

The IMF projects that economic activity will pick up resulting in a global growth of 3.4% in 2017. Economic activity is projected to vary across the different markets, an improved outlook for advanced economies with a forecasted growth of 1.9%, marginally worsened growth prospects in emerging markets and developing economies with a forecasted growth of 4.5% (0.1% point downward revision from the October projections), a crippled growth in the Sub-Saharan region with a forecasted growth of 2.8%.

The South African economy is not insulated from the global economic developments. In fact the national economy faces a confluence of global and domestic challenges. On the global front, the general slowdown in global trade, risks posed by the external financial volatility in advanced economies, lower commodity prices and inflation. On the home front, the production side of the economy continues to be plagued by structural constraints, low confidence exacerbated by the political tension and the slow pace in decision making by the key public institutions. Altogether these constraints have seen South Africa record an estimated growth of 0.3% in 2016, and continue to shape the national economic outlook in 2017, seen in the 2017 IMF's forecasted growth of 0.8%.

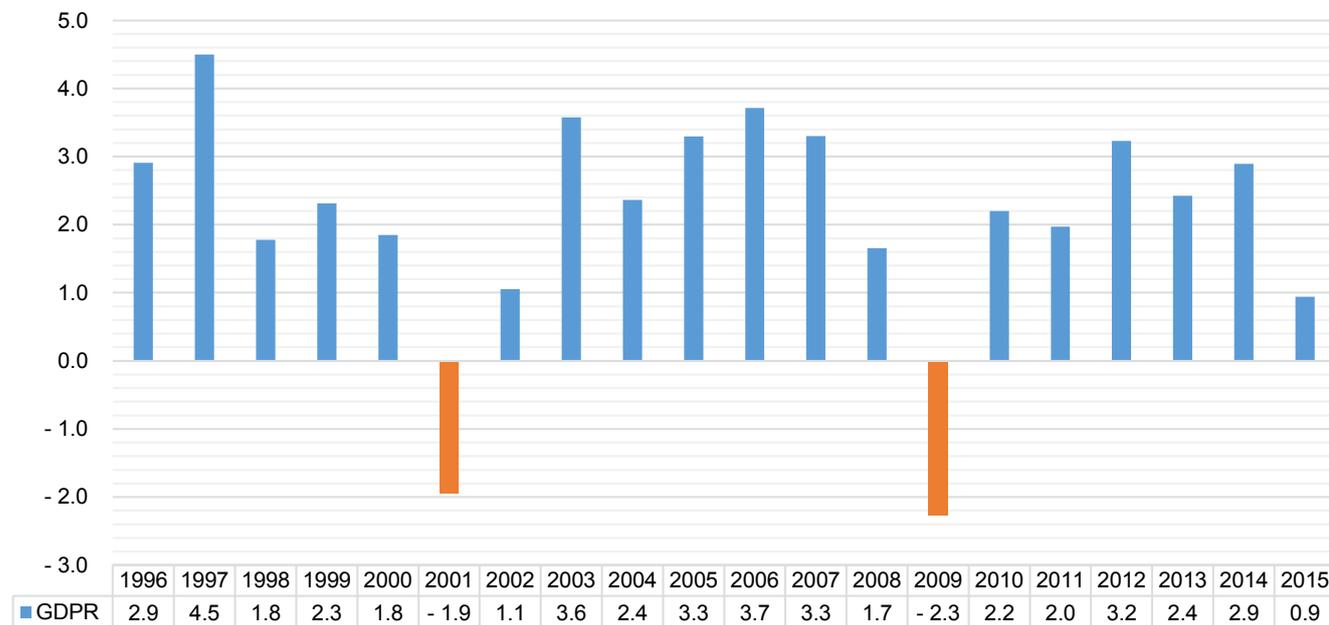
##### **Provincial Economic Outlook**

In a paper published in 2006, Rudiger Ahrend, defined resource based economies, as those economies where natural resources account for more than ten per cent of gross domestic product (GDP) and often forty percent of exports. Notwithstanding that this definition may be said to be somewhat arbitrary, it is well befitting for the Northern Cape economy. The Northern Cape economy is well endowed with minerals and world class iron and manganese deposits in the eastern part of the province. A considerable diamond production occurs across the entire province and also production of base metals in the form of copper, lead and zinc. Over and above the mineral endowments, the province has substantial agricultural products. Not surprisingly, as the result of these natural resources' endowment, primary sector (mining and agriculture) has been the mainstay of the Northern Cape economy.

**PERFORMANCE INFORMATION**  
**For the year ended the 31 March 2017**

**Provincial Economic Growth**

**Northern Cape Provincial GDP**



Source: (Statistics South Africa(StatsSA))

The Northern Cape economy has continued to record positive growth rates at 2% since the 2009 global recession. The provincial economy was however not insulated from both the global developments, more so the commodity prices impasse combined with the structural constraints that have persistently and recently plagued our national economy. This speaks specifically to the drought within in the provincial economic context.

Both the exogenous and endogenous factors have equally proven genuine, the risk of over reliance of provincial economy on the primary sector. The latest regional estimates published by Statistics South Africa, indicate that the provincial economy grew by 0.9% in 2015. This spells a steep decline from the 2014 provincial growth of 2.8%. The recorded growth rate is largely due to the decline in the provincial primary sector, with mining industry that has shrunk when compared to 2014. The mining sector recorded a negative 0.2% growth in 2015.

Both the secondary and tertiary sectors propelled the provincial economic growth in 2015 with growth rates of 0.7% and 1.7% respectively. The utilities industry also recorded a negative growth of 0.2% in 2015, whilst construction recorded the highest growth of 2.5% in the secondary sector in 2015. Finance and government services recorded provincial growth rates of 3.7% and 1.6% respectively.

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

**Table 1: Provincial economy- Growth and Sectoral Composition**

	Industry value added and GDP - Constant 2010 prices					Industry value added and GDP - Contribution					Percentage change/growth				
	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015
<b>Primary Sector</b>	<b>18 921</b>	<b>19 774</b>	<b>20 734</b>	<b>22 012</b>	<b>22 004</b>	<b>30.9%</b>	<b>31.3%</b>	<b>32.0%</b>	<b>33.0%</b>	<b>32.7%</b>	<b>-2.1</b>	<b>4.5</b>	<b>4.9</b>	<b>6.2</b>	<b>0.0</b>
Agriculture	3 796	3 943	4 167	4 342	4 373	6.2%	6.2%	6.4%	6.5%	6.5%	-11.6	3.9	5.7	4.2	0.7
Mining	15 125	15 831	16 567	17 670	17 631	24.7%	25.0%	25.6%	26.5%	26.2%	0.7	4.7	4.6	6.7	-0.2
<b>Secondary Sector</b>	<b>5 188</b>	<b>5 224</b>	<b>5 309</b>	<b>5 359</b>	<b>5 395</b>	<b>8.5%</b>	<b>8.3%</b>	<b>8.2%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>1.0</b>	<b>0.7</b>	<b>1.6</b>	<b>0.9</b>	<b>0.7</b>
Manufacturing	1 933	1 943	1 989	1 998	2 001	3.2%	3.1%	3.1%	3.0%	3.0%	1.0	0.5	2.3	0.5	0.0
Utilities	1 829	1 826	1 823	1 814	1 809	3.0%	2.9%	2.8%	2.7%	2.7%	1.5	-0.2	-0.2	-0.5	-0.2
Construction	1 426	1 456	1 498	1 547	1 585	2.3%	2.3%	2.3%	2.3%	2.4%	0.2	2.1	2.9	3.2	2.5
<b>Tertiary Sector</b>	<b>31 294</b>	<b>32 228</b>	<b>32 591</b>	<b>33 100</b>	<b>33 669</b>	<b>51.1%</b>	<b>51.0%</b>	<b>50.3%</b>	<b>49.7%</b>	<b>50.0%</b>	<b>4.2</b>	<b>3.0</b>	<b>1.1</b>	<b>1.6</b>	<b>1.7</b>
Trade	6 972	7 146	7 175	7 217	7 246	11.4%	11.3%	11.1%	10.8%	10.8%	4.3	2.5	0.4	0.6	0.4
Transport	5 527	5 646	5 739	5 864	5 929	9.0%	8.9%	8.9%	8.8%	8.8%	2.9	2.2	1.6	2.2	1.1
Finance	7 506	7 722	7 835	7 895	8 190	12.2%	12.2%	12.1%	11.8%	12.2%	3.7	2.9	1.5	0.8	3.7
Personal services	2 700	2 753	2 811	2 849	2 895	4.4%	4.4%	4.3%	4.3%	4.3%	3.1	2.0	2.1	1.4	1.6
General Government services	8 589	8 960	9 031	9 274	9 409	14.0%	14.2%	13.9%	13.9%	14.0%	5.6	4.3	0.8	2.7	1.5
<b>Total value added at basic prices</b>	<b>55 404</b>	<b>57 227</b>	<b>58 635</b>	<b>60 470</b>	<b>61 067</b>	<b>90.4%</b>	<b>90.5%</b>	<b>90.5%</b>	<b>90.7%</b>	<b>90.8%</b>	<b>1.7</b>	<b>3.3</b>	<b>2.5</b>	<b>3.1</b>	<b>1.0</b>
Taxes less subsidies on products	5 869	6 026	6 153	6 192	6 224	9.6%	9.5%	9.5%	9.3%	9.2%	5.1	2.7	2.1	0.6	0.5
<b>GDP at market prices</b>	<b>61 274</b>	<b>63 253</b>	<b>64 787</b>	<b>66 662</b>	<b>67 291</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.0</b>	<b>3.2</b>	<b>2.4</b>	<b>2.9</b>	<b>0.9</b>

Source: (Statistics South Africa(StatsSA))

The Northern Cape Province is characterised by a concentration of economic activity in the urban area and is currently dominated by Tertiary (50%) and Primary (32.7%) sectors, which together constitute over 80% of the provincial economy. Accordingly, the secondary sector remains relatively small (8%) in the province. Between 2008 and 2015, mining has remained the biggest economic sector in the Northern Cape, comprising 26.4% of provincial sectoral composition. Mining is followed by the general government services which comprises 14% of the provincial economy.

### Unemployment

Economists often refer to a phenomenon called jobless growth. Jobless growth is defined as an economic phenomenon in which a macro economy experiences growth while maintaining or decreasing its level of employment. Economic performance levels at both national and provincial economic spheres, have unfortunately not been sufficient to make meaningful dent on unemployment. If the economic projections are anything to go by, it can be expected that national and economic performance will still remain rather jobless.

### South African Labour Dynamics

According to (Statistics South Africa (StatsSA) February, 2017), the country's working-age population grew by 155 000 or 0.4 percent, and the labour force grew by 143 000 persons in the fourth quarter of 2016. The number of unemployed persons declined by 92 000, while the number of employed persons increased by 235 000, resulting in a 0.6 % point decline in the national unemployment rate to 26.5%, an increase in the absorption rate (0,4 of a percentage point) and an increase in the labour force participation rate (0,1 of a percentage point). The not economically active population increased by 12 000, of which 1 000 were discouraged work-seekers.

Employment rose in all sectors. The formal sector employment increased by 127 000 while informal sector employment increased by 53 000. Employment in Agriculture rose by 38 000 and Private household Agriculture employment by 17 000 in Q4:2016.

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

#### Northern Cape Labour Dynamics

**Table 2: Northern Cape Labour Characteristics**

Northern Cape	2015q1	2015q2	2015q3	2015q4	2016q1	2016q2	2016q3	2016q4	q-on-q	y-on-y
Population 15-64 yrs.	764	766	768	771	773	775	778	780	0.3%	1.2%
Labour Force	466	441	464	420	433	417	437	438	0.3%	4.4%
Employed	307	297	302	312	313	303	308	298	-3.3%	-4.4%
Unemployed	159	144	161	108	121	114	129	140	8.8%	29.7%
Not economically active	297	325	305	351	340	359	341	342	0.4%	-2.6%
Discouraged work-seekers	40	40	45	59	53	67	55	56	2.6%	-4.6%
Other	257	285	260	292	287	291	286	286	-0.1%	-2.1%
<b>Rates</b>										
Unemployment rate	34.1	32.7	35	25.8	27.8	27.4	29.6	32.0	8.1%	24.0%
Employed / population ratio (Absorption)	40.3	38.7	39	40.4	40.5	39.0	39.6	38.2	-3.5%	-5.4%
Labour force participation rate	61.1	57.5	60	54.5	56.1	53.7	56.2	56.2	0.0%	3.1%

Source: (Statistics South Africa(StatsSA))

According to the Quarterly Labour Force Survey (QLFS) (Statistics South Africa (StatsSA) February, 2017), unemployment in the province in the fourth quarter was measured at 32.0%, an increase of 4.2% points from the first quarter of 2016. This is the end result of the following labour market shifts:

- Increase of 2 000 in the working age population;
- Increase of 1 000 in the labour force,
- Decrease of 10 000 in employed as well as;
- Increase of 11 000 in the unemployed and an
- Increase of 1 000 in discouraged workers.

Year-on Year, the number of people employed in the province decreased by 14 000 and the number of unemployed increased by 32 000, with the unemployment rate increasing by 6.2 percentage points.

**Table3: Northern Cape Sectoral Employment Statistics**

	2015q3	2015q4	2016q1	2016q2	2016q3	2016q4	Percentage Change		Differentials	
							q-on-q	y-on-y	q-on-q	y-on-y
Agriculture	34	43	40	42	56	53	-5.3%	20.9%	-2964	9 101
Mining	22	22	21	19	14	24	76.2%	8.0%	10376	1 778
Manufacturing	10	13	13	11	15	15	-1.7%	12.4%	-257	1 631
Utilities	3	3	2	1	1	1	5.1%	-70.8%	46	-2 299
Construction	36	33	28	34	31	22	-26.3%	-31.4%	-8032	-10 311
Trade	53	46	49	46	46	44	-3.3%	-2.7%	-1518	-1 250
Transport	10	10	14	13	15	15	3.0%	52.1%	440	5 121
Finance	17	19	28	19	18	16	-6.3%	-15.8%	-1096	-3 078
Community Services	92	96	89	84	89	85	-4.5%	-11.5%	-3961	-10 993
Private Households	25	26	30	34	26	23	-12.1%	-13.3%	-3105	-3 475
NC Employment	302	312	313	303	308	298	-3.3%	-4.4%	-10 072	-13 774

Source: (Statistics South Africa)

**PERFORMANCE INFORMATION**  
**For the year ended the 31 March 2017**

Almost 3 000 (i.e. 2 964) jobs were lost in agriculture, 8 032 in construction, 2 000 in trade, 1 000 in finance, 4 000 in community and social services and 3 000 in private households. The largest number of the jobs was lost in the construction and community and social services industries. On the other hand mining recorded an increase of 10 000 in employment on a quarterly basis.

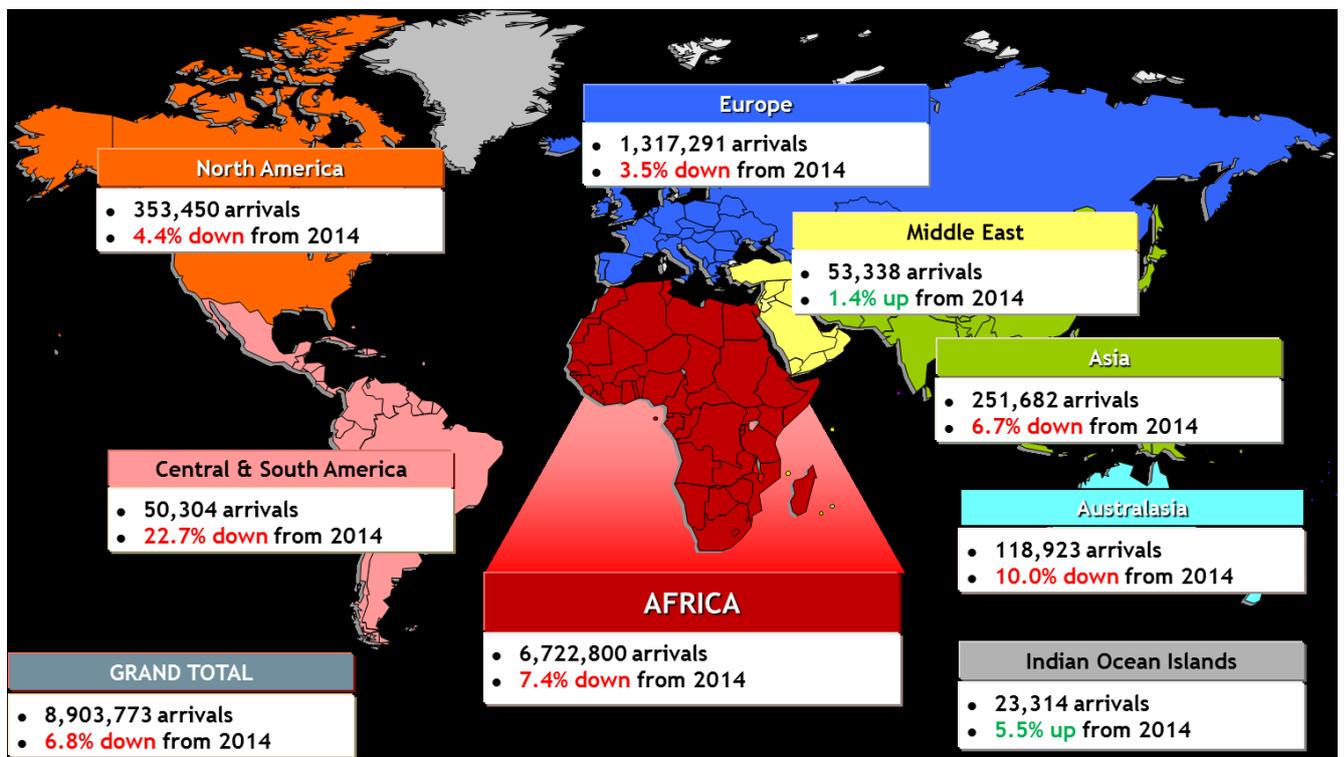
The community and social services industry followed by agriculture and trade are the major employers in the Northern Cape, accounting for 29, 18 and 15 per cent respectively of the total employment in the fourth quarter of 2016. Utilities, finance, transport and manufacturing employ the smallest share of employed people in the province (Statistics South Africa).

**Global Tourism 2015**

Across the globe, international tourist arrivals grew by 4.4% in 2015 to reach a record 1,184 billion arrivals, according to the UNWTO World Tourism Barometer. Despite global economic challenges, international tourism results have grown over 4.0% for the past 6 years since the financial crisis in 2008/09, with an additional 50 million international tourists travelling the world in 2015. Demand for international tourism was strongest for destinations in Europe (+4.9%), Americas (+4.9%), Asia Pacific (+5.0%) and the Middle East (+3.1%).

Revenue from global tourism also grew, slightly behind arrivals, with a 3.6% increase in 2015 and reached US\$ 1.4 trillion. The share of tourism in overall exports of goods and services increased to 7% in 2015 from 6% in 2014. Tourism gained share over global merchandise trade, which grew 2.8%.

Tourism revenue to Africa grew despite the decreasing arrivals in 2015.



**PERFORMANCE INFORMATION****For the year ended the 31 March 2017****Tourism 2011 – 2013**

The tourism industry continues to play an important role in the South African economy. The latest Tourism Satellite Account for South Africa report provides an overview of tourism's contribution in terms of spending, employment and its impact on the gross domestic product (GDP).

Tourism direct gross domestic product was R83 991 million (or 2,8% of total gross domestic product) for 2011, R93 465 million (or 2,9% of total gross domestic product ) in 2012, and R103 557 million (or 2,9%of total gross domestic product) for 2013.

The year 2013 saw 14 317 908 non-resident visitors to South Africa compared with 13 069 034 non-resident visitors for 2012 and 12 097 490 non-resident visitors for 2011.

Rising visitor numbers and increased spending is bound to influence employment within the industry. There were 623 299 persons (or 4,4% of total employment) directly engaged in producing goods and services purchased by visitors in 2011, 645 755 (or 4,5% of total employment) in 2012 and 655 609 (or 4,4 % of total employment) in 2013.

*Source: TSA 2013*

**International Tourism to South Africa**

South Africa's performance was constrained in 2015, with arrivals declining for the first time since 2009 to reach 8,9 million tourist arrivals from 9.5 million in 2014, a decrease of -6.8%. South Africa's revenue from international grew by +6.2% in 2015 in nominal terms.

Tourist arrivals declined by -6.8% in 2015 to reach 8,9 million. This is the first year since 2009 that a decline was recorded in South Africa. South Africa also bucked the global trend of growth from all regions. The declines in 2015 arrivals were mostly driven by a significant year-on-year decline of -7.5% from the Africa-land markets, which account for approximately 75% of all tourist arrivals to South Africa. The decreases from Africa-air markets of -3.1% and from long-haul markets of -4.9%, also contributed to the overall decline.

*Source: SAT*

**Northern Cape Domestic Tourism Performance 2015**

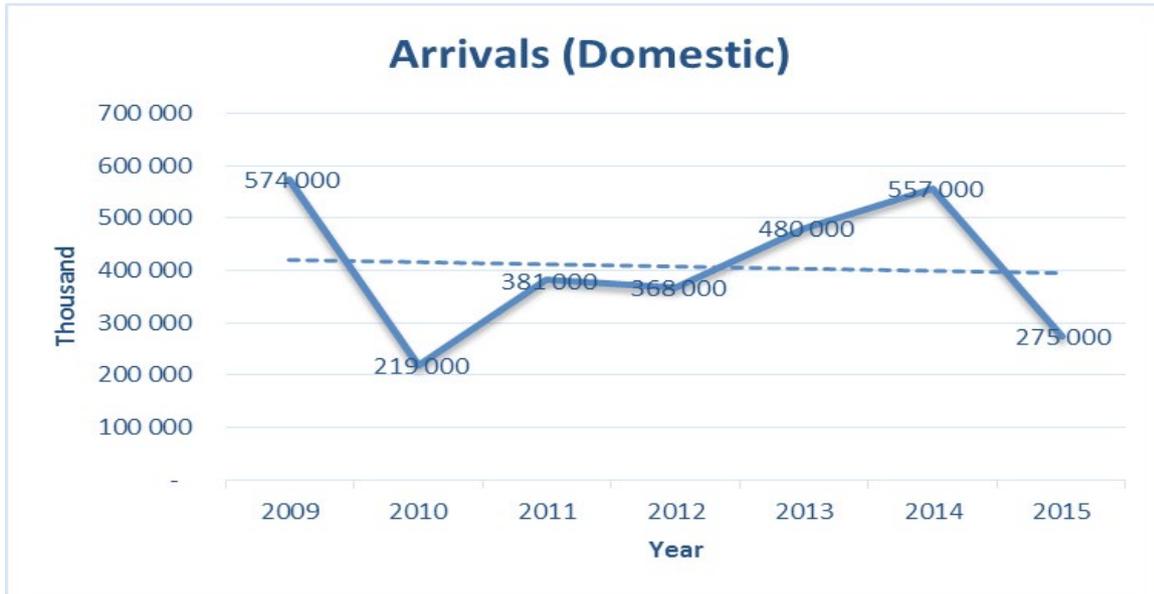
The South African consumer was under pressure in 2015 with disposable income trailing inflation. Consumer confidence hit a 14-year low in the Second Quarter of 2015. The economically active citizens were heavily indebted and had to cut back as interest rates are on an upward cycle.

Looking ahead the economy is expected to grow by less than 2% in 2016 from 2015 and there are two main pressures which will affect South Africans going forward. Firstly, the Rand is expected to remain weakened against major currencies. This puts pressure on local food imports and petrol prices while interest rates are expected to continue on an upward spiral. Secondly, the protracted drought is a further driver of behind food inflation. Due to these pressures we can expect South Africans to take fewer domestic trips. Indicators appear to indicate that the South African economy is only expected to recover in 2017.

Domestic tourist arrivals in the Province saw a decrease of 30.5%. The amount of days spent in the province being 5.2 days which is an increase of 1.5 days. Domestic spend went down by 35% in 2015 from 476 Million to 331 Million. Visiting Friends and Family (VFR) and Holidays remain the most popular reason for domestic tourists travelling to the province. The following figures graphically illustrate the downturn in tourist arrivals to the province.

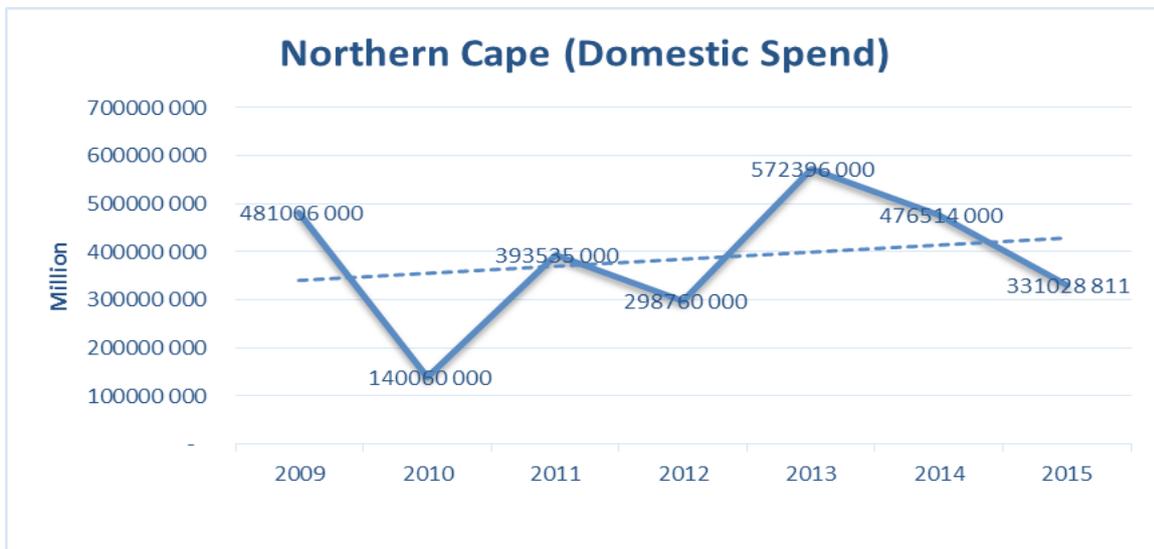
**PERFORMANCE INFORMATION**  
**For the year ended the 31 March 2017**

**Figure 1: Arrivals (Domestic)**



Source: SAT. Domestic Trips decreased by 30.5%

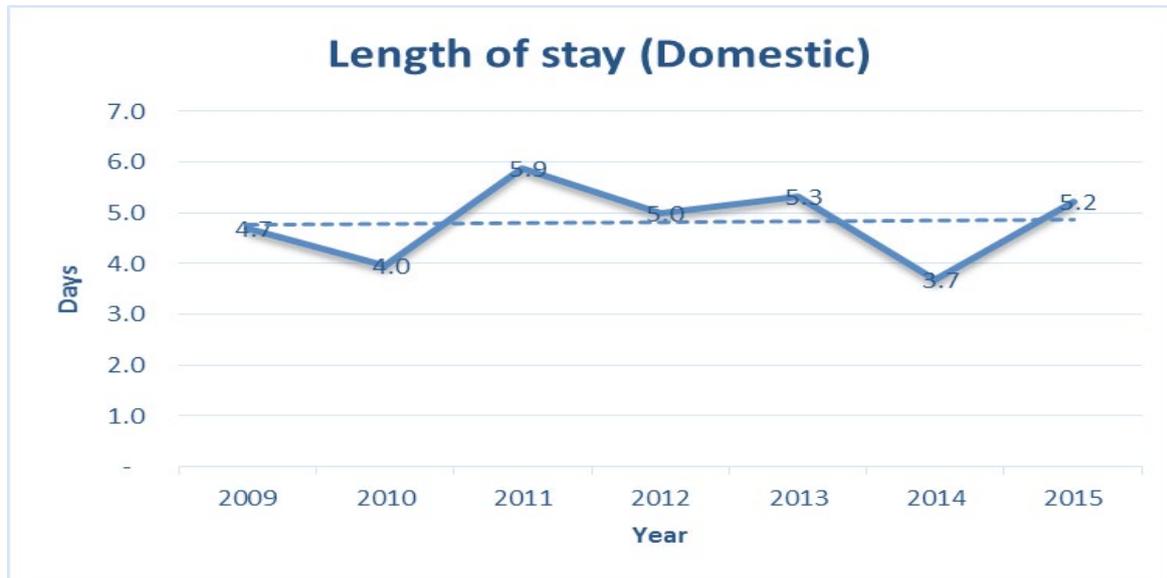
**Figure 2: Domestic Spend**



Source: SAT \*\*A drop of 35% in spend was experienced in 2015 compared to the previous year.

**PERFORMANCE INFORMATION**  
**For the year ended the 31 March 2017**

**Figure 3: Length of Stay (Domestic)**



Source: SAT

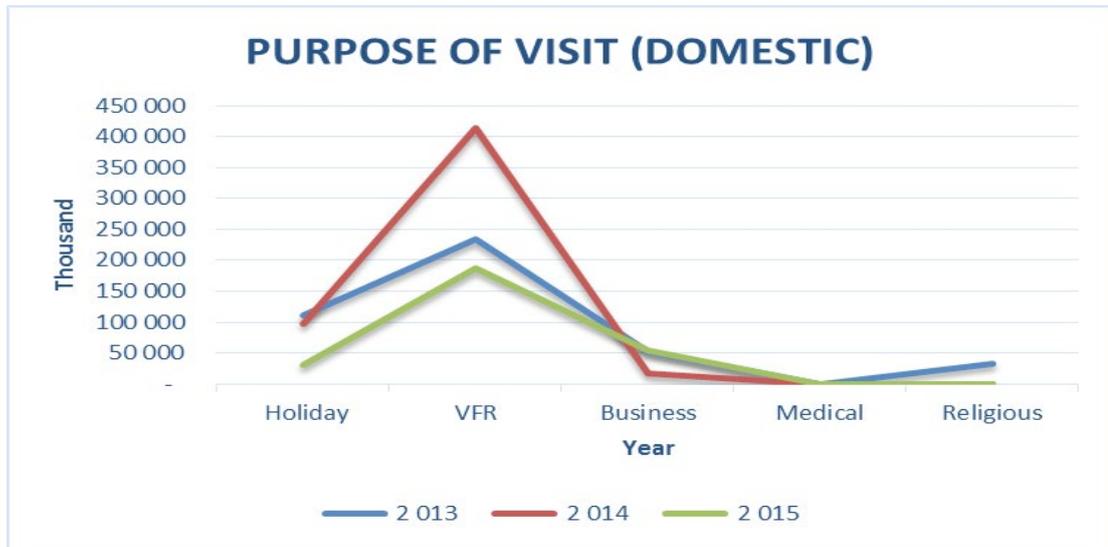
**Figure 4: Paid Bed Nights (Domestic)**



Source: SAT \*\*Bed nights increased by 63%

**PERFORMANCE INFORMATION**  
For the year ended the 31 March 2017

**Figure 5: Purpose of Visit (Domestic)**



Source: SAT

**Northern Cape International Tourism Performance**

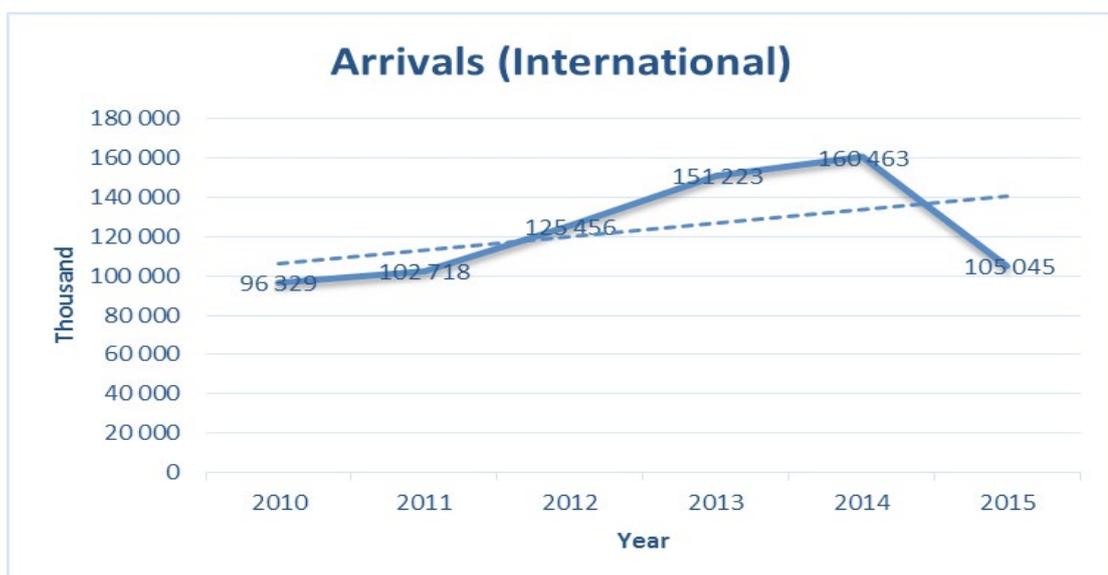
The Northern Cape received a 1.2% share of international arrivals into South Africa. International tourist arrival decreased by 36% from 166 657 in 2014 to 105 045 in 2015.

Africa land markets decreased by 0.7% with Namibia (19.77%) being the major source markets for Africa Land. Africa air market experienced a 0.1% increase from 0.4% in 2014 to 0.5% in 2015.

Arrivals from The Americas saw a slight increase of 0.2% from 1.4% in 2014 to 1.6% in 2015. Arrivals from Europe declined slightly by 0.1% from 1.8% in 2014 to 1.7% in 2015. The major contributors were Spain 8.7%, Switzerland 2.9% and Netherlands 2.6%.

Total spend decreased by 12% from 681 million in 2014 to 594 million in 2015.

**Figure 6: Arrivals (International)**



Source: SAT

**PERFORMANCE INFORMATION**  
**For the year ended the 31 March 2017**

**Figure 7: Total Spend**



Source: SAT

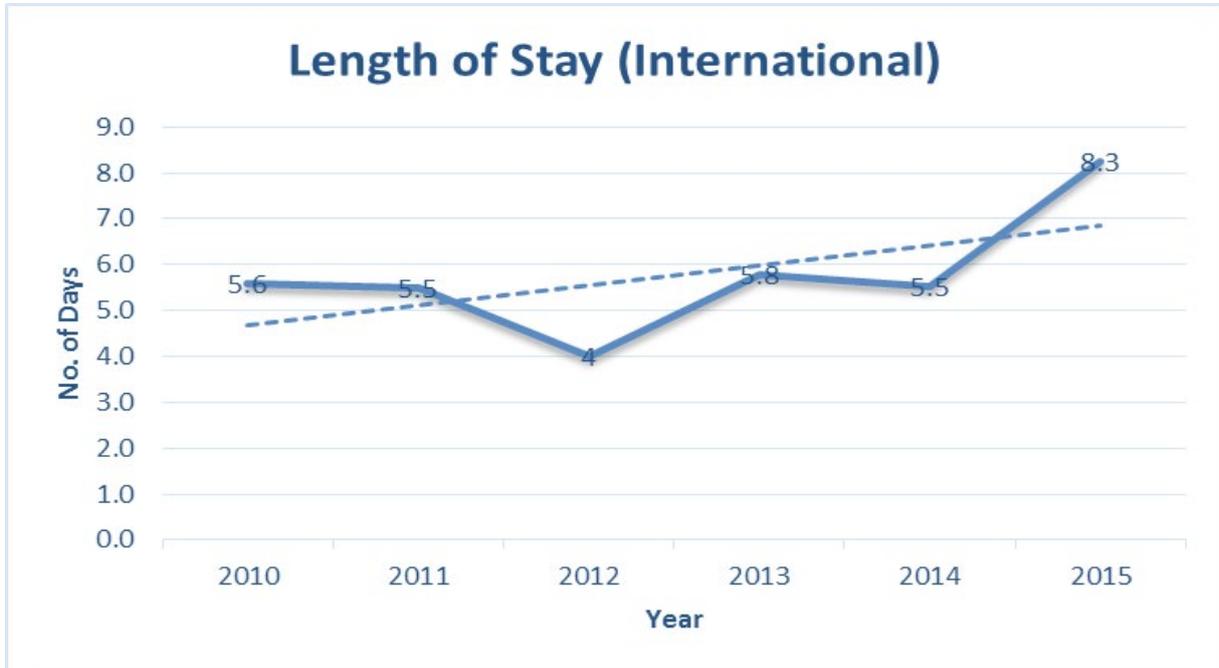
**Figure 8: Paid Bed Nights (International)**



Source: SAT

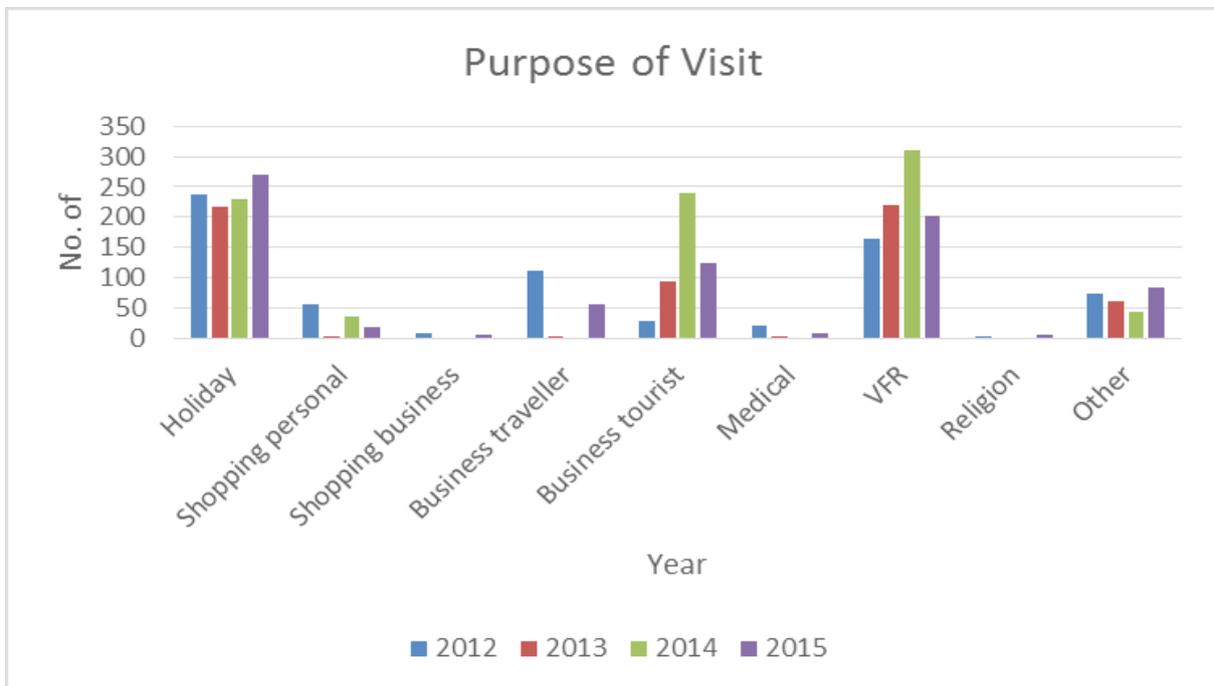
**PERFORMANCE INFORMATION**  
**For the year ended the 31 March 2017**

**Figure 9: Length of Stay (International)**

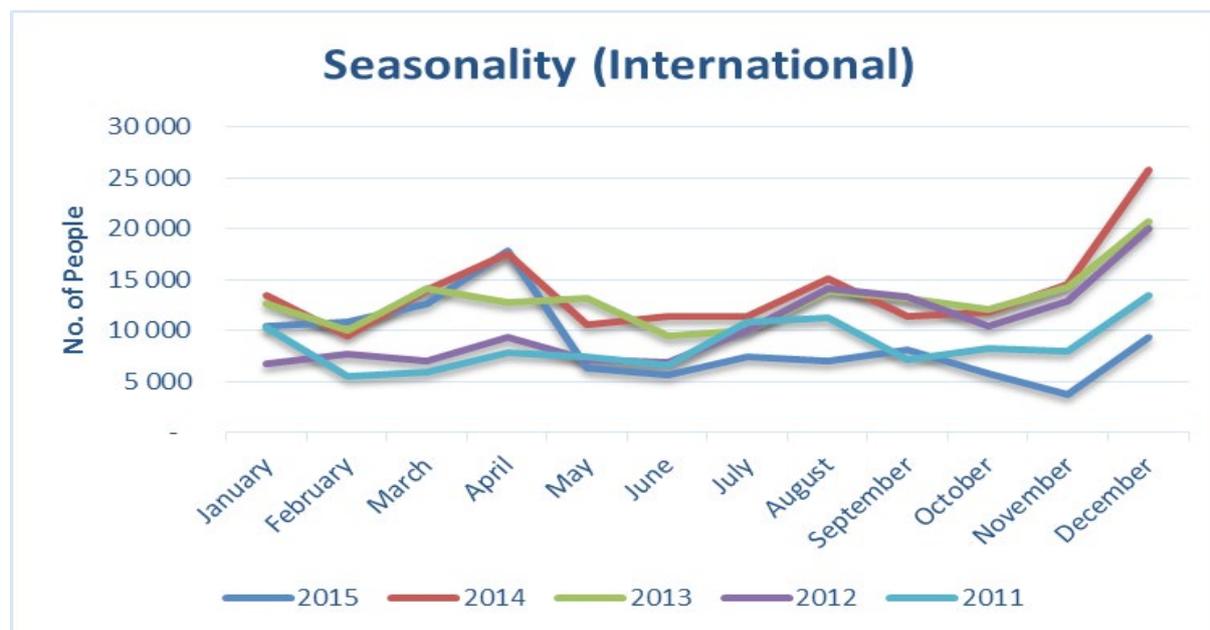


Source SAT

**Figure 10: Purpose of Visit**



Source SAT

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017****Figure 11: Seasonality (International)**

Source SAT

**2.2.1.2. Small Business Development (Integrated Economic Development Services)**

During the financial year under review, a total of two hundred and sixty-nine (269) SMME's were assisted through the provision of both financial and non-financial support services, in which one hundred and sixty-five (165) existing SMME's were supported and one hundred and four (104) new SMME's were developed. The interest displayed was mainly in manufacturing and services sectors.

A total of fifty-nine (59) existing co-operatives were assisted with services ranging from referrals, CIS applications, Information Dissemination and Training, and EGDF grant funding. A total of fifty-seven (57) new co-operatives assisted with Coaching and Mentoring on and CIS application and referral letters to SEDA for business plan development, registration processes, dissemination of information, and EGDF grant funding.

Five Black Industrialists were supported both financially and non-financially in terms of assistance provided in the submission of business plans to the Department of Trade and Industry (Dti). Three companies received financial support from the Economic Growth and Development Fund (EGDF). Forty informal traders were trained in sales and marketing as part of the Informal Sector Upliftment Development Framework initiative. In addition they received flash devices to improve their product offering. The Shared Economic Infrastructure Facilities (SEIF) was also established in support of the economic infrastructure for informal traders.

Three (3) sector specific incubator business plans (Renewable Energy, Agriculture & Renewable Virtual Incubator) completed and submitted to SBD for the Enterprise Incubator Programme (EIP). The Service provider for Mining incubator was also appointed.

In support of the Preferential Procurement Initiative (PPI) Thirty-two (32) SMME'S were linked to the B-BBEE ICT sector Council & SITA for procurement opportunities in both private and public sector.

The Economic Growth and Development Fund (EGDF) dispersed twelve million rand to 32 SMME's and Cooperatives across the province.

In terms of Regional Enterprise Development Support (REDS) the year posed significant challenges due to human capital and budgetary constraints experienced. The Department was able to attend to its mandates although it literally only had 50% of its organogramme capacity present for most of the year due to vacancies, extended leave and outstanding Industrial Relations matters since November 2016.

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

Eight municipalities were assisted with final LED components for their IDP's. In addition, a detailed Red Tape analysis and reduction proposal was tabled with each of these municipalities for implementation. The 5 district capitals were assisted by developing a comparative investment profiles for each of them. Ga-Segonyana was assisted to draft a new LED Strategy. Eight (8) projects were assisted with a basket of services that ranged from stakeholder coordination to municipal engagement support.

In partnership with SALGA, REDS rolled out Local Economic Development (LED) training to 33 municipal councillors from 16 different municipalities. Four (4) municipalities were capacitated on Social and Labour related matters.

The Provincial LED Forum was successfully held every quarter with huge success and ever increasing numbers of private stakeholders attending.

One-hundred-percent of the DORA funds allocated for EPWP was transferred to the implementing partners. The Department reported 239 Work Opportunities (WO).

The Department identified six (6) different economic opportunities for the targeted groups, in the mining sector on the Kimberley diamond dumps, asbestos dump rehabilitation, and Iron ore transport. Other sectors in which economic opportunities were identified are the Tourism, Renewable Energy and Services sectors.

The Department participated in the Provincial Youth Summit held in Upington by conducting information sessions to unemployed youth and later at the Northern Cape Technical Vocational Education and Training College (TVET) in Namakwa. The purpose of the session was to share information with youth on how to establish a business, what the requirements are, the role of stakeholders for example the funding institutions and the policies regulating youth development.

Sixty (60) unemployed youth were trained in NQF level 3 SAQA accredited freight handling and freight forwarding course for a period of twelve (12) months. The Department, in collaboration with the service provider Edidor, identified fifty (50) unemployed youth in Barkly West and Kimberley to be trained New Venture Creation NQF level 4.

The Department also conducted an ICT training for 30 Youth in business on the Enterprise Resource Planning tool. In addition to this, a ten week (10week) Entrepreneurial training course was conducted through the Cape Peninsula Technicon. A Basic Business Analysis and a seminar for 150 women was conducted with the NGO "Women Empowerment Movement International" (WEMI) in Pniel.

#### 2.2.1.3. Trade and Sector Development

Trade and Investment Promotion is mandated to market and promote the province as a suitable trade and investment location.

During the financial year 2016/2017 the Department assisted and facilitated the participation of 15 emerging SMME's to three exhibitions locally, nationally and internationally to expose them at such platforms, market their products and more importantly to look for export opportunities. These were:

- The Northern Cape Food and Wine Show in Upington (2)
- South African International Trade Exhibition in Midrand, Johannesburg (8)
- Mineral and Gem fair in Chenzhou, China - Hunan Province (5)

Through these exhibitions, two markets, Namibia and China, were opened for exporters. Furthermore, the Department also facilitated and organised a three-day Export Training Seminar in conjunction with the dti and SEDA for 33 SMME's/emerging exporters on:

- Export Development
- International Trade
- Introduction to Export

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017**

In terms of Investment, the Department undertook a successful Trade and Investment Outbound Mission to the People's Republic of China, Hunan Province, to participate in the Hunan International Investment Conference. The province signed an Action/Implementation Plan as per the agreed outcomes of the MOU signed with Hunan province during the financial year 2015/16. Promising interactions with possible investors such as TIDFORE were held on the development of the Boegoe Bay Harbour.

The Department drafted, designed and printed Northern Cape Trade and Investment marketing material, e.g. Northern Cape Economic profile on Trade and Investment opportunities and distributed these marketing materials to various Missions/Embassies abroad. The Department also entered into a contract with Global Africa for the publication of the NC Business booklet that highlights investment opportunities that are accessible through the electronic platform, "Matchdesk".

Best practice Tours were undertaken by Northern Cape Clothing Cluster Firms to the Western Cape Clothing Cluster during March 2017 where well-established firms such as K-WAY; Genuine Connection and Linen Drawer were visited to exchange business ideas on production improvement. To boost the financial stability of the Cluster, an application process to access the Cluster Development Programme Incentive from Dti has been initiated. A Machinist Skills Programme has been implemented for Jaffe and Co. where 6 employees were trained to be equipped with special skills on a variety of machines that are employed in the Clothing Industry.

There have been further developments with respect to the Metals Cluster with at least four firms indicating their intention to locate in the Cluster and have subsequently delivered their business proposals that are specific to the Metals Cluster.

These businesses have, with the support of the Department, further established themselves into a Non Profit Cluster Management Company that will be responsible for the implementation of a 3-year Cluster Business Plan. The implementation of this Business Plan will commence in April 2017 and into the MTEF period ending in 2020. The EIA Report on the 50 hectares of land in Kuruman has also been completed and submitted and received by the NC Department of Environment and Nature Conservation on 6 December 2016.

The Department has also conducted firm-level research with local manufacturing firms and produced reports that identify specific interventions to support the growth of the manufacturing sector. An Economic Impact Assessment Report has been completed. A Socio-Economic Development survey was completed on three Independent Power Producers. The Department also conducted a socio-economic impact survey on Independent Power Producers in order to assess the impact that these IPPs have on the Northern Cape Communities through their Economic Development Obligations.

Strategic initiatives with respect to skills development, clustering and capacity building of firms have featured prominently the year under review. Four students completed an internship programme on a Computer Aided Design course and currently eight students are under-going a Computer Aided Design (CAD) Skills Programme at the Moremogolo FET College in Kimberley. The programme is scheduled to end in the first quarter of the 2017/2018 financial year. This is another intervention to address the skills shortage within the manufacturing sector.

**2.2.1.4. Governance and Business Regulations**

The main aim of the Governance sub-programme is to promote and oversee good governance of the public entities, namely the Northern Cape Gambling Board and the Northern Cape Liquor Board and to ensure compliance to their respective legislation and the PFMA. On a quarterly basis, the performance and financial reports of these entities are analysed and processed. These public entities are a creation of statutes and function in accordance thereto and are held accountable by the Department through monitoring and evaluation of their strategic performance plans.

For the financial year 16/17 all performance objectives were achieved. The Public Entities' Strategic Planning documents were submitted as per legislative requirements namely one (1) Gambling Board Strategic Plan and one (1) APP received and analysed, and one (1) Liquor Board Strategic Plan and one (1) APP received and

**PERFORMANCE INFORMATION**  
**For the year ended the 31 March 2017**

analysed. The Public Entities' Quarterly Reports were analysed namely four (4) Gambling Boards Quarterly reports were received and analysed four (4) Liquor Boards Quarterly reports were received and analysed.

The Public Entities' compliance checklist reports were verified to ensure compliance to PFMA namely four (4) Gambling Boards compliance checklist reports were received and verified and four (4) Liquor Boards compliance checklist reports were received and analysed. All compliance checklist reports are verified at respective offices of the Entity quarterly.

The Public Entities revenue-and-expenditure reports were analysed within prescribed timeframes and four (4) Gambling Board revenue - and - expenditure reports and four (4) Liquor Board revenue and expenditure reports were analysed. This revenue - and - expenditure report is a new performance indicator which was introduced for in the financial year 16/17 to support the quarterly transfer payments to the public entities. There were no in-year changes to the budget or targets.

In the period under review the Office of the Consumer Protector drafted and implemented an approved annual programme to improve education and awareness and all planned awareness programmes were conducted in different regions to educate and to create awareness amongst consumers.

All complaints received from consumers were investigated. However the high number of cases received compared to the shortage of investigation officers has a consequence of delaying the speedy resolution of cases.

Inspections were conducted as planned. Seventeen (17) additional inspections were conducted in addition to the planned number. No additional resources (financial or human) were utilised in the overachievement, as the inspections were conducted in conjunction with the education and awareness campaigns conducted by the inspectorate. The aim of these inspections is to ensure that businesses always comply with the Consumer Protection Act and respect consumer rights. The evidence indicates that at least 50% of the businesses still do not comply with the Act. If compliance is to be improved then the establishment of regional offices are paramount. Regional offices will mean that more inspections can be conducted in the province. The current arrangement only allows inspections to be conducted once a year in a specific district. This negatively affects the impact of awareness and hampers the speedy resolution of cases and compliance because no return visits are able to be conducted to ensure that resolutions are implemented.

The absence of complainants and non-cooperation of respondents has meant that the target set for resolved cases has not been achieved. In addition the complexity of cases makes it difficult to resolve cases. The absence of district offices also delays the resolution of cases as the officials are not able to travel to a specific district more than once per year to investigate matters.

None-the-less there was a measured impact for the cases that could be resolved. This impact is tangible as consumers are financially compensated as a result of the intervention of the Consumer Protection Authority that conducts a complaints resolution processes. The total amount saved for consumers for the current financial year is R1 961 612.41 (One Million Nine Hundred and Sixty One Thousand Six Hundred and Twelve Rand and Forty One Cents).

The target for adjudicated cases has not been met. Ten of the cases referred for adjudication in 3rd and 4th quarters have not been served yet by the Sheriff of the court. The Consumer Court is still awaiting a return of service in this regard. The process takes approximately 30 days before adjudication takes place. External factors, such as attorneys requesting postponements and witness' non-attendance result to postponements and matters thus not adjudicated.

The Northern Cape Consumer Court has been established by section 18 of the Northern Cape Consumer Protection Act, 2012 and is primarily responsible for adjudication of all unresolved investigated consumer complaints which have been referred to it. All the Consumer Court members have been appointed. This performance indicator is reported annually, and will be reported at the end of the financial year.

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

The impact of prosecutions by the Consumer Protection Authority in the Consumer Court has assisted consumers tremendously in obtaining redress for violations by suppliers of the Consumer Protection Act. Consumers have saved the amount of R659 913.21 (Six Hundred and Fifty Nine Thousand Nine Hundred and Thirteen Rand and Twenty One Cents) through adjudication proceedings conducted for the current financial year in the Consumer Court.

#### 2.2.1.5. Economic Planning

The Department conducted an analysis of the Sustainable Development Goals (SDGs) to determine how the Northern Cape Province will be contributing to their achievement. The SDGs are built on the Millennium Development Goals (MDGs) which were time-bound and quantified targets for addressing extreme poverty in its many dimensions: income poverty, hunger, disease, lack of adequate shelter, and exclusion-while promoting gender equality, education, and environmental sustainability. The provincial indicators were forwarded to StatsSA.

An analysis of the Industrial Policy Action Plan (IPAP) was conducted. The IPAP 2016/17 – 2018/19 is the 8th iteration of government's annual Industrial Policy Action Plan which sets out sector specific plans and provides key interventions towards industrial development in South Africa.

Progress report on the implementation of the Nine point Plan was compiled and presented at the Exco Lekgotla, the Provincial and Local Government workshop and at the Premier's Inter-Governmental Forum.

The Department coordinated five District Economic Policy Symposiums across all five Districts namely: Pixley Ka Seme, Frances Baard, John Taolo Gaetsewe, ZF Mgcawu and Namakwa. The purpose of the Symposium was to facilitate integrated planning and alignment of policies, plans and priorities at provincial and local level. It is also utilised to gather inputs towards the implementation of the Nine Point Plan and the development of the Provincial Blue Print for Trade and Investment.

A total of nine research papers were successfully compiled, namely, 2 research reports, 2 research initiatives and 5 economic intelligence reports. The research outputs were based on the themes identified in the research agenda specifically the Small Medium and Micro Enterprise (SMME) Sector and Procurement Opportunities in support of Localization. The report titled *SMME Failure in the NC: An in-depth analysis* probed a total of 128 SMME's for reasons why businesses fail in the province. The report titled *Understanding the informal economy* surveyed a total of 170 street traders across the five districts in the province. The objective was to establish challenges faced by informal participants in the Province. The economic intelligence reports investigated the opportunities in SIPs 3 and 5, shale gas fracking as well as nuclear energy, the rationale being to ensure that SMME's in the province are best placed to participate in the value chains of these massive projects through supplying some components or parts for an example.

The Department continued to implement The Northern Cape Information Society Strategy (NCISS). An outreach programme was pursued to implement the NCISS. This approach led to the Department implementing an in-house developed USSD application for SMME's, while extending e-skills development into the Province, through partnerships that included the: Department of Public Service and Administration, Open Government Program; Google; Diamond Vision Creative Hub; Geekulcha; Digify Africa and Microsoft.

#### 2.2.1.6. Tourism

The Department unit was able to produce the Provincial Tourism Indicator Report. The report depicts the performance of tourism from the year 2009 to year 2015. The Regional Tourism Tracking Survey Report was concluded with the aim of creating a model for capturing tourism performance at a regional level.

In line with the call to exploit the opportunities provided by the coast and marine environment, a Coastal and Marine Strategy has been developed. In an effort to coordinate and streamline tourism development activities across the province, the Provincial Tourism Forum was also launched.

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

As part of the strategy to capacitate local municipality tourism practitioners, a training workshop was conducted by the University of Pretoria on tourism development. In line with the provincial Events Management Strategy a training workshop was conducted for youth in events management.

Three tourism awareness campaigns were conducted in the province, in an effort to highlight the importance of tourism in our communities. A delegation of grade 11 learners attended the National Tourism Careers Expo. In recognising excellence within the sector the Lilizela Awards Ceremony was held.

The Department managed to implement the campaign against illegal tourist guiding and realised a positive response in terms of registration and compliance. A successful Tourist Guide's Day celebration was organised and provided an excellent tourist guiding experience to both learners and educators involved with Tourism as a school subject. Five tourist guides were provided with software packages to enhance their product and service delivery.

The jobs created through SMME grants are calculated at 57, seventeen permanent jobs and forty temporary jobs. An additional thirty-one tourism enterprises were supported non-financially which meant that the Department was able to provide financial support to Seventy-one tourism enterprises. Eight enterprises were granted Tourism Development Grants.

In terms of the Kimberley Diamond Cup the Department was able to host eight Skating for Hope (SFH) and two Grand Slam events. Due to a contractual dispute the main event could not take place as planned. The matter has been placed under a legal review process. The Department was able to support eight tourism experiences. However The Road sign surveys for Kalahari Red Dune, Heritage and N12 Routes could not be pursued as funds were reprioritised for the maintenance of the Skate Park. The three tourism infrastructure projects supported which included the three route-based visitor information office at Askham, Kakamas VIC and Port Nolloth Museum. Due to the low water levels in the Kamfer's Dam the bird viewing project could not be achieved.

#### 2.2.2. Service Delivery Improvement Plan

Main services	Beneficiaries	Current/ Actual Standard of Service	Desired standard or service	Actual achievement
Provision of support and development services to SMME in order for them to create permanent employment opportunities.	SMME's	112 Existing SMME's supported by 31 March 2016 through:	20 Existing SMME's supported by 31 March 2017 through:	One hundred and Fifty Six (156) existing SMME's were supported.
		<ul style="list-style-type: none"> <li>• Business Plan appraisals</li> <li>• Facilitation of access to finance from various sources.</li> <li>• Facilitation of access to markets</li> </ul>	<ul style="list-style-type: none"> <li>• Business Plan appraisals</li> <li>• Facilitation of access to finance from various sources.</li> <li>• Facilitation of access to markets</li> </ul>	
		85 New SMME's developed.	20 New SMME's developed.	Seventy eight (78) new SMME's were developed.
		Draft incubation Strategy developed for SMME's	Review of the incubation Strategy	<ul style="list-style-type: none"> <li>• Incubating Strategy completed.</li> <li>• 3 Sector specific incubator business plans (Renewable Energy, Agriculture &amp; Renewable virtual incubator) completed and submitted to SBD for the Enterprise Incubator Programme (EIP).</li> <li>• Service Provider for Mining Incubator appointed.</li> </ul>

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

#### Consultation arrangements with customers

Type of arrangement	Current Arrangement	Desired Arrangement	Actual achievements
Improving on the time and consistency of interactions between the department and stakeholders with specific focus on feedback on funding applications.	<ul style="list-style-type: none"> <li>Follow- ups done telephonically due to stakeholder confidentiality policies &amp; practices.</li> <li>Stakeholders communicate directly with clients.</li> <li>Officials obtain updates from clients.</li> </ul>	Follow- up on funding applications to be done within 30 days of submission to funding institutions.	<ul style="list-style-type: none"> <li>Follow- ups done telephonically due to stakeholder confidentiality policies &amp; practices.</li> <li>Stakeholders communicate directly with clients.</li> <li>Officials obtain updates from clients.</li> </ul>
Maintaining partnerships/ consultation platforms	<p>Consultation with stakeholders is done through the following platforms:</p> <ul style="list-style-type: none"> <li>Quarterly LED Forum</li> <li>Economic Development Coordinating forum -quarterly</li> <li>Interdepartmental Forum on Youth Development - quarterly</li> <li>NC Youth Chamber of Commerce and Industry</li> <li>(NCYCCI)- Quarterly.</li> </ul>	<p>Continue to strengthen consultation processes within already existing and new platforms;</p> <ul style="list-style-type: none"> <li>Quarterly LED Forum</li> <li>Economic Development Coordinating Forum – quarterly</li> <li>Interdepartmental Forum on Youth Development - quarterly</li> <li>NC Youth Chamber of Commerce and Industry</li> <li>(NCYCCI)- Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Participation in quarterly LED Forums</li> <li>MINMEC participation</li> <li>Participation in the Provincial Youth Summit &amp; Career Expo.</li> </ul>

#### Service Delivery Access

Access Strategy	Current Arrangement	Desired Arrangement	Current Achievement
Training of SMME Development and LED personnel within the regions as funding agents to assist with funding applications.	Collaborate with the dti to train LED personnel, within the regions, as funding agents.	Collaborate with the dti to train LED personnel, within the regions, as funding agents.	<ul style="list-style-type: none"> <li>The status is still the same.</li> <li>Not aware of new people taken up to be trained as Network Facilitators.</li> </ul>
Improving access to the department services within the regions.	Implement the Cadet Programme in collaboration with SEDA. In addition to already existing means of service access, 15 individuals will be placed within municipalities to improve on access to services.	–	<ul style="list-style-type: none"> <li>Nine (9) of fifteen (15) cadets were appointed and trained.</li> <li>A severe challenge was/is to obtain sufficiently qualified candidates in the rural areas.</li> <li>The six (6) positions currently vacant have been advertised seen as suitable candidates could not be found during the first recruitment drive.</li> <li>A Companies and Intellectual Property (CIPC) self -service centre point was established at the Umzimkhulu building.</li> <li>Four (4) officials received training on the system and to date 24 companies have been registered;</li> <li>Two (2) company amendments have occurred and</li> <li>Seven (7) annual returns have been captured on the system.</li> </ul>

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

#### Service information tool

Service Information Strategy	Current Arrangement	Desired Arrangement	Current Achievement
Timeously provide feedback to funding applicants (SMME's) on the status of their application.	Feedback to SMME's in writing with regard to the outcomes of funding applications within 24 hours of receipt from a funding institution.	Feedback to SMME's in writing with regard to the outcomes of funding applications within 24 hours of receipt from a funding institution.	The funding institutions provide feedback regarding funding applications directly to the respective clients due to confidentiality matters involved and the unit obtains reports from respective clients in this regard.
Afford the SMME's the opportunity to provide feedback and express their opinion on services rendered by the department.	Continue to administer customer satisfaction forms after training and workshops.	–	<ul style="list-style-type: none"> <li>• The Monitoring and Evaluation unit conducts quarterly customer satisfaction interviews based on SBD performance reports where upon detailed feedback is received.</li> <li>• Hosted a Provincial SMME and Procurement Indaba in November 2016 to interact with SMME's on their concerns &amp; challenges.</li> </ul>
Marketing of all government services available to SMME's in the most rural parts of the province.	An available booklet containing stakeholder information (services and products) to be reviewed.	Reviewed booklet Stakeholder information (services & products) to be printed and disseminated to all SMME's including those in rural areas annually.	<ul style="list-style-type: none"> <li>• SMME financial and non-financial support matrices reviewed and disseminated.</li> <li>• Developed the NC Provincial Newsletter for circulation.</li> <li>• Economic Empowerment embarked on a road show of the Province to share information with youth.</li> </ul>

#### Complaints mechanism

Complaints Strategy	Current Complaints Mechanism/Standard	Desired Complaints Mechanism/Standard	Actual achievements
Ensuring rapid response to and speedy resolution of complaints.	Complaints relating to support and development of SMME's will be resolved within 25 working days from the date of receipt.	Complaints relating to support and development of SMME's will be resolved within 25 working days from the date of receipt.	<ul style="list-style-type: none"> <li>• Complaints were responded to within the stipulated time frames.</li> <li>• No Presidential Hotline complaints.</li> </ul>

### 2.2.3. ORGANISATIONAL ENVIRONMENT

#### 2.2.3.1. Administration

The Economic Technical Cluster Secretariat chiefly provides technical support to the Economic Sector, Employment and Infrastructure Committee. The sub-programme is also responsible for coordinating the Economic Technical Advisory Committee (ETAC) which is a research and planning component, compiling economic infrastructure research reports, analysing the High Impact Projects within the Province and the establishment of an Economic Intelligence Resource Centre (War Room). The Economic Sector, Employment and Information Committee Secretariat plays a role in the verification of the information that must serve before the Economic Cluster.

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017**

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

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

The four (4) staff information sessions succeeded in its objective of establishing a well-informed and ethically sound workforce. They covered Labour Relations issues such as the Disciplinary Code & Procedures; Precautionary Suspensions; Protected Disclosure, Ethics and Anti-Corruption. Once again no cases of corruption and fraud were reported for the reporting period. Emphasis was placed on "Temporary Incapacity Leave" and "Injury on Duty".

The Department achieved 100% compliance with the disclosure of financial interests by senior management. This is proof of the department's commitment of ethics and good governance.

The Department continues to value the well-being of its staff. In addition to employee wellness programmes, the 24-hour hotline and employee assistance programme has been launched and it is operational. The Employee Health & Wellness' and Diversity unit's MPAT scores have improved significantly, with achievement of excellence in at least one area of compliance.

All targets for Corporate Services were achieved. This evidences the commitment of Corporate Service to play an effective support role for the Department to advancing in its core functional areas.

**2.2.3.2. Small Business Development (Integrated Economic Development Services)**

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

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

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

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

**2.2.3.3. Trade and Sector Development**

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

- Trade and Investment Promotion which is mandated to market and promote the province as a suitable trade and investment location. Through the application of best practice methodology and focused targeting, this sub-programme will proactively seek to attract, facilitate and retain foreign investment and promote exports and market access into the Province.
- Sector Development which actively pursues catalytic interventions with snow-balling effect that could trigger development initiatives on related industries within and outside manufacturing sector. One major intervention of note is the introduction of manufacturing clusters (Mineral Beneficiation Cluster, Agro-Processing Cluster and Clothing & Textile Cluster) whose attempts are none other than encouraging

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

the development of industries in the Province. In conjunction with economic analysis research the Sub-programme conducted on Exports Industries, inter-sectoral trade linkages and the multiplier effects of manufacturing industries, the Sub-programme became better informed on what interventions can be introduced to boost manufacturing in the Province while responding to the national call for industrial development in the country as a strategy for economic growth and job creation.

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

#### 2.2.3.4. Business Regulation and Governance

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

The Programme is divided into:

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

#### 2.2.3.5. Policy Research and Innovation

The implementation of the Operation Phakisa: Oceans Economy which was launched in October 2014 has added to the responsibilities of coordinating planning and implementation across the different spheres of government and in the year under review. The specific focus areas of the Phakisa affecting the programme is Small Harbours and State-Owned Coastal Property Development, the latter work has been jointly coordinated with the Office of the Premier. The Oceans Economy review workshop elevated Small Harbours as a separate focus area in October 2015 and operational work has been ongoing since December 2016 and the Department has been involved in the Task Team since. The focus is on Namakwa District Municipality (NDM) as the only coastal region of the Northern Cape. Extensive consultation has unfolded and the aim is to host an investment conference on small harbours and state coastal property.

Four outcomes implementation forums were hosted over the course of the financial year which were joint Outcome 4 and 6 meetings with sectors departments and delivery partners respectively. Reports were tabled at the Technical and Political Economic Cluster meetings on progress relating to the outcomes. Furthermore the 2017/18 Programmes of Action (POAs) on the two outcomes were reviewed and mid-term reports were compiled as well and submitted to the Department of Policy, Monitoring and Evaluation (DPME).

There has been good progress on the coordination of Outcome 6 meetings with involvement by delivery partners, on the other hand, Outcome 4 meetings seem to be regressing both in terms of attendance and quality of reports. This is a cause for concern and we need to engage the sector departments and delivery partners going forward. Furthermore, have successfully managed to collate information on reporting progress on the Northern Cape Nine Point Plan and importantly consulted with local government to align the Nine Point Plan priorities accordingly. The district economic symposiums that were conducted over the course of the financial year were an important platform for this. They also assisted in that programmes delivering on other important departmental functions like small business development amongst others were co-opted on attending these sessions to share important information with local governments.

Economic policy symposia with local government and other stakeholders were held in Pixley ka Seme and Frances Baard districts in the first quarter; in ZF Mgcawu and John Taolo Gaetsewe districts in the third quarter; and the last symposium was held in Namakwa district. These sessions are very important as they ensure

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017**

alignment of provincial and national plans with the local government sphere with a particular focus on the Provincial Nine Point Plan.

Research and Development managed to complete a number of research initiatives and reports on important topics. The first quarter initiative focused on the corporate social investment (CSI) commitments and spending of mines in the province. Furthermore an economic intelligence report on hydraulic fracturing (fracking) of shale gas in the Karoo region of the province was completed. The Quarter 2 research report focused on the failure rate of SMME's in the province, the team conducted field work and interviewed over 128 SMME's in all the five regions. In quarter 3 the unit focused on assisting the Tourism programme on assessing the state of tourism information centres. It captures the operating state of specific information centres in terms of infrastructure and resources and the economic intelligence report assessed the employment tax incentive. The report summarised the uptake of the incentive and how it has assisted to address the social problem of youth unemployment.

In Quarter 4 the Department conducted a survey of street traders in the Kimberley central business district (CBD), the purpose was to understand the informal economy in the province. It was hoped the study would assist with an understanding of the challenges faced by informal traders. The research agenda was also updated and a research day hosted to disseminate all the research findings.

The Department increased their focus on e-learning, training and development in the different regions. In Quarter 1 the Department successfully hosted three SKA Hackathons training sessions. In Quarter 2 vocational training was conducted in ZF Mgcawu for scholars and unemployed youth to expose them to the mobile applications development environment. During the third quarter the KE&I unit extended the network of relationships through Geekulcha's introduction of the Africa Code Week. Our progress with growing the app developer ecosystem received a major boost, which saw Kimberley as one of four cities participating in the Department of Public Service and Administration's (DPSA) Open Government Programme called the Responsive Cities Challenge. We had three local winners that won cash prizes.

In terms of the target on broadband connectivity to district municipalities we had limited success as the national government challenges on appointing project managers has delayed the implementation process. The Department of Telecommunications and Postal Services (DTPS) cancelled the national broadband rollout tender therefore the Department underachieved on the target.

DEDaT conducted monitoring of its service delivery initiatives, Outcome 4 and the monitoring performance and assessment tool (MPAT) respectively. The unit successfully delivered on all of these with improvements registered on MPAT for the department from version 1.5 to 1.6. The unit responsible for this deliverable is faced by a number of constraints relating to resources both financial and human resources.

**2.2.3.6. Tourism**

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

In order to align the Tourism Programme with the service delivery outcomes as set out in the National Tourism Sector Strategy, the programme will be reduced to two sub-programmes which will be called Tourism Growth and Tourism Development.

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

- Tourism Growth, and
- Tourism Development.

**2.2.4. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES**

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

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

## 2.3. STRATEGIC OUTCOME ORIENTED GOALS

### 2.3.1. EFFICIENT LEADERSHIP, STRATEGIC SUPPORT AND ECONOMIC ADVICE

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

During the 2016/2017 financial year all proceedings of the Technical Economic Sector, Employment and Infrastructure Cluster (ESEITC) were produced. The following agenda items were served at the meetings:

- The Drought report,
- The Tourism Master plan,
- The Outcome 4, 6 and 10 reports,
- The Provincial Programme of Action,
- The Kimberley Diamond Cup,
- The National Rail Policy,
- The Special Economic Zone (SEZ),
- The Renewable Energy Summit,
- The Economic Blueprint for the Provincial Economy,
- The PGDP,
- The establishment of a Provincial Hazardous Landfill Site,
- The Mining Indaba,
- SPLUMA, and The Independent Power Producers,
- The Renewable Energy Conference,
- The PGDP,
- Bloodhound,
- Task team on violent incidents associated with local and foreign informal and small business,
- the SEZ and the second quarter outcome 4 and 6 and 10 reports,
- The intention of the Northern Cape Province to host the FISE (Festival International Sport Extreme) World Series from 2017-2019,
- The proposed Renewable Energy Summit progress report, the 3rd Quarter - Outcome 4, 6 and 10 reports, and
- The Provincial Growth and Development Plan progress report, Integrated resource plan, and the Progress on the proposed Special Economic Zone

The following reports were produced:

- High Impact Analysis Report,
- Economic Technical Cluster Report,
- The Northern Cape Economic Infrastructure Report, and
- The Provincial Growth and Development Plan Diagnostic Report.

### 2.3.2. ACCELERATED GROWTH AND TRANSFORMATION OF THE ECONOMY TO CREATE DECENT WORK AND SUSTAINABLE LIVELIHOOD

During the financial year 2016/17 a total of two hundred and sixty-nine (269) SMME's were assisted through the provision of both financial and non-financial support services, in which one hundred and sixty-five (165) existing SMME's were supported and one hundred and four (104) new SMME's were developed. The interest displayed was mainly in manufacturing and services sectors. The nature of the support and development was provided as follows:

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017****One hundred and sixty-five (165) existing SMME's supported:**

- Facilitated funding applications for seven (7) existing SMME's through the NEF and SEFA
- Five (5) existing SMME's referred to SEDA for assistance with the development of business plans
- Six (6) existing SMME's referred to SEDA for assistance with marketing materials
- Three (3) existing SMME's were provided with business advice on access to finance, access to markets and drafting bankable business plans
- Nine (9) existing SMME's were assisted with grant funding through EGDF
- One (1) existing SMME assisted with market access to travel to Korea for an international business Expo for business networking and meeting potential new clients in aluminium steel manufacturing sector
- One (1) existing SMME referred to SEDA for training on business and financial management skills training
- Conducted training of one hundred and twenty (120) existing SMME's on entrepreneurship and basic business skills in Kuruman, Kathu, Postmasburg, Britstown and Upington.
- One (1) existing SMME's referred to the Department of Sports, Arts & Culture for sponsorship
- Procurement of exhibition space for ten (10) SMME's at the Township Economy Conference held in Galeshewe at the Mayibuye Centre
- Two (2) existing clients assisted with amendments to their company on the CIPC system.

**Black Industrialists Supported:**

Five (5) companies supported as Black Industrialists (Rainbow Granite & Marble, Kabza Milling, Maiktronix, Mafarathla Technical Networks, NAM Petroleum)

- Submitted business plans to DTI for financial and non-financial support
- Three (3) Companies already assisted through EGDF

**Informal Sector Upliftment Development Framework:**

- Forty (40) informal traders trained on sales and marketing in Kuruman, Postmasburg and Upington. Also, provided with flash devices to improve their service offering.

**Shared Economic Infrastructure Facilities (SEIF) established:**

- The SEIF Programme is a 50/50 grant from the Department of Small Business Development (DSBD). This process entails the application for this grant from a municipality for economic infrastructure for informal traders. This financial year (2016/2017) as part of the first phase of the establishment process DEDaT assisted the two (2) municipalities (Frances Baard DM & Emthanjeni LM) in drafting proposals for inclusion in the SEIF programme.

**One hundred and four (104) new SMME's developed:**

- Facilitated funding applications for six (6) new SMME's through NEF and SEFA
- Two (2) new SMME's referred to SEDA for assistance with due diligence
- Thirty-three (33) new SMME's were provided with business advice on access to finance, access to markets and drafting bankable business plans
- Fourteen (14) new SMME's referred to SEDA for assistance with the development of business plans
- One (1) new SMME referred to SEDA for assistance with marketing materials
- Thirty-seven (37) new SMME's assisted with company registrations through CIPC system
- Seven (7) new SMME's assisted with filling annual returns on CIPC system
- Four (4) new SMME's were assisted with grant funding through EGDF

**Incubation:**

- Three (3) sector specific incubator business plans (Renewable Energy, Agriculture & renewable virtual incubator) completed and submitted to SBD for the Enterprise Incubator Programme (EIP). Service provider for Mining incubator appointed

**Preferential Procurement Initiatives (PPI)**

- Thirty-two (32) SMME'S linked to the B-BBEE ICT sector Council & SITA for procurement opportunities in both private and public sector.

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

#### Existing Cooperatives

A total of fifty-nine (59) existing co-operatives were assisted with services ranging from referrals, CIS applications, Information Dissemination and Training, and EGDF grant funding: -

- Twenty-six (26) existing walk in Cooperatives were provided with coaching and mentoring support services
- Three (3) existing Cooperatives assisted with grant funding
- (17) Seventeen existing Cooperatives assisted with training on Governance and Quality Management Services and Procurement opportunities through SASSA and DSD
- Thirteen (13) existing Cooperatives were provided with coaching and mentoring support services on market access.

#### New Cooperatives:

A total of fifty-seven (57) new co-operatives assisted with Coaching and Mentoring on and CIS application and referral letters to SEDA for business plan development, registration processes, dissemination of information, and EGDF grant funding.

- Thirty-eight (38) new Cooperatives were assisted with Cooperatives registrations with CIPC
- One (1) new Cooperative assisted with grant funding
- Eighteen (18) new Cooperatives were provided with coaching and mentoring support services on CIS and market access

#### Growth Fund (EGDF):

True to the commitment of the MEC in his Budget Speech the beneficiaries of the Economic Growth and Development Fund (EGDF) are spread across the province. The process entailed the appointment of an independent service provider that gathered the business plans from all district municipalities, analysed them, invited SMME's and cooperatives to present their plans and subsequently made recommendations to an intra-departmental panel for approval.

To this effect approximately R12 million was dispersed to SMME's and cooperatives through the Department and approximately R14 million was transferred to the Northern Cape SMME Trust to finalize the disbursements to the remainder of the SMME's and cooperatives. A total of 32 businesses were funded across the province and this translates to 12 businesses in Frances Baard District Municipality, 3 businesses in ZF Mgcawu District, 6 businesses in John Taolo Gaetsewe, 6 businesses in Namakwa and 5 businesses in Pixley ka Seme, since all approvals were not finalised by the end of the financial year 31 March 2017.

Eight municipalities were assisted with final LED components for their IDP's. In addition, was a detailed Red Tape analysis and reduction proposal tabled with each of these municipalities for implementation.

The municipalities assisted are as follow:

- Magareng,
- Emthanjeni,
- !Khai-Ma,
- Karoo-Hoogland,
- Joe Morolong,
- John Taolo Gaetsewe,
- Kgatepele,
- !Kheis.

The 5 district capitals were assisted by developing a comparative investment profiles for each of them. They are as follow:

- Sol Plaatje Municipality,
- Emthanjeni Municipality,
- Nama-Khoi Municipality,
- David Kruiper Municipality,
- Ga-Segonyana.

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

In addition, was Ga-Segonyana assisted to draft a new LED Strategy.

Eight (8) projects were assisted. Assistance ranged from stakeholder coordination to municipal engagement support. The projects assisted were as follows:

Frances Baard District:

- Beefmaster,
- Sol Plaatje University Procurement and MOU model,
- KEW Metals Cluster Proposal.

Pixley Ka Seme District:

- Wool Proposal.

Namkakwa District:

- Khai Ma incubator.

ZF Mcgawu District:

- Vehicle testing,
- Algae Plant.

John Taolo Gaetsewe District:

- SMME Incubator.

In partnership with SALGA, REDS rolled out LED training to 33 municipal councillors from 16 different municipalities. Detailed training was provided on LED, Red Tape Reduction and Social and Labour Plans. Each of the councillors were also issued with a Compact Disk containing all the relevant detail. The Municipal councillors were trained in:

- Frances a Baard
- Phokwane
- Magareng
- Ga-Segonyane
- Sol Plaatje
- Joe Morolong
- Gamagara
- Dawid Kruiper
- Kheis
- Kamiesberg
- Khai Ma
- Hantam
- Namakwa
- Emthanjeni
- Kareeberg
- Siyathemba

In addition 4 municipalities capacitated on Social and Labour related matters.

The Provincial LED Forum was successfully held every quarter with huge success and ever increasing numbers of private stakeholders attending.

One-hundred percent (100%) of the DORA funds allocated for EPWP was transferred to the implementing partners and 239 Work Opportunities (W/O) were reported.

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

In addition, REDS assisted with the Lüderitz and Namibia negotiations, supported the Provincial Director-General with the Forum on China-Africa Cooperation negotiations and the Heads of Mission presentation The Department of International Relations and Cooperation (DIRCO).

In terms of Economic Empowerment the Department provided support to HDI's to enable them to participate in the mainstream economy. The Department identified six (6) different economic opportunities for the targeted groups, in the mining sector on the Kimberley diamond dumps, asbestos dump rehabilitation, and Iron ore transport. Other sectors in which economic opportunities were identified are the Tourism, Renewable Energy and Services sectors.

Several interventions were identified for those who are living with disabilities. These include:

- Twenty (20) and twenty eight (28) women were trained in NQF L4 Basic business Skills training in the Frances Baard District (Kimberley) and John Taolo Gaetsewe District (Kuruman) respectively. Twelve of these women were also trained in ICT and tender procedures in supply chain management in Kimberley.
- A 16 Days of Activism and National World Aids Day for people living with disability was held in Kuruman.
- Information sessions regarding the role of the Department and the Economic Empowerment unit were held at the Ikageng workshop and Okiep TVET College.

The Department participated in the Provincial Youth Summit held in Upington by conducting information sessions to unemployed youth and later at the Northern Cape Technical Vocational Education and Training College (TVET) in Namakwa. The purpose of the session was to share information with youth on how to establish a business, what the requirements are, the role of stakeholders for example the funding institutions and the policies regulating youth development.

Sixty (60) unemployed youth were trained in NQF level 3 SAQA accredited freight handling and freight forwarding course for a period of twelve (12) months. The Department, in collaboration with the service provider Edidor, identified fifty (50) unemployed youth in Barkly West and Kimberley to be trained New Venture Creation NQF level 4.

The Department also conducted an ICT training for 30 Youth in business on the Enterprise Resource Planning tool. The ERP module included:

- (Customer Relationship (social network),
- Invoicing and payments (point of sale) Project Management (Sales Management),
- Accounting and Finance (Purchase Management),
- Warehouse Management (Timesheets),
- Employee Directory (Expense Management),
- Leave Management (Fleet Management),
- Address Book (Employee Appraisals) and
- Calendar.

In addition to this, a ten week (10 week) Entrepreneurial training course was conducted through the Cape Peninsula Technicon.

A Basic Business Analysis and a seminar for 150 women was conducted with the NGO "Women Empowerment Movement International" (WEMI) in Pniel. Ten Crafters were supported to exhibit their products at the 60th Anniversary Celebrations of the 1956 March by women to the Union Buildings in Pretoria. One hundred (100) women-owned businesses from 5 districts were supported to attend the "Strike a Rock" Competition that was held in Kimberley during Women's Month. Information sessions for "start-ups" and co-operatives on economic opportunities and how to access funding was held at Magareng. Twenty (20) women were trained in Project Management NQF Level 4 in the Frances Baard Region and a further twenty (20) women were trained in ICT in three regions i.e. Pixley ka Seme, John Taolo Gaetsewe and Namakwa.

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017****2.3.3. STIMULATED ECONOMIC GROWTH THROUGH INDUSTRY DEVELOPMENT AND TRADE INVESTMENT PROMOTION**

During the financial year 16/17 the Department assisted and facilitated the participation of 15 emerging SMME's to three exhibitions locally, nationally and internationally to expose them at such platforms, market their products and more importantly to look for export opportunities. These were:

- The Northern Cape Food and Wine Show in Upington (2)
- South African International Trade Exhibition in Midrand, Johannesburg (8)
- Mineral and Gem fair in Chenzhou, China - Hunan Province (5)
- Through these exhibitions, two markets, Namibia and China, were opened to exporters from the Northern Cape.

A three-day Export Training Seminar in conjunction with the dti and SEDA was conducted for 33 SMME's/ emerging exporters on:

- Export Development
- International Trade
- Introduction to Export

In terms of Investment, the Department undertook a successful Trade and Investment Outbound Mission to the Peoples Republic of China, Hunan Province, to participate in the Hunan International Investment Conference. The province signed an Action/Implementation Plan as per the agreed outcomes of the MOU signed with Hunan province during the financial year 2015/16. The province furthermore had fruitful discussions and interactions with possible investors namely TIDFORE for the construction and development of the Boegoe Bay Harbour.

In addition the province was marketed abroad to various missions/embassies through the dissemination of the Northern Cape Economic profile on Trade and Investment opportunities. The Department partnered with Global Africa for the publication of the NC Business booklet. The investment opportunities highlighted in the publication can also be accessed by investors through an electronic platform, " Matchdesk".

In terms of fostering the development of skills in the province, four students completed an internship programme on a Computer Aided Design course and Currently 8 students are under-going a Computer Aided Design (CAD) Skills Programme at the Moremogolo FET College in Kimberley. The programme is scheduled to end in the first quarter of the 2017/2018 financial year.

Sixteen students were enrolled at KIDJA for training in a short course on rough diamond evaluation. This training enables them to acquire a diamond dealer's licence and afford them the opportunity to become entrepreneurs in the industry and exploit the value-chain in the diamond and semi-precious stones pipeline. Twenty-five students completed their training at KIDJA this year. KIDJA was awarded 61 NQF level 4 learnerships. A new intake of fifty-eight students (of which nineteen are disabled) started on a 10-Month learnership in preparation for the new academic year. Students are placed into for into the Cross-work and Brilliantteering classes. All students are required to sign an MQA contract and are to receive a monthly stipend.

Fifteen people were trained on various artisanal skills (jewellery design, bruiting and sawing) at the Kimberley Diamond and Jewellery Incubator (KDJI). Both KIDJA students and KDJI clients and staff attended a workshop organised by the South African Diamond and Precious Metals Regulator (SADPMR). The workshop focused on the legislative prescripts relating to the industry

**PERFORMANCE INFORMATION**  
**For the year ended the 31 March 2017****2.3.4. A FAIR REGULATED TRADE ENVIRONMENT AND GOOD GOVERNANCE**

For the financial year 16/17 all performance objectives were achieved. The oversight function was performed on the Liquor Board and the Gambling Board. As per legislative sanction their Strategic Plans, Annual Performance Plans, and Quarterly Performance Reports, Revenue and Expenditure Reports, as well as the Compliance checklists.

There was a concerted drive to improve Consumer Education and Awareness in the Province in all the regions. All complaints received from consumers were investigated. However the high number of cases received compared to the shortage of investigation officers has a consequence of delaying the speedy resolution of cases. Seventeen additional inspections were conducted on various businesses to ensure compliance with the Consumer Protection Act and the inherent rights of the consumer. In order to improve performance these inspections were conducted in conjunction with the Consumer Education and Awareness Campaigns. The inspections indicate that at least 50% of inspected business concerns are compliant with the legislation.

If compliance is to be improved then the establishment of regional offices are paramount. Regional offices will mean that more inspections can be conducted in the province. The current arrangement only allows inspections to be conducted once a year in a specific district. This negatively affects the impact of awareness and hampers the speedy resolution of cases and compliance because no return visits are able to be conducted to ensure that resolutions are implemented.

The absence of complainants and non-cooperation of respondents has meant that the target set for resolved cases has not been achieved. In addition the complexity of cases makes it difficult to resolve cases. The absence of district offices also delays the resolution of cases as the officials are not able to travel to a specific district more than once per year to investigate matters.

There was a measured impact for the cases that could be resolved. This impact is tangible as consumers are financially compensated as a result of the intervention of the Consumer Protection Authority that conducts a complaints resolution processes. The total amount saved for consumers for the current financial year is R1 961 612.41 (One Million Nine Hundred and Sixty One Thousand Six Hundred and Twelve Rand and Forty One Cents).

The impact of prosecutions by the Consumer Protection Authority in the Consumer Court has assisted consumers in obtaining redress for violations by suppliers of the Consumer Protection Act. Consumers have saved R659 913.21 (Six Hundred and Fifty Nine Thousand Nine Hundred and Thirteen Rand and Twenty One Cents) through adjudication proceedings conducted for the current financial year in the Consumer Court.

**2.3.5. SUSTAINABLE ECONOMIC DEVELOPMENT**

The implementation of the Operation Phakisa: Oceans Economy which was launched in October 2014 has added to the responsibilities of coordinating planning and implementation across the different spheres of government and in the year under review. The specific focus areas of the Phakisa affecting the programme is Small Harbours and State-Owned Coastal Property Development, the latter work has been jointly coordinated with the Office of the Premier. The Oceans Economy review workshop elevated Small Harbours as a separate focus area in October 2015 and operational work has been ongoing since December 2016 and the programme has been involved in the Task Team since. The focus is on Namakwa District Municipality (NDM) as the only coastal region of the Northern Cape. Extensive consultation has unfolded and the aim is to host an investment conference on small harbours and state coastal property.

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017**

Four Outcomes implementation forums were hosted over the course of the financial year. These were combined Outcome 4 and Outcome 6 meetings with sector departments and delivery partners respectively. Reports were tabled at the Technical and Political Economic Cluster meetings on progress relating to the outcomes. Furthermore the 2017/18 Programmes of Action (POAs) on the two outcomes were reviewed and mid-term reports were compiled as well and submitted to the Department of Policy, Monitoring and Evaluation (DPME).

There has been good progress on the coordination of Outcome 6 meetings with involvement by delivery partners. On the other hand, the Outcome 4 meetings seem to be regressing both in terms of attendance and quality of reports. This is a cause for concern and we need to engage the sector departments and delivery partners to address this. Furthermore, the Department has successfully managed to collate information on reporting progress on the Northern Cape Nine Point Plan and consulted with local government to align the Nine Point Plan priorities accordingly. The district economic symposiums that were conducted were an important platform for this. They also assisted in that programmes delivering on other important departmental functions like Small Business Development (amongst others) were co-opted on attending these sessions to share important information with local governments.

Economic policy symposia with local government and other stakeholders were held in Pixley ka Seme and Frances Baard districts in the first quarter; in ZF Mgcawu and John Taolo Gaetsewe districts in the third quarter; and the last symposium was held in Namakwa district. These sessions ensure alignment of provincial and national plans with the local government sphere with a particular focus on the Provincial Nine Point Plan.

The Department managed to complete a number of research initiatives and reports on important topics. The first quarter initiative focused on the Corporate Social Investment (CSI) commitments and spending of mines in the province.

Furthermore an Economic Intelligence Report on hydraulic fracturing (fracking) of shale gas in the Karoo region of the province was completed. The Quarter 2 research report focused on the failure rate of SMME's in the province. The team conducted field work and interviewed over 128 SMME's in all the five regions. In Quarter 3 the unit focused on assisting the Tourism programme on assessing the state of tourism information centres. It captures the operating state of specific information centres in terms of infrastructure and resources and the economic intelligence report assessed the Employment Tax Incentive. The report summarised the uptake of the incentive and how it has assisted to address the social problem of youth unemployment.

A survey of street traders in the Kimberley central business district (CBD) was undertaken. The purpose was to understand the informal economy in the province. It was hoped the study would assist with an understanding of the challenges faced by informal traders. The research agenda was also updated and a research day hosted to disseminate all the research findings.

The Department increased the focus on e-learning, training and development in the different regions. In Quarter 1 three SKA Hackathons training sessions were successfully hosted. In Quarter 2 vocational training was conducted in ZF Mgcawu for scholars and unemployed youth to expose them to the mobile applications development environment. During the third quarter the Department extended the network of relationships through Geekulcha's introduction of the Africa Code Week. Our progress with growing the "app developer ecosystem" received a major boost, which saw Kimberley as one of four cities participating in the Department of Public Service and Administration's (DPSA) Open Government Programme called the Responsive Cities Challenge. There were three local winners i.e. Joxicraft, 6Gig and We Big Data.

**PERFORMANCE INFORMATION**  
**For the year ended the 31 March 2017****2.3.6. SUSTAINABLE IMPACT OF TOURISM ON THE ECONOMY OF THE NORTHERN CAPE**

The Department was able to conclude the Provincial Tourism Indicator Report, the report depicts the performance of tourism from the year 2009 to year 2015. The Regional Tourism Tracking Survey Report was also concluded with the aim of creating a model for capturing tourism performance at a regional level. In addition, a Coastal and Marine Strategy was developed. The Province, the Provincial Tourism Forum was launched with the intention of coordinating tourism development activities.

In an effort to capacitate local municipality tourism practitioners, a training was conducted by the University of Pretoria on Tourism Development. In line with the provincial Events Management Strategy training was conducted for youth in Events Management. Three Tourism Awareness Campaigns were conducted to highlight the importance of tourism in our communities. A delegation of Grade 11 learners attended the National Tourism Careers Expo. In recognising excellence within the sector the Lilizela Awards were also held.

The Department managed to implement the campaign against illegal tourist guiding. A successful Tourist Guide's Day celebration was organised. This provided excellent tourist guiding experiences to learners and educators who are involved with Tourism as a subject at schools. Five tourist guides were provided with office software packages with the aim of empowering them and enhancing their product offering.

Two key tourism development partnerships were maintained during the period under review i.e. South African National Parks and Open Africa.

The six national parks in the province (together with the Big Hole precinct in Kimberley) are the key drivers of the provincial tourism industry performance. Much potential in this regard still has to be extracted, hence the partnership between the department and South African National Parks focus on developing unique tourist attractions.

During the year under review departmental funding contributed to the building of an additional tree house in Mokala National Park, bird hides in the Kgalagadi Transfrontier Park and a chalet overlooking the iconic Augrabies Gorge at Oranjeboom. This diversification of tourism offerings will impact positively on domestic and international arrivals to the province. In the process 58 employment opportunities were created including 28 for females and four for the youth.

The Department availed funds to NCEDA to rejuvenate the tourism facilities at the Witsand Nature Reserve. This improved the visitor experience and value-for-money offering. It also encouraged occupancy rates and an increase in publicity for the reserve.

Working with Open Africa, we not only achieved improved tourist route management, but also generating significant benefits for the youth and employment creation in the province. Twenty (20) interns have been appointed on three routes. Eleven (11) of these youth have found permanent employment and four graduating to an Enterprise Development programme to help them start their own enterprises. A survey done on the Richtersveld, Namaqua Coastal and Kalahari Red Dune routes resulted in 102 new jobs (since 2013) which includes 63 new jobs for the youth. Dirk Pienaar, a member of the #Khomani San community in Mier travelled to Switzerland to participate in the Swiss Import Promotion Programme (SIPP) tourism development programme. Travel packages have been developed for the routes, as well as brochure maps, e-brochures and video clips to enhance market access. Ten (10) route representatives attended the Indaba 2016 International Tourism Expo in Durban while support was rendered to the Richtersveld Wildrun, Williston Winter Festival, Namaqua Trail Run and the Naba! Food & Wine Festival.

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017**

Road signs are being erected on the Richtersveld, Karoo Highlands, Quiver Tree and Cape-to-Namibia routes. This will increase awareness of the routes and what is on offer, enhance the Northern Cape sense of place, as well as to improve the visitor experience on offer.

The Frances Baard Flagship Visitor Centre in the Big Hole precinct was launched to service the most visited tourist destination in the province.

With assistance of the Kalahari Red Dune Route Forum, the establishment of the visitor information office in Askham was completed. The Department also funded the development of visitor information centres in Port Nolloth and Kakamas in partnership with the respective municipalities.

The directorate for Tourism Development acts in support of the Northern Cape Tourism Authority (NCTA). In this regard the Business Events Activation Strategy has been completed and implementation thereof during the period under review included the following:

- MSICC hosted a total of 49 events with 40 862 delegates which constitutes a contribution of R262 million to the provincial economy. The International Congress and Convention Association calculation methodology was utilised to establish this.
- Tourism supported 64 provincial events with marketing and promotion activation which resulted in 172 000 visitors contributing approximately R129 million to the Provincial economy (Grant Thornton Calculation methodology)
- A total of 618 temporary jobs were created at 8 events surveyed for an average period of 3 days providing income of approximately R402 000 to unemployed youth.

The Kimberley Diamond Cup Programme supported eight Skateboarding for Hope events and two Grand Slam championships. The Kumba Skate Park was visited by a total of 14 410 attendants making it one of the most popular attractions in Kimberley. The MEC for Finance, Economic Development and Tourism announced a project scale down in his annual budget speech. Following this announcement the service providers declared a contractual dispute with the Department. As a result the roll out of the rest of the programme including presenting the 2016 edition of the Kimberley Diamond Cup skateboarding world championship could not be completed. The matter has been referred to the legal adjudication process.

During 2016/17, a marketing strategy which focussed on national and international leisure and business tourism was implemented.

A number of international trade partnerships have been concluded, including five international and three domestic trade agreements, with an projected income of R10 million. Cross-border partnerships established include the Eastern Cape Parks and Tourism Agency, Wesgro's co-promotion of the Cape-to-Namibia Route and flower offering, as well as the Namibia Tourism Board with the intention to expand the Provincial footprint.

The NCTA supported and promoted 155 SMME products on all marketing platforms and exposed 40 SMME products to international and national trade and media familiarization trips. Ninety-two (92) SMME's featured in media and e-newsletters and resulted in 58 articles reaching a potential audience of 8.5 million people. The estimated media value is said to be R3 million.

The Department continued to support tourism growth through enterprise development. Eight tourism enterprises were supported financially and seventy-two (72) tourism enterprises supported non-financially during the 2016/17 financial year. No less than sixty-seven (67) employment opportunities were created via the for financial support programme to small tourism enterprises. Seventeen (17) of these opportunities were permanent appointments. Nineteen (19) females benefitted from employment created via the programme.

The Douglas Resort was registered with provincial Treasury as a Public-Private Partnership (PPP) in an attempt to revitalise municipal resorts in partnership with municipalities.

**PERFORMANCE INFORMATION**  
**For the year ended the 31 March 2017**

**PROGRAMME 1:  
ADMINISTRATION**



**PERFORMANCE INFORMATION**  
For the year ended the 31 March 2017

## 2.4. PERFORMANCE INFORMATION BY PROGRAMME

### 2.4.1. PROGRAMME 1: ADMINISTRATION

#### 2.4.1.1. Office of the HOD

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

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

<b>Sub-programme: Office of the HOD</b>						
<b>Strategic Objective: Management of departmental transversal administrative programmes and provision of economic development leadership.</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>	
1.1.1 Number of Technical Cluster reports compiled.	New	2	2	None.	None.	
1.1.2 Number of Technical Cluster records produced	9	8	10	Target exceeded by 2.	Two (2) additional meetings held.	
1.1.3 Number of Technical Cluster Research reports compiled.	New	7	7	None	None	

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017



#### Linking performance with budgets

Sub-Programme Name	Final Appropriation R'000	2016/2017			2015/2016		
		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	6 023	6 023	-	6 083	6 083	-	
<b>Total</b>	<b>6 023</b>	<b>6 023</b>	<b>-</b>	<b>6 083</b>	<b>6 083</b>	<b>-</b>	

#### 2.4.1.2. Financial Management

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

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017**

<b>Sub-programme: Financial Management</b>						
<b>Strategic Objective: The Provision of Financial Management Services to the department</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>	
1.2.1 Departmental plans tabled	1	1	1	None.	The target in the Annual Performance Plan 2016/2017 was erroneously captured as "4" and not "1". The Strategic Plan is not tabled as a separate document. Any revision to the Strategic Plan is indicated in Annexure E in the Annual Performance Plan.	
1.2.2 Departmental performance reports tabled.	5	5	5	None.	None	
1.2.3 Departmental Financial Reports tabled.	5	5	5	None	None	

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

#### Sub-programme: Financial Management

#### Strategic Objective: The Provision of Financial Management Services to the department

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviation
1.2.4 Accurate Asset Register	1	1	1	None	None  • A complete and accurate asset register was finalised within the set time frames.
1.2.5 Departmental Risk Register	1	1	1	None	None  • The Departmental Risk Register for 2017/18 financial year was completed.

#### Linking performance with budgets

Sub-Programme Name	2016/2017			2015/2016		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Financial Management	31 047	23 627	7 420	28 051	28 051	-
<b>Total</b>	<b>31 047</b>	<b>23 627</b>	<b>7 420</b>	<b>28 051</b>	<b>28 051</b>	<b>-</b>



## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

#### 2.4.1.3 Corporate Services

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

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

#### Sub-programme: Corporate Services

##### Strategic Objective: The provision of sound corporate management.

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviation
1.3.1 Number of SMS financial disclosures submitted.	23	23 SMS financial disclosures submitted to the PSC by 31 May 2016.	27	Target exceeded by 4.	Two new directors were appointed. Two employees remunerated on SMS salary level on contract.
1.3.2 Number of performance agreements completed.	144	171 Performance Agreements completed.	171	None.	None.

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

<b>Sub-programme: Corporate Services</b>						
<b>Strategic Objective: The provision of sound corporate management.</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>	
1.3.3	Number of Employee Health and Wellness Promotions (activities) held.	8	4 Employee Health and Wellness Promotions (activities) held	4	None.	None.
1.3.4	Number Employee information sessions.	8	4 Employee information sessions held.	4	None.	None.
1.3.5	Number of Newsletters issued.	4	4 Newsletters issued.	4	None.	None.
1.3.6	Number of legal sessions conducted.	2	2 legal sessions conducted	2	None.	None.
1.3.7	Percentage of Local Area network Uptime maintained.	98%	98% of Local Area network Uptime maintained.	98%	None.	None.
1.3.8	Percentage of Wide Area Network uptime maintained.	95%	95% of Wide Area Network uptime maintained.	95%	None.	None.

#### Linking performance with budgets

<b>Sub- Programme Name</b>	<b>2016/2017</b>			<b>2015/2016</b>		
	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>(Over)/Under Expenditure</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>(Over)/Under Expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Corporate Services	24 510	23 088	1 422	19 532	18 110	1 422
<b>Total</b>	<b>24 510</b>	<b>23 088</b>	<b>1 422</b>	<b>19 532</b>	<b>18 110</b>	<b>1 422</b>

#### Strategy to overcome areas of under performance

None.

#### In – year changes to planned targets

No changes were made to in-year targets

**PERFORMANCE INFORMATION**

**For the year ended the 31 March 2017**



**PROGRAMME 2:  
SMALL  
BUSINESS  
DEVELOPMENT**



## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

## 2.4.2. PROGRAMME 2: SMALL BUSINESS DEVELOPMENT

### 2.4.2.1 SMME Development

#### Strategic Objectives, Performance Indicators and Targets

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

<b>Sub-programme: SMME Development</b>						
<b>Strategic Objective: Provision of development and support services to enterprises.</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>	
2.1.1 Number of existing SMME's supported in the IPAP sectors.	112	20	165	145	Target exceeded due to increased number of walk in clients and Outreach Programmes	
2.1.2 Number of SMME's supported as Black Industrialists.	5	5	5	None	None	
2.1.3 Number of informal businesses supported.	10	20	40	20	Target exceed due to collaboration with W&R SETA and training was conducted across five provincial districts	

**PERFORMANCE INFORMATION**  
**For the year ended the 31 March 2017**

<b>Sub-programme: SMME Development</b>						
<b>Strategic Objective: Provision of development and support services to enterprises.</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>	
2.1.4	Number of shared economic infrastructure facilities established	2	2	2	None	None
2.1.5	Number of new SMME's developed in the IPAP sectors.	98	20	104	84	Target exceeded due to increased number of walk in clients and Outreach Programmes
2.1.6	Number of sector-specific incubators established.	-	3	3	None	Three (3) sector specific incubator business plans (Renewable Energy, Agriculture & renewable virtual incubator) completed and submitted to SBD for the Enterprise Incubator Programme (EIP).  Service provider for Mining incubator appointed
2.1.7	Number of SMME's linked to public procurement opportunities	36	30	32	2	Due to effective collaborations with SOE's, there was over performance on the target.
2.1.8	Number of existing Cooperatives supported in the IPAP sectors.	32	12	59	47	Due to effective campaigns, the office was approached by more clients

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

<b>Sub-programme: SMME Development</b>						
<b>Strategic Objective: Provision of development and support services to enterprises.</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>	
2.1.9	Number of new cooperatives developed in the IPAP sectors.	59	10	57	47	Due to effective campaigns, the office was approached by more clients
2.1.10	Number of SMME-and-Cooperative support service points established at Municipalities.	-	15	9	6	<ul style="list-style-type: none"> <li>• Only nine (9) out of fifteen (15) targeted individuals placed due to lack of office space in municipalities for establishment of service points.</li> <li>• unavailability of suitably qualified candidates in other municipalities also delayed the processes and resulted in the unit not meeting the desired target of 15.</li> </ul>

#### Linking performance with budgets

<b>Sub- Programme Name</b>	<b>2016/2017</b>			<b>2015/2016</b>		
	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>(Over)/Under Expenditure</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>(Over)/Under Expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
SMME Development	35 202	35 202	-	49 213	49 213	-
<b>Total</b>	<b>35 202</b>	<b>35 202</b>	<b>-</b>	<b>49 213</b>	<b>49 213</b>	<b>-</b>

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017****2.4.2.2 Regional Economic Development Support****Strategic Objective, Performance Indicators and Targets**

<b>Government Outcome: Decent Employment through inclusive economic growth</b>	
<b>Government Sub-Outcome</b>	<ul style="list-style-type: none"> <li>• Worker's education and skills increasingly meet economic needs</li> <li>• Spatial imbalances in economic opportunities are addressed through employment in agriculture, the build programme and densification in the metros</li> <li>• Public employment schemes provide short term relief for the unemployed and build community solidarity and agency</li> </ul>
<b>Strategic Objective</b>	To provide strategic economic development support to municipalities
<b>Objective statement</b>	To provide support to municipalities in terms of district based planning, alignment and implementation in partnership with key stakeholders in order to ensure local economic development by 2020.
<b>Indicator</b>	Number of municipalities' plans developed in alignment to economic development policies.
<b>Target</b>	32 municipalities' plans developed in alignment to economic development policies by 2020.

**Sub-programme: Regional Enterprise Development Support****Strategic Objective: Provision of strategic economic development support to municipalities.**

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviation
2.2.1 Number of Economic Development Projects assisted within the NDP sectors.	5	5	8	Target exceeded by 3.	Additional stakeholder requests meant that more projects received assistance than planned.
			<b>Frances Baard District:</b> <ul style="list-style-type: none"> <li>• Beefmaster, Sol Plaatje University Procurement and MOU model,</li> <li>• KEW Metals Cluster Proposal.</li> </ul>		
			<b>Pixley Ka Seme District:</b> <ul style="list-style-type: none"> <li>• Wool Proposal.</li> </ul>		
			<b>Namkakwa District:</b> <ul style="list-style-type: none"> <li>• Khai Ma incubator.</li> </ul>		
			<b>ZF Mcgawu District:</b> <ul style="list-style-type: none"> <li>• Vehicle testing,</li> <li>• Algae Plant.</li> </ul>		
			<b>John Taolo Gaetsewe District:</b> <ul style="list-style-type: none"> <li>• SMME Incubator.</li> </ul>		

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

<b>Sub-programme: Regional Enterprise Development Support</b>						
<b>Strategic Objective: Provision of strategic economic development support to municipalities.</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>	
2.2.2 Number of municipalities assisted with capacity building interventions.	2	20	19	Target underachieved by 1.	All municipalities did not respond to the invitation.	
2.2.3 Number of municipalities assisted to prepare a valid LED component for the IDP.	10	8	8	<ul style="list-style-type: none"> <li>• Magareng,</li> <li>• Emthanjeni,</li> <li>• !Khai-Ma,</li> <li>• Karoo-Hoogland,</li> <li>• Joe Morolong,</li> <li>• John Taolo Gaetsewe,</li> <li>• Kgatepele,</li> <li>• !Kheis.</li> </ul>	Thirty-two municipalities were assessed in Q1. Eight were selected and supported through the year.	
2.2.4 Number of Provincial LED Forums conducted.	4	4	4	None.	None.	
2.2.5 Percentage Implementation of projects as per approved EPWP conditional grant.	100%	100%	100%	None.	None.	
				• 239 work opportunities (w/o) reported.		

#### Linking performance with budgets

<b>Sub- Programme Name</b>	<b>2016/2017</b>			<b>2015/2016</b>		
	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>(Over)/Under Expenditure R'000</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>(Over)/Under Expenditure R'000</b>
Regional Enterprise Development Support	8 763	8 763	-	7 678	7 678	-
<b>Total</b>	<b>8 763</b>	<b>8 763</b>	<b>-</b>	<b>7 678</b>	<b>7 678</b>	<b>-</b>

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017****2.4.2.3 Economic Empowerment****Strategic Objective, Performance Indicators and Targets**

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

<b>Sub-programme: Economic Empowerment</b>						
<b>Strategic Objective: Empowerment of HDI's with specific focus on black women and youth to participate in the mainstream economy.</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>	
2.3.1 Number of target group specific opportunities identified.	4	4	6	Target exceeded by 2.	More information for small scale producers was available than anticipated which allowed for the identification of additional opportunities.	
2.3.2 Number of target group specific interventions implemented.	6	7	7	None.	None.	
2.3.3 Number of target group skills training interventions	New	4	8	Target exceeded by 4.	Target was exceeded due to collaboration with SEDA,NYDA and training service providers that are accredited with the services SETA	

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

#### Linking performance with budgets

Sub- Programme Name	2016/2017			2015/2016		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Economic Empowerment	2 902	2 902	-	2 878	2 878	-
<b>Total</b>	<b>2 902</b>	<b>2 902</b>	<b>-</b>	<b>2 878</b>	<b>2 878</b>	<b>-</b>

#### Strategy to overcome areas of under performance

The Department will liaise with the Department of Sports, Arts and Culture in order to arrange for the use of the computer-equipped libraries with internet connectivity in order to capture data on SMME's on a provincial database. This will expand the footprint of the Department into the districts with the help of the Cadets (an enterprise development practitioner). The idea is to place one in every municipality in the Province. This initiative will be done in collaboration with SEDTA.

#### In – year changes to planned targets

There were no in-year changes to targets.



**PERFORMANCE INFORMATION**

**For the year ended the 31 March 2017**



**PROGRAMME 3:  
TRADE &  
SECTOR  
DEVELOPMENT**



## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

## 2.4.3. PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

### 2.4.3.1 Trade and Investment Promotion

#### Strategic Objectives, Performance Indicators and Targets

<b>Government Outcome:</b>	Decent Employment through inclusive economic growth
<b>Government Sub-Outcome</b>	• Productive Investment is effectively crowd in through the infrastructure build programme
<b>Strategic Objective</b>	Facilitation of trade export promotion and investment attraction into the NC Province.
<b>Objective statement</b>	To stimulate trade and crowd in investment to ensure sustainable job creation and economic growth
<b>Indicator</b>	Value of investment attracted
<b>Target</b>	R500 million investment attracted by 2020.

#### Sub-Programme: Trade and Investment Promotion

**Strategic Objective: Facilitation of trade, promotion of export and crowding in of investment into the province.**

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviation
3.1.1 Number of investment projects realised.	4	2	2	None	None
			<ul style="list-style-type: none"> <li>• Boegoe bay harbour (investment marketing through Hunan Outbound Mission).</li> <li>• Projects marketed for investment via NC Business Publication and Matchdesk.</li> </ul>		
3.1.2 Number of emerging entrepreneurs developed for export readiness.	35	5	33	Target was exceed by 28.	Collaboration with SEDA and dti enabled the department to exceed the target.

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017**

<b>Sub-Programme: Trade and Investment Promotion</b>						
<b>Strategic Objective: Facilitation of trade, promotion of export and crowding in of investment into the province.</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>	
3.1.3	Number of new export markets unlocked for established exporters.	2	2	2	None	None
			<ul style="list-style-type: none"> <li>• Two (2) export markets unlocked i.e. to China for semi-precious stones and Namibia for soap products and sauces.</li> <li>• Domestic market opened in the Western Cape for sauces.</li> </ul>			
3.1.4	Number of initiatives to promote the NC as an ideal trade and investment location.	3	3	4	Target exceeded by 1.	Target exceeded due to Implementation of Action Plan between the Province and Hunan Province in China
			<ul style="list-style-type: none"> <li>• Outbound mission to Hunan Province, China</li> <li>• Chongqing Municipal Government Conference, China.</li> <li>• Hunan Education Exchange Week, China</li> <li>• NC Business Publication and Macthdesk (electronic portal).</li> </ul>			

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

#### Linking performance with budgets

Sub-Programme Name	2016/2017			2015/2016		
	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	14 106	14 106	-	11 740	11 587	153
<b>Total</b>	<b>14 106</b>	<b>14 106</b>	<b>-</b>	<b>11 740</b>	<b>11 587</b>	<b>153</b>

#### 2.4.3.2 Sector Development

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

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

#### Sub-Programme: Sector Development

##### Strategic Objective: Development of key economic sectors.

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviation
3.2.1 Number of people trained.	10	10	10	None	None
3.2.2 Number of businesses assisted with proactive interventions	4	4	4	None	None
3.2.3 Number of industrial clusters supported	New	3	3	None	None

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017**

<b>Sub-Programme: Sector Development</b>						
<b>Strategic Objective: Development of key economic sectors.</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>	
3.2.4	Number of industry-specific research projects to expand value-addition in manufacturing.	New	2	2	None	None
3.2.5	Number of sector-specific strategic interventions.	New	2	2	None	None
3.2.6	Number of Implementation Reports on Independent Power Producers' projects	New	4	4	None	The Annual Target is erroneously reflected as "48" and not "4" in the Quarterly breakdown of targets. The Annual Target is "4" and the Quarterly breakdown is "1" per Quarter.
3.2.7	Number of Renewable Energy initiatives supported.	New	2	2	None	None
3.2.8	Number of preferential mining procurement opportunities identified to local suppliers.	New	6	6	None	None
3.2.9	Number of mining beneficiation business cases developed.	New	2	2	None	None

**PERFORMANCE INFORMATION**  
For the year ended the 31 March 2017



**Sub-Programme: Sector Development**

**Strategic Objective: Development of key economic sectors.**

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviation
3.2.10 Number of informal small-scale mining initiatives formalised.	New	1	1	None	None

**Linking performance with budgets**

Sub-Programme Name	Final Appropriation R'000	2016/2017			2015/2016		
		Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	
Sector Development	6 894	6 894	-	8 436	8 436	-	
<b>Total</b>	<b>6 894</b>	<b>6 894</b>	<b>-</b>	<b>8 436</b>	<b>8 436</b>	<b>-</b>	

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

#### 2.4.3.3 Strategic Initiatives

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

<b>Government Outcome:</b>	Decent Employment through inclusive economic growth
<b>Government Sub-Outcome</b>	<ul style="list-style-type: none"> <li>• Productive Investment is effectively crowd in through the infrastructure build programme.</li> <li>• The productive Sectors account for a growing share of production and employment.</li> <li>• Workers education and skills increasingly meet economic needs</li> <li>• Investment in research, development and innovation supports inclusive growth by enhancing productivity of existing and emerging enterprises and improving the living conditions of the poor.</li> </ul>
<b>Strategic Objective</b>	Identify and implement strategic initiatives within key economic sectors
<b>Objective statement</b>	To facilitate the implementation of strategic programmes, projects and economic infrastructure in order to create sustainable jobs and crowd in investment
<b>Indicator</b>	Number of diamond beneficiation projects implemented.
<b>Target</b>	Diamond Beneficiation Skills Development Projects =2; Strategic Relations Formed With Parastatals = 4

#### Sub-programme: Strategic Initiatives

##### Strategic Objective: Strategic positioning of industries in support of sector development for economic growth and development.

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviation
3.3.1 Number of diamond beneficiation skills development projects.	New	2	2	None.	None.
3.3.2 Number of diamond-and-jewellery Brand Identity Models implemented.	New	1	Not Achieved.	The Company appointed to complete the Kimberley Diamond and Jewellery Brand has been deregistered. KIDJA has undertaken to complete the Branding process	The branding will be finalised in the 2017/18 financial year.

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

<b>Sub-programme: Strategic Initiatives</b>						
<b>Strategic Objective: Strategic positioning of industries in support of sector development for economic growth and development.</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>	
3.3.3 Number of Strategic relations formed with parastatals.	8	8	3	Human resource constraints impacted negatively on the ability to pursue the performance indicator.	The unit was dissolved and an attempt was made to share the responsibility for this performance indicator with the other managers.	
3.3.4 Number of Economic Development Projects supported.	New	1	1	None	None	

#### Linking performance with budgets

<b>Sub-Programme Name</b>	<b>2016/2017</b>			<b>2015/2016</b>		
	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>(Over)/Under Expenditure R'000</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>(Over)/Under Expenditure R'000</b>
Strategic Initiatives	7 123	7 123	-	7 556	7 436	120
<b>Total</b>	<b>7 123</b>	<b>7 123</b>	<b>-</b>	<b>7 556</b>	<b>7 436</b>	<b>120</b>

#### Strategy to overcome areas of under performance

Serious human resource constraints impacted negatively on the capacity to pursue the performance indicator "Number of Strategic relations formed with parastatals". The unit was dissolved and an attempt was made to share the responsibility of achieving this performance indicator with the other managers.

#### In – year changes to planned targets

The undertaking to achieve the performance indicator "Number of Strategic relations formed with parastatals" could not be fulfilled.

**PERFORMANCE INFORMATION**

**For the year ended the 31 March 2017**



**PROGRAMME 4:  
BUSINESS  
REGULATION &  
GOVERNANCE**



## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

## 2.4.4. PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

### 2.4.4.1 Governance

#### Strategic Objectives, Performance Indicators and Targets

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

#### Sub-Programme: Governance

##### Strategic Objective: Promotion of good governance in Departmental Public entities.

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviation
4.1.1 Number of Public Entity Strategic Planning documents submitted as per legislative requirements.	2	2	2	None.	None.
			<ul style="list-style-type: none"> <li>One (1) Gambling Board Strategic Plan and One (1) APP received and analysed.</li> <li>One (1) Liquor Board Strategic Plan and One (1) APP received and analysed.</li> </ul>		
4.1.2 Number of Public Entity Quarterly Reports analysed.	8	6	8	There is a variance of two between the planned targets and the actual achievement.	The target was incorrectly transposed in the Quarterly target breakdown as six (6) instead of eight (8).
			<ul style="list-style-type: none"> <li>Four (4) Gambling Board Quarterly reports were received and analysed.</li> <li>Four (4) Liquor Board Quarterly reports were received and analysed.</li> </ul>		

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017**

<b>Sub-Programme: Governance</b>						
<b>Strategic Objective: Promotion of good governance in Departmental Public entities.</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>	
4.1.3	Number of Public Entity compliance checklist reports verified.	8	8	8	None.	None.
				<ul style="list-style-type: none"> <li>• 4 Liquor Board compliance reports verified.</li> <li>• 4 Gambling Board compliance reports verified.</li> </ul>		
4.1.4	Number of Public Entity revenue-and-expenditure reports analysed within prescribed timeframes.	New	6	8	Target exceed by 2.	The target was incorrectly transposed in the Quarterly target breakdown as six (6) instead of eight (8).
				<ul style="list-style-type: none"> <li>• 4 Liquor Board revenue-and-expenditure reports verified.</li> <li>• 4 Gambling Board revenue-and-expenditure reports analysed.</li> </ul>		

**Linking performance with budgets**

<b>Sub-Programme Name</b>	<b>Final Appropriation R'000</b>	<b>2016/2017</b>			<b>2015/2016</b>		
		<b>Actual Expenditure R'000</b>	<b>(Over)/Under Expenditure R'000</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>(Over)/Under Expenditure R'000</b>	
Governance	2 393	2 393	-	5 423	5 423	-	
<b>Total</b>	<b>2 393</b>	<b>2 393</b>	<b>-</b>	<b>5 423</b>	<b>5 423</b>	<b>-</b>	

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

#### 2.4.4.2 Consumer Protection

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

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

#### Sub-Programme: Consumer Protection

##### Strategic Objective: Promotion and protection of consumer rights

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviation
4.3.1 Number of consumer education and awareness programmes conducted.	54	40	53	Target exceeded by 13.	Additional sessions were held.
4.3.2 Percentage of complaints investigated	100%	100%	100%	None.	None.

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017**

<b>Sub-Programme: Consumer Protection</b>						
<b>Strategic Objective: Promotion and protection of consumer rights</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>	
4.3.3 Percentage of cases solved	53.97%	80%	79%	Target underachieved by 1%.	Unavailability of complainants and non-cooperation of respondents creates delays in resolution of matters. The complexity of cases makes it difficult to resolve cases and delays speedy resolution. The absence of district offices also delays resolution of cases as we are not able to travel to districts to investigate matters.	
4.3.4 Percentage of court cases adjudicated.	80%	100%	70.5%	Target underachieved by 29.5%.	Ten (10) cases received in 3rd and 4th quarter, "returns of service" still outstanding from the Office of the Sherriff of the Court. The process before adjudication can take place, is approximately 30 days. External factors, such as attorneys requesting postponements and non-attendance of witnesses delays the adjudication process.	

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

<b>Sub-Programme: Consumer Protection</b>						
<b>Strategic Objective: Promotion and protection of consumer rights</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>	
4.3.5 Number of compliance Inspections conducted in the Province.	367	240	274	Target exceeded by 34.	Overachieved target by using current staff to perform additional functions,	

#### Linking performance with budgets

<b>Sub-Programme Name</b>	<b>2016/2017</b>			<b>2015/2016</b>		
	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>(Over)/Under Expenditure R'000</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>(Over)/Under Expenditure R'000</b>
Consumer Protection	8 149	8 149	-	6 158	6 158	-
<b>Total</b>	<b>8 149</b>	<b>8 149</b>	<b>-</b>	<b>6 158</b>	<b>6 158</b>	<b>-</b>

#### Strategy to overcome areas of under performance

Compliance inspections were conducted in conjunction with Consumer Awareness education programmes. Two inspectors were appointed. Three employees transferred from the Department to address the need to overcome areas of underperformance.

#### In – year changes to planned targets

There were no in-year changes to targets.

**PERFORMANCE INFORMATION**

**For the year ended the 31 March 2017**



**PROGRAMME 5:  
POLICY,  
RESEARCH &  
INNOVATION**



## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

## 2.4.5. PROGRAMME 5: POLICY, RESEARCH AND INNOVATION

### 2.4.5.1 Economic Policy Development

#### Strategic Objectives, Performance Indicators and Targets

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

#### Sub-Programme: Economic Policy Development

#### Strategic Objective: Effective and integrated Economic Planning and Policy development.

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviation
5.1.1 Number of economic strategies developed.	1	1	Not achieved.	The Framework for the development of the Provincial Blue Print was developed.	Due to staff shortage the blue print could not be finalised in the 2016/17 financial year, it will be completed in the next financial year

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017**

<b>Sub-Programme: Economic Policy Development</b>						
<b>Strategic Objective: Effective and integrated Economic Planning and Policy development.</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>	
5.1.2 Number of economic strategies reviewed.	3	4	5	The target was exceeded by 1.	The Outcome 6 Mid-term Review was developed as per the request from the Office of the Premier in line with DPMA requirements	
			<ul style="list-style-type: none"> <li>• Analysis of the Sustainable Development Goals produced.</li> <li>• Analysis of the Industrial Policy Action plan produced.</li> <li>• Nine Point Plan reviewed.</li> <li>• DEDaT situation Analysis for the Strategic Plan updated.</li> <li>• Outcome 6 Mid-term review</li> </ul>			
5.1.3 Number of Economic Dialogues with stakeholders convened.	5	2	Three (3) Reports produced on Economic Symposia held	An additional District Economic Symposium was held in Namakwa District Municipality	This was as per request from Namakwa District Municipality.	
5.1.4 Number of Outcomes Implementation forums convened.	5	8	Eight (8) Outcome 4 and 6 coordination reports produced.	None	None	

**Linking performance with budgets**

<b>Sub-Programme Name</b>	<b>2016/2017</b>			<b>2015/2016</b>		
	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>(Over)/Under Expenditure R'000</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>(Over)/Under Expenditure R'000</b>
Economic Policy Development	2 947	2 947	-	3 481	3 481	-
<b>Total</b>	<b>2 947</b>	<b>2 947</b>	<b>-</b>	<b>3 481</b>	<b>3 481</b>	<b>-</b>

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

#### 2.4.5.2 Research and Development

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

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

#### Sub-Programme: Research and Development

##### Strategic Objective: Facilitation of Efficient Economic Research.

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviation
5.2.1 Number of research reports compiled.	2	2	2	None	None
5.2.2 Number of research-and-development initiatives supported.	5	2	2	None	None

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017**

<b>Sub-Programme: Research and Development</b>						
<b>Strategic Objective: Facilitation of Efficient Economic Research.</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>	
5.2.3	Number of Economic Intelligence reports developed.	5	4	5	The target was exceed by 1.	Overachievement on target because of the lack of a credible SMME database in the Department, which was one key finding from the second quarter Research Report. And thus a need arose that this finding needed to be elevated, by means of an Economic Intelligence report which for all intents and purpose was to highlight the significance of an current and credible database, more so for the SMME's assisted by the Department.
5.2.4	Reviewed DEDaT Research Agenda	1	1	1	None.	None.

**Linking performance with budgets**

<b>Sub-Programme Name</b>	<b>2016/2017</b>			<b>2015/2016</b>		
	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>(Over)/Under Expenditure R'000</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>(Over)/Under Expenditure R'000</b>
Research and Development	4 088	4 088	-	4 245	4 245	-
<b>Total</b>	<b>4 088</b>	<b>4 088</b>	<b>-</b>	<b>4 245</b>	<b>4 245</b>	<b>-</b>

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

#### 2.4.5.3 Knowledge Economy and Innovation

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

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

#### Sub-Programme: Knowledge Economy and Innovation

##### Strategic Objective: Facilitation of a Knowledge based economy.

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviation
5.3.1 Number of Knowledge Management systems developed.	4	1	1	None.	None.
5.3.2 Number of district municipalities with access to broadband connectivity.	New	1	The target was not achieved.	Implementation is reliant on the appointment of implementation service provider by the Department of Telecommunication and Postal Services.	Target to be implemented in the 2017/2018 financial year.
5.3.3 Number of Digital Infrastructure initiatives implemented.	1	1	The target was not achieved.	The Memorandum of Agreement between DEDaT, Sol Plaatje Municipality, Northern Cape Community Education College and mLab Southern Africa was only signed on the 29th March 2017.	Target to be implemented in the 2017/2018 financial year.

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

#### Sub-Programme: Knowledge Economy and Innovation

##### Strategic Objective: Facilitation of a Knowledge based economy.

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviation
5.3.4 Number of e-skills development initiatives implemented.	6	7	12	Target exceeded by 5.	Over achievement was realised through collaboration with various stakeholders including DPSA, Geekulcha, and Google.
5.3.5 Number of reports produced on percentage of project value locally procured through the SKA	New	4	4	None.	None.

#### Linking performance with budgets

Sub-Programme Name	2016/2017			2015/2016		
	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 Economy and Innovation	5 242	5 242	-	4 461	4 461	-
<b>Total</b>	<b>5 242</b>	<b>5 242</b>	<b>-</b>	<b>4 461</b>	<b>4 461</b>	<b>-</b>

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

#### 2.4.5.4 Monitoring and Evaluation

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

<b>Government Outcome:</b>	Decent Employment through inclusive economic growth
<b>Government Sub-Outcome</b>	<ul style="list-style-type: none"> <li>• Productive Investment is effectively crowed in through the infrastructure build programme</li> <li>• The productive Sectors account for a growing share of production and employment</li> <li>• Workers education and skills increasingly meet economic needs</li> <li>• Spatial imbalances in economic opportunities are addressed through expanded employment in agriculture, the built programme and densification in the metros</li> <li>• Economic opportunities for historically excluded and vulnerable groups are expanded and the number of sustainable small business and cooperatives is improved markedly</li> <li>• Public employment schemes provide relief for the unemployed and build community solidarity and agency</li> <li>• Investment in research, development and innovation supports inclusive growth by enhancing productivity of existing and emerging enterprises and improving the living conditions of the poor</li> </ul>
<b>Strategic objective</b>	Monitoring and evaluation of service delivery initiatives
<b>objective Statement</b>	Monitor and evaluate the service delivery initiatives to assess their socio-economic impact.
<b>Indicator</b>	% of outcome 4 service delivery initiatives evaluated
<b>Target</b>	50% (of 60) Outcome 4 service delivery initiatives to be evaluated by 2019.

#### Sub-Programme: Monitoring and Evaluation

##### Strategic Objective: Effective monitoring and evaluation of service delivery initiatives.

Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on Deviation
5.4.1 Number of monitoring reports produced.	4	5	5	None.	None.
5.4.2 Number of evaluation reports produced.	2	2	2	None.	None.

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017****Linking performance with budgets**

Sub-Programme Name	Final Appropriation R'000	2016/2017			2015/2016		
		Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	
Monitoring and Evaluation	2 370	2 370	-	2 348	2 348	-	
<b>Total</b>	<b>2 370</b>	<b>2 370</b>	<b>-</b>	<b>2 348</b>	<b>2 348</b>	<b>-</b>	

**Strategy to overcome areas of under performance**

The programme should focus on the critical area of recruiting an assistant director in Policy and Planning unit as some of the non-achievement of targets is in this unit. The failure to finalise the Economic Blue Print is because of a lack of this critical resource. In KE&I all the resources need to be mustered to ensure greater involvement by all the staff promoting the outward focus of the unit. The slow progress with regards to implementation of the MPAT is an example of this.

The focus on enterprise information architecture and management information systems is gradually being reduced in terms of importance with more emphasis being put on e-learning and training and development of youth and students.

**In – year changes to planned targets**

There were no changes in-year to planned targets.

## PROGRAMME 6: TOURISM



**PERFORMANCE INFORMATION****For the year ended the 31 March 2017****2.4.6. PROGRAMME 6: TOURISM****2.4.6.1 Tourism Growth (formerly Research and Planning)****Strategic Objectives, Performance Indicators and Targets**

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

**Sub-Programme: Tourism Growth****Strategic Objective: Promotion and facilitation of efficient tourism research and planning.**

<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>
6.1.1 Number of tourism industry performance reports produced.	1	2	2 • Provincial Tourism indicator report. • Regional Tourism Tracking report.	None	None
6.1.2 Number of studies developed.	-	1	1 • Marine and Coastal Tourism.	None	None
6.1.3 Number of Provincial Tourism Forums established	New	1	1	None	None
6.1.4 Number of campaigns against illegal tourist guiding.	4	60	60	None	None
6.1.5 Number of community tourism awareness campaigns.	2	11	9	Target underachieved by 2.	Protracted legal endorsement process for documentation.
6.1.6 Number of tourism industry interventions.	4	5	5	None	None

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

#### Linking performance with budgets

Sub-Programme Name	2016/2017			2015/2016		
	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 Growth	5 789	5 789	-	5 175	5 175	-
<b>Total</b>	<b>5 789</b>	<b>5 789</b>	<b>-</b>	<b>5 175</b>	<b>5 175</b>	<b>-</b>

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

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

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



**PERFORMANCE INFORMATION****For the year ended the 31 March 2017**

<b>Sub-Programme: Tourism Development</b>						
<b>Strategic-Objective: Stimulation of visitor demand through tourism industry development and promotion.</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>	
6.2.1 Number of tourism enterprises supported non-financially	58	40	67 tourism enterprises supported non-financially.	27 additional tourism enterprises supported.	Good mobilization and benefiting from partnerships with Open Africa and NDT assisted to exceed target.	
6.2.2 Number of tourism enterprises supported financially.	12	5	<ul style="list-style-type: none"> <li>• Batsumi Lodge and Pub (Kimberley)</li> <li>• Gami Goas Guest House (Port Nolloth)</li> <li>• Jo's B and B (Calvinia)</li> <li>• Sizamile Guest House (Port Nolloth)</li> <li>• Siphumlakahle Guest House (Kimberley)</li> <li>• PMST Residentials trading as Die Ark (Kimberley)</li> <li>• Nonong Trading and Projects (Heuningvlei)</li> <li>• Die Potlepel Tourist Farm(Steinkopf)</li> <li>• Xaus Lodge</li> </ul>	Target exceeded by 4.	South African Tourism (SAT) opened additional opportunities for tourism entrepreneurs to attend the Tourism Expo in Durban. One tourism enterprise received air tickets for two employees to attend the Tourism Expo in Durban to help them access the international markets.	

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017**

<b>Sub-Programme: Tourism Development</b>					
<b>Strategic-Objective: Stimulation of visitor demand through tourism industry development and promotion.</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>
6.2.3 Number of Tourism experiences supported.	-	9	11 <ul style="list-style-type: none"> <li>• Kimberley Diamond Cup: Skating for Hope events (SFH) <ul style="list-style-type: none"> <li>- 23 April 2016</li> <li>- 28 May 2016</li> <li>- 2 June 2016</li> <li>- 3 June 2016</li> <li>- 5 June 2016</li> <li>- 2 July 2017</li> <li>- 17 July 2017</li> <li>- 6 August 2017</li> </ul> </li> <li>• 2 Grand Slam Events: <ul style="list-style-type: none"> <li>- 7 May 2017</li> <li>- 16 June 2017</li> </ul> </li> <li>• Naba Food and Wine Festival.</li> <li>• Rejuvenation of the Witsand Nature Reserve.</li> <li>• Gariep Arts Festival</li> <li>• Arid National Park's Infrastructure development.</li> <li>• Williston Winter Festival.</li> <li>• Nama Trail Run.</li> <li>• Richtersveld Wild Run.</li> <li>• Galeshewe Street Carnival.</li> <li>• Metro FM Heatwave.</li> <li>• Khai Ma Cultural Festival</li> </ul>	Target exceed by 2.	<ul style="list-style-type: none"> <li>• The Kimberley Diamond Cup (main event) was called off because of contractual dispute with the service provider.</li> <li>• Kalahari Red Dune Sign Survey not completed as funds were reprioritised for maintenance of the Kumba Skate Plaza.</li> <li>• The Heritage Route Sign Survey not completed because funds were reprioritised for maintenance of the Kumba Skate Plaza.</li> <li>• The N12 Road Sign Survey not completed because funds were reprioritised for maintenance of the Kumba Skate Plaza.</li> </ul>

## PERFORMANCE INFORMATION

### For the year ended the 31 March 2017

<b>Sub-Programme: Tourism Development</b>						
<b>Strategic-Objective: Stimulation of visitor demand through tourism industry development and promotion.</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on Deviation</b>	
6.2.4 Number of tourism infrastructure projects supported.	-	3	Three route-based visitor information offices successfully supported: • Ashkam. • Kakmas Visitor Information Centre (VIC). • Port Nolloth Museum.	None.	The target for the Kamfersdam Bird Viewing Platform could not be achieved because the water level was too low to support the viability of the project. Funds were reprioritised to support a television programme entitled "Hilde se Hartkranke".	

#### Linking performance with budgets

<b>Sub-Programme Name</b>	<b>2016/2017</b>			<b>2015/2016</b>		
	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>(Over)/Under Expenditure R'000</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>(Over)/Under Expenditure R'000</b>
Tourism Development	35 938	33 678	2 260	39 977	39 550	427
<b>Total</b>	<b>35 938</b>	<b>33 678</b>	<b>2 260</b>	<b>39 977</b>	<b>39 550</b>	<b>427</b>

#### Strategy to overcome areas of under performance

The Road sign surveys for Kalahari Red Dune, Heritage and N12 Routes could not be pursued as funds were reprioritised for the maintenance of the Skate Park.

#### In – year changes to planned targets

The Kamfer's Dam bird viewing project was suspended because critically low water levels impacted on birdlife numbers. Instead the funding was used for a television series called "Hilde se Hartskranke". The Kimberley Diamond Cup (main event) was called off because of contractual dispute with the service provider.

**PERFORMANCE INFORMATION**  
For the year ended the 31 March 2017

## 2.5. TRANSFER PAYMENTS

### 2.5.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

**Table 2.5.1.1: transfer payments made for the period 1 April 2016 to 31 March 2017**

Name of Public Entity	Service rendered by the public entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity (R'000)	Achievements of the public entity
NCEDA	Promoting direct foreign and local investment in the Province	9 037	9 037	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	10 833	10 833	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	12 759	11 647	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	21 269	21 269	Please refer to the annual report of the Public Entity obtainable from the Public Entity
<b>Total</b>		<b>53 898</b>	<b>52 786</b>	

### 2.5.2. TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

**Table 2.5.2.1: Transfer payments made for the period 1 April 2016 to 31 March**

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
KAI GARIB MUNICIPALITY	MUNICIPALITY	TOURISM-SUPPORT	YES	130	130	N/A
NAMAKWA DISTRICT MUNICIPALITY	MUNICIPALITY	TOURISM-SUPPORT	YES	130	130	N/A
PIXLEY KA SEME	MUNICIPALITY	SMME DEVELOPMENT	YES	400	400	N/A
MIER MUNICIPALITY	MUNICIPALITY	TOURISM SMME GRANT	YES	311	311	N/A
ERIS PROPERTY GROUP PTY LTD	MUNICIPALITY	MUNICIPAL SERVICES	N/A	146	146	N/A

**PERFORMANCE INFORMATION****For the year ended the 31 March 2017**

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
//KHARA HAIS MUNISIPALITEIT	MUNICIPALITY	MUNICIPAL SERVICES	N/A	6	6	N/A
SABC	AGENCY	TV LICENCES	N/A	1	1	N/A
KDJI	AGENCY	DIAMOND & JUWELERY INCUBATOR	YES	1 000	1 000	N/A
KIMBERLEY INTERNATIONAL DIAMOND	AGENCY	KIDJA TRUST	YES	1 540	1 540	N/A
MACRONYM 37CC	AGENCY	SMME DEVELOPMENT	YES	1 000	1 000	N/A
NORTHERN CAPE CLOTHING CLUSTER	DEPARTMENTAL AGENCY	CLOTHING AND TEXTILE CLUSTER	YES	1 612	1 612	N/A
NORTHERN CAPE SMME TRUST	DEPARTMENTAL AGENCY	SMME DEVELOPMENT	YES	18 664	18 664	N/A
AL-AMIRR HALAAL BUTCHRY	PRIVATE ENTERPRISE	SMME DEVELOPMENT	YES	80	80	N/A
BAHESO BRICKMAKING	PRIVATE ENTERPRISE	SMME DEVELOPMENT	YES	430	430	N/A
BATSUMI LODGE AND PUB	PRIVATE ENTERPRISE	SMME DEVELOPMENT/ TOURISM SMME GRANT	YES	1 618	1 618	N/A
BENCHMARKING AND MANUFACTURING	PRIVATE ENTERPRISE	CLOTHING AND TEXTILE CLUSTER	YES	88	88	N/A
BOSCO SPORTS EVENT	PRIVATE ENTERPRISE	SMME DEVELOPMENT	YES	2 000	2 000	N/A
CAREY GROUP	PRIVATE ENTERPRISE	TOURISM-SUPPORT	YES	20	20	N/A
DELVA GEORGES CIVIL AND GENERAL	PRIVATE ENTERPRISE	SMME DEVELOPMENT	YES	5 000	5 000	N/A
DELVA GEORGES CIVIL AND GENERAL	PRIVATE ENTERPRISE	SMME DEVELOPMENT	YES	285	285	N/A
DEN M'S BREAKDOWN SERVICE	PRIVATE ENTERPRISE	SMME DEVELOPMENT	YES	300	300	N/A
DIE POTLEPER TOURISTE PLAAS	PRIVATE ENTERPRISE	TOURISM SMME GRANT	YES	10	10	N/A

**PERFORMANCE INFORMATION**  
**For the year ended the 31 March 2017**

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
DINATLA CO-OPERATIVE LIMITED	PRIVATE ENTERPRISE	SMME DEVELOPMENT	YES	150	150	N/A
GAMII GOAS GUESTHOUSE	PRIVATE ENTERPRISE	TOURISM SMME GRANT	YES	243	243	N/A
GARIEP KUNSTEFEEES	PRIVATE ENTERPRISE	TOURISM EVENT SUPPORT	YES	200	200	N/A
GRIQUA DIAMONDS (NPC)	PRIVATE ENTERPRISE	SMME DEVELOPMENT	YES	260	260	N/A
ILANUSHCA VAN NEEL TOURISM AND H	PRIVATE ENTERPRISE	TOURISM EVENT SUPPORT	YES	21	21	N/A
JO KAROO FLAVOUR	PRIVATE ENTERPRISE	SMME DEVELOPMENT	YES	608	608	N/A
JO'S B AND B	PRIVATE ENTERPRISE	TOURISM SMME GRANT	YES	100	100	N/A
KALAHAM INFO CENTRE & TENTED CAMP	PRIVATE ENTERPRISE	TOURISM SMME GRANT	YES	8	8	N/A
LUXRAIL MAINTENANCE & CONSTRUCTION	PRIVATE ENTERPRISE	TOURISM-SUPPORT	YES	20	20	N/A
MAFARATLHA TECHNICAL NETWORKS	PRIVATE ENTERPRISE	SMME DEVELOPMENT	YES	200	200	N/A
MAIKTRONIX	PRIVATE ENTERPRISE	SMME DEVELOPMENT	YES	2 000	2 000	N/A
MASEDI STAR	PRIVATE ENTERPRISE	TOURISM EVENT SUPPORT	YES	44	44	N/A
NATIVE MIND TOURISM MARKETING	PRIVATE ENTERPRISE	TOURISM SMME GRANT	YES	16	16	N/A
NONONG TRADING AND PROJECT CC	PRIVATE ENTERPRISE	TOURISM SMME GRANT	YES	250	250	N/A
NOTHEMBEKILE NN TRADING	PRIVATE ENTERPRISE	SMME DEVELOPMENT	YES	628	628	N/A
OPEN AFRICA	PRIVATE ENTERPRISE	ROUTE DEVELOPMENT	YES	1 400	1 400	N/A

**PERFORMANCE INFORMATION**  
**For the year ended the 31 March 2017**

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
PHULISO AUTOZONE PRIMARY	PRIVATE ENTERPRISE	SMME DEVELOPMENT	YES	1 000	1 000	N/A
PMST RESIDENTIALS	PRIVATE ENTERPRISE	TOURISM SMME GRANT	YES	254	254	N/A
PROPRINT	PRIVATE ENTERPRISE	SMME DEVELOPMENT	YES	250	250	N/A
SANPARKS	PRIVATE ENTERPRISE	ARID PARKS DEVELOPMENT	YES	1 000	1 000	N/A
SIPHUMLAKAHLE GUEST HOUSE	PRIVATE ENTERPRISE	TOURISM SMME GRANT	YES	250	250	N/A
SIZAMILE GUEST HOUSE	PRIVATE ENTERPRISE	TOURISM SMME GRANT	YES	189	189	N/A
SPRINGBOK ONE HOUR LAB	PRIVATE ENTERPRISE	SMME DEVELOPMENT	YES	630	630	N/A
TRIPONZA INVESTMENTS	PRIVATE ENTERPRISE	SMME DEVELOPMENT	YES	1 500	1 500	N/A
UPINGTON LANDBOU EXPO	PRIVATE ENTERPRISE	TOURISM EVENT SUPPORT	YES	35	35	N/A
VINKIES TOURISM ENTERPRISE	PRIVATE ENTERPRISE	TOURISM-SUPPORT	YES	20	20	N/A
WYDEX EVENTS PROMOTIONS CC	PRIVATE ENTERPRISE	TOURISM EVENT SUPPORT	YES	50	50	N/A
PEP-DIVISION OF PEPKOR RETAIL LI	PRIVATE ENTERPRISE	DONATION	YES	20	20	N/A
BEZUIDENHOUT R	EX-EMPLOYEE	LEAVE GRATUITY	N/A	12	12	N/A
JULIUS E	EX-EMPLOYEE	LEAVE GRATUITY	N/A	447	447	N/A
SEHUNELO AD	EX-EMPLOYEE	LEAVE GRATUITY	N/A	17	17	N/A
BOBEJE, B	EX-EMPLOYEE	LEAVE GRATUITY	N/A	18	18	N/A
MATIENG EVENT T/A FUSION GRDN N	HOUSHOLDS	DONATION	YES	98	98	N/A
<b>Total</b>				<b>46 709</b>	<b>46 709</b>	

**Table 2.5.2.2: Transfer payments budgeted for but not made for the period 1 April 2016 to 31 March 2017**

Name of transferee	Type of organisation	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
None	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**PERFORMANCE INFORMATION**  
For the year ended the 31 March 2017

## 2.6. CONDITIONAL GRANTS

### 2.6.1 CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

**Table 2.6.1.1: Conditional Grants and Earmarked funds paid for the period 1 April 2016 to 31 March 2017**

<b>Department/ Municipality to whom the grant has been transferred</b>	Namakwa District Municipality
<b>Purpose of the grant</b>	EPWP
<b>Expected outputs of the grant</b>	expansion of the EPWP
<b>Actual outputs achieved</b>	100% Implementation
<b>Amount per amended DORA</b>	818
<b>Amount transferred (R'000)</b>	818
<b>Reasons if amount as per DORA not transferred</b>	100% transferred.
<b>Amount spent by the department/ municipality (R'000)</b>	818
<b>Reasons for the funds unspent by the entity</b>	N/A
<b>Monitoring mechanism by the transferring department</b>	In year monitoring report completed and submitted monthly. Employment contracts, attendance registers and site visits.

**Table 2.6.1.2: Conditional Grants and Earmarked funds paid for the period 1 April 2016 to 31 March 2017**

<b>Department/ Municipality to whom the grant has been transferred</b>	Pixley Ka Seme
<b>Purpose of the grant</b>	EPWP
<b>Expected outputs of the grant</b>	Expansion of The EPWP
<b>Actual outputs achieved</b>	100% Implementation
<b>Amount per amended DORA</b>	1 092
<b>Amount transferred (R'000)</b>	1 092
<b>Reasons if amount as per DORA not transferred</b>	100% Transferred.
<b>Amount spent by the department/ municipality (R'000)</b>	1 092
<b>Reasons for the funds unspent by the entity</b>	N/A
<b>Monitoring mechanism by the transferring department</b>	In year monitoring report completed and submitted monthly. Employment contracts, attendance registers and site visits.

**PERFORMANCE INFORMATION**  
**For the year ended the 31 March 2017**
**Table 2.6.1.3: Conditional Grants and Earmarked funds paid for the period 1 April 2016 to 31 March 2017**

<b>Department/ Municipality to whom the grant has been transferred</b>	Sol Plaatje Municipality
<b>Purpose of the grant</b>	EPWP
<b>Expected outputs of the grant</b>	Expansion Of The EPWP
<b>Actual outputs achieved</b>	100% implementation.
<b>Amount per amended DORA</b>	120
<b>Amount transferred (R'000)</b>	120
<b>Reasons if amount as per DORA not transferred</b>	N/A
<b>Amount spent by the department/ municipality (R'000)</b>	120
<b>Reasons for the funds unspent by the entity</b>	N/A
<b>Monitoring mechanism by the transferring department</b>	In year monitoring report completed and submitted monthly. Employment contracts, attendance registers and site visits.

**2.6.2. CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED**
**Table 2.6.2.1: Conditional Grants and Earmarked funds received during for the period 1 April 2016 to 31 March 2017**

<b>Department who transferred the grant</b>	National Public Works
<b>Purpose of the grant</b>	To implement the projects as per EPWP principles for the Environmental Sector and to report the expenditure as well as work opportunities (w/o) created.
<b>Expected outputs of the grant</b>	Expansion of the EPWP.
<b>Actual outputs achieved</b>	100% implementation. 239 Work opportunities (WO) created.
<b>Amount per amended DORA (R'000)</b>	2 030
<b>Amount received (R'000)</b>	2 030
<b>Reasons if amount as per DORA was not received</b>	N/A
<b>Amount spent by the department (R'000)</b>	2 030
<b>Reasons for the funds unspent by the entity</b>	N/A
<b>Reasons for deviations on performance</b>	N/A
<b>Measures taken to improve performance</b>	N/A
<b>Monitoring mechanism by the receiving department</b>	In year monitoring report completed and submitted monthly. Employment contracts, attendance registers and site visits.

**PERFORMANCE INFORMATION**  
**For the year ended the 31 March 2017**

## 2.7. DONOR FUNDS

### 2.7.1 DONOR FUNDS RECEIVED

**Table 2.7.1.1: Donor funds received during for the period 1 April 2016 to 31 March 2017**

<b>Name of donor</b>	DTI (ECF Fund)
<b>Full amount of the funding</b>	R33 841 Million (Deposited into the NC Provincial Revenue Fund)
<b>Period of the commitment</b>	During 2010/2011 financial year until the project is 100% complete
<b>Purpose of the funding</b>	Support initiatives that develop skills and create employment for HDI youth in the Northern Cape Province (KIDJA and HUB projects)
<b>Expected outputs</b>	Skills development for youth so that they can become employable in the Diamond and Jewellery factories that will be established in the HUB
<b>Actual outputs achieved</b>	5 SMME's started own business who were trained at the academy and the department is supporting them by marketing their products. The academy has appointed 55 learnerships receiving a stipend for the period of 10 months.
<b>Amount received (R'000)</b>	R30 719 million (2010 – 2016/2017)
<b>Amount spent by the department (R'000)</b>	In 2016/2017, the department requested R3 700 million and R3 257 million was spent
<b>Reasons for the funds unspent</b>	The service provider appointed could not complete the service before the end of financial year
<b>Monitoring mechanism by the donor</b>	Quarterly reports submitted to DEDAT and DTI on how the funding was utilised

**PERFORMANCE INFORMATION**  
**For the year ended the 31 March 2017**

## 2.8. CAPITAL INVESTMENTS

### 2.8.1. CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

All capital projects undertaken by the Department for the 2016/17 financial year consists of renovations, upgrades and additions to the existing infrastructure of the Kimberley International Diamond and Jewellery Academy (KIDJA) and the adjoining Kim Diamond administrative facility.

Projects initiated include the following:

- Installation of air-conditioning units at the Kim Diamond Incubation Centre
- Installation of a water purification system at the Kim Diamond facility.
- Walkway construction at the Kim Diamond Yellow Flank
- Construction of a shade port at the GTC Building
- On-going construction and improvements to the canteen and ablution block at the Kimberley International Diamond and Jewellery Academy

Conditional assessments were conducted by the Department of Roads and Public Works for KIDJA, the Kumba Skate Plaza and the Northern Cape Tourism Information Flagship Centre. Based on these assessments a Departmental infrastructure maintenance plan was drafted for implementation set to commence within the 2017/18 financial period.

Infrastructure projects	2016/2017			2015/2016		
	Final Appropriation R'000	Actual Expenditure (R'000)	(Over)/Under Expenditure (R'000)	Final Appropriation (R'000)	Actual Expenditure (R'000)	(Over)/Under Expenditure (R'000)
New and replacement assets	-	-	-	-	-	-
Existing infrastructure assets	-	-	-	-	-	-
Upgrades and additions	3299	3299		314	314	
Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
<b>Total</b>	<b>3299</b>	<b>3299</b>	<b>-</b>	<b>314</b>	<b>314</b>	<b>-</b>

**GOVERNANCE INFORMATION**

**For the year ended the 31 March 2017**

**PART C:  
GOVERNANCE**



## GOVERNANCE INFORMATION

### For the year ended the 31 March 2017

## 3.1. INTRODUCTION

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

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

During the period, the Department introduced systems and processes to enhance its governance processes. These systems were also meant to assist the department in addressing audit issues and reduce the number of findings.

## 3.2. RISK MANAGEMENT

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

In line with the departmental risk management strategy, annual risk assessments are conducted both at a strategic and operational level. Risks were prioritised based on its likelihood and impact (inherently and residually). Management developed risk response plans and implemented those plans to ensure risks are mitigated to acceptable levels. New/emerging risks were identified on a quarterly basis. Quarterly risk awareness sessions were conducted throughout the year to educate departmental employees.

The departmental risk management committee is chaired by an Independent External Chairperson. The departmental risk management committee assists the Accounting Officer in addressing his/her oversight requirements of risk management and evaluating and monitoring the department's performance with regards to Risk Management. The Committee operates under a Risk Management Committee Charter approved by the Accounting Officer. Progress on the implementation of the annual risk management implementation plan was reported to Risk Management Committee. The committee in main evaluated the effectiveness of the mitigating strategies implemented.

An independent assessment of the department's risk management processes was performed by the Shared Internal Audit Unit.

The Audit Committee provided the independent oversight of the department's system of risk management. The audit committee was furnished with quarterly progress reports on the significant risks faced by the Department.

**GOVERNANCE INFORMATION**  
**For the year ended the 31 March 2017**

### 3.3. FRAUD AND CORRUPTION

The Department has an approved fraud prevention plan in place. An annual fraud implementation plan has been approved by the Acting Head of Department and implemented by departmental officials. Regular implementation progress reports were presented to the Risk Management Committee.

The Department has an approved Whistle-Blowing Policy in place. An annual whistle blowing implementation plan was developed, approved and implemented. Regular progress on the implementation plan was presented to the Risk Management Committee.

The approved policies were uploaded on the departmental intranet to enhance awareness and information sharing and to manage the potential risks of fraud and corruption. Quarterly fraud risk management awareness sessions were conducted throughout the year.

### 3.4. MINIMISING CONFLICT OF INTEREST

The Department has adopted the Remuneration for Work Outside the Public Service (RWOPS) policy to manage conflict of interest, which ensures that the department does not do business with its employees. The Gifts Policy provides for the Gifts Register and ensures that employees refrain from accepting or soliciting gifts.

### 3.5. CODE OF CONDUCT

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

### 3.6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

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

## GOVERNANCE INFORMATION

### For the year ended the 31 March 2017

### 3.7. PORTFOLIO COMMITTEES

Resolution and Date	Matters raised by the Portfolio Committee	Response by the department
House Resolutions on the 2nd quarter report 2016/17 Vote 6 Committee was briefed by DEDaT on 15 November 2016	The Department must: <ul style="list-style-type: none"> <li>Ensure that adequate assistance and support is given to cooperatives in order to develop into entrepreneurs.</li> <li>Ensure that they conclude on the outstanding cases namely; the Diamonds, Bed Factory, the T-Shirt machine and allow for the courts to conclude on the order litigations cases.</li> <li>Urgently fill all vacant funded posts consistent with the Treasury Guidelines on cost containment.</li> </ul>	<ul style="list-style-type: none"> <li>The Department take note of the recommendations made.</li> <li>There are no court cases with regard to the Diamond Bed and T-Shirt machine.</li> </ul>
House Resolutions on the 3rd quarter report 2016/17 Vote 6 Committee was briefed by DEDaT on 22 March 2017	The Department must: <ul style="list-style-type: none"> <li>Ensure that they speedily fill all vacant and funded posts.</li> </ul> Reports The department to submit the following reports within 30days after the adoption of the report in the House <ol style="list-style-type: none"> <li>The social-economic report on IPP's</li> <li>The rationalization report on all provincial public entities.</li> <li>Diagnostic report on the status of the NCPGDS as well as;</li> <li>An update report on the twinning potential from Hunan in China.</li> </ol>	<ul style="list-style-type: none"> <li>The Department filled 10% of the vacant and funded posts at the end of the 2016/17 financial year.</li> <li>The requested reports will be submitted in the new financial year 2017/18.</li> </ul>

### 3.8. SCOPA RESOLUTIONS

The Department presented its Annual Report for the 2015/16 financial year to the Joint Committee of the Portfolio Committee on Finance, Economic Development & Tourism and the Standing Committee on Public Accounts on the 15th of November 2016.

Resolution No.	Subject	Details	Response by the department
1	Unqualified audit opinion with findings.	The Portfolio Committee recommends that the department must take punitive actions against officials who are reluctant to discharge their responsibilities and carry out the law as stipulated. A detailed report on the items that led to the department to incur irregular expenditure.	Subsequent to the 2015/16 year-end audit, an Audit Action Plan was developed in order to address the internal control weaknesses identified by the Auditor-General.  The department conducted an investigation on the irregular expenditure incurred.

## GOVERNANCE INFORMATION

### For the year ended the 31 March 2017

### 3.9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Unqualified audit opinion with findings		
Irregular expenditure to the amount R12 563 000.00 (prior year R22.315 million) was incurred as a result of invalid deviations for travel agencies.	2014/15	Meeting held with all travel management companies to discuss the changes in the SCM Processes. Travel management companies registered on the Central Suppliers Database. The changes in the SCM Processes presented and discussed at the Executive Management Committee meeting. Sourcing of quotations for all travel expenditure are performed by the SCM Unit. Regular engagements with the Provincial Supply Chain Management Support of NCPT. Advertised the tender for Travel Management services in the Tender Bulletin on the 3rd of February 2017.

### 3.10. INTERNAL CONTROL UNIT

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

### 3.11. INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal Audit service has been performed by the Northern Cape Provincial Treasury's "Provincial Internal Audit Service". The function was set up under section 38(1)(a)(i) and section 76(4)(e) of the PFMA as a shared function for the Northern Cape Provincial Administration, and in terms of paragraph 3.2.3. of the Treasury Regulations.

The Internal Audit provides management with independent, objective assurance and consulting services designed to add value and to continuously improve the operations of the Department. It assisted the department to accomplish its objective by bringing a systematic disciplined approach to evaluate and improve effectiveness of Governance, Risk Management and Control processes.

The following key activities are performed in this regards:

- Assess and make appropriate recommendations for improving the governance processes in achieving the departments objectives;
- Evaluate the adequacy and effectiveness and contribute to the improvements of risk management processes; and
- Assist the Accounting Officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency and by developing recommendations for enhancement or improvement.

## GOVERNANCE INFORMATION

### For the year ended the 31 March 2017

Using the risk assessment as a basis, audit reviews for the year included operations, compliance, performance and follow-up reviews. According to the 2016/17 Internal Audit Plan the unit targeted eighteen audits and completed twenty one audits.

The Auditor-General South Africa, Provincial Accountant General and Provincial Risk Management Unit were invited to the Audit Committee meetings.

#### Summary of Audit Work Done

The Provincial Internal Audit Unit must evaluate and contribute to the improvement of governance, risk management and control processes using a systematic discipline approach:

- Governance: making appropriate recommendation by improving the governance processes
- Risk management: Evaluating risk exposures relating to the Department's governance, operations and information system
- Control: Evaluate the adequacy and effectiveness of control in responding to risk within the Department's governance, operations and information system.

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

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Adv. DJ Block	B.luris,LLB, Higher Diploma In Taxation	External	-	01 December 2014	N/A	05
Mr. AL Kimmie	B.Compt(hons); RGA;SAIPA;MBA; Reg. Public Service Financial Officer	External	-	01 December 2014	N/A	04
Mr. V.A. Makaleni	MAP (UP); Bachelor of Commerce (Accounting) (UFS); Management Advancement Programme (WITS); Advanced Management Development Programme (UP); Certificate in Risk Management (UJ)	External	-	01 December 2014	N/A	04
Ms OJ Gill	B Com, B Com (hons) in Business Management, Cert. in Executive Development Program	Internal	Chief Director Department of Public Works	01 December 2014	30 October 2016	0
Ms. E Botes	ND: Police Administration, Bachelor's degree in Police Science, Certificate in Executive Development Program	Internal	Acting Head of Department of Environment and Nature Conservation.	01 December 2014	30 October 2016	0

## GOVERNANCE INFORMATION

### For the year ended the 31 March 2017

## 3.12. AUDIT COMMITTEE REPORT

The Audit Committee is pleased to present its report for the financial year ended 31 March 2017.

### 1. AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee has adopted formal terms of reference, as its Audit Committee Charter. The Audit Committee has discharged its responsibilities in terms of its charter as contained therein, in line with the requirements of section 38(1)(a) of the PFMA and Treasury Regulation 3.1. as follows:

- reviewed the interim and Annual Financial Statements and non-financial performance reports
- took appropriate steps to ensure the financial statements were prepared in accordance with applicable standards in the manner required by the PFMA
- Considered and made recommendations on internal controls and reviewed the internal audit charter
- reviewed and approved the internal audit plan
- reviewed internal audit and risk management reports and, where relevant, made recommendations to the Accounting Officer
- evaluated the effectiveness of risk management, controls and governance processes, and
- noted the audit fees and engagement terms of the Auditor General of South Africa (AGSA).

### 2. THE EFFECTIVENESS OF INTERNAL CONTROL AND INFORMATION COMMUNICATION TECHNOLOGY (ICT) GOVERNANCE

The system of internal control are the responsibility of the Department's management and are designed to provide effective assurance that assets are safe guarded and that liabilities and working capital are efficiently managed. In line with the requirements of the PFMA, Internal Audit Function provides the Audit Committee and the Departmental Management with the assurance that the systems of internal controls are appropriate and effective. This is achieved by means of risk management process, as well as the identification of corrective actions and suggested enhancement of the controls and processes. The Committee reviewed the Internal Audit Reports, AGSA Audit Report and Management Report on the Annual Financial Statements and has noted with concern, the weaknesses in controls around the following areas:

#### Supply Chain Management processes

The Audit Committee notes the progress made by management in addressing prior year audit findings raised both by the internal audit and the AGSA as these issues impacted on the reliability of the system of internal control within the Department.

The following internal audit work was completed during the year under review:

- Asset Management
- HRD Employee Performance Development
- HRD Employee Health and Wellness
- HRD Training and Development
- HRM Leave Management
- HRM Recruitment and selection including transfers and termination
- Information technology systems review (assess IT governance systems)
- Management Assessment Performance Tool
- Quarterly follow up audits
- Quarterly review on Performance information verification
- Records and Security management
- Review of Interim Financial Statements and Annual Financial Statements
- Review of risk management processes and minimum anti-corruption capacity requirements
- Salary Management
- Supply Chain Management

The Audit Committee also reviewed the progress with respect to the ICT Governance in line with the Framework issued by DPSA. Although there was significant progress on ICT controls, the Audit Committee have identified priority areas for improvement in implementation of the Disaster Recovery and Business Continuity Plan.

### 3. IN-YEAR MANAGEMENT AND MONTHLY/ QUARTERLY REPORT

The Audit Committee through the Internal Audit Function was satisfied with the content and quality of quarterly reports prepared and issued by the Accounting Officer and the department during the year.

## GOVERNANCE INFORMATION

### For the year ended the 31 March 2017

The reports were discussed with Department officials. Progress has been made in the development and quality of these management reports and the department has been reporting monthly and quarterly to the Office of the Premier and Provincial Treasury as required by the PFMA.

During the year Program 6's performance was a concern to the committee and the Department was advised to focus on the costing vs. the indicators in this programme.

#### 4. RISK MANAGEMENT

Progress on the departmental risk management was reported on a quarterly basis to the Audit Committee and is satisfied that the actual management of risk is receiving attention, although there are areas that still require improvement. Management should continue to support the Risk Officer to even further enhance the performance of the Department and incorporate risk management into the strategy of the Department. The actual management of risks through the implementation of action plans. The functioning of the Risk Management Committee will be monitored throughout the 2017/18 financial year.

#### 5. EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Audit Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General's management report and management's response thereto;
- Reviewed changes to accounting policies and practices as reported in the annual financial statements;
- Reviewed the department's processes for compliance with legal and regulatory provisions;
- Reviewed the information on predetermined objectives as reported in the annual report; and
- Reviewed and where appropriate recommended changes to the interim financial statements as presented by the department for the six months ending 30 September 2016.

#### 6. ONE-ON-ONE MEETING WITH THE ACCOUNTING OFFICER

The Audit Committee had met with the Accounting Officer during the year to address unresolved issues at the Department that were raised during the Audit Committee Meetings.

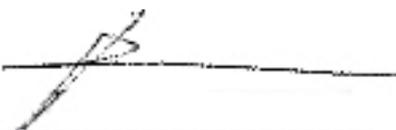
#### 7. REPORT TO EXECUTIVE AUTHORITY

In the 2016-17 financial year the Chairperson of the Audit Committee had met the Member of the Executive on and sent quarterly reports to the Member of the Executive on the progress made by the Department with issues relating to governance, risk management and internal control environment.

#### 8. AUDITOR'S GENERAL REPORT

The Audit Committee wishes to express its appreciation to the management of the Department, AGSA and Provincial Internal Audit for the co-operation and information they have provided to fulfil our mandate and enable us to compile this report.

The Audit Committee concurs and accepts the conclusion of the Auditor General Report on the annual financial statement.



**Advocate Derick Block**

**Chairperson of the Audit Committee**

Department of Economic Development and Tourism

# **PART D:** **HUMAN RESOURCE** **MANAGEMENT**



## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

## 4.1. INTRODUCTION

### **The status of human resources in the department**

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

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

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

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

The priorities include the following:

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

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

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

### **Employee performance management**

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

### **Employee wellness programmes**

The Department has established the employee wellness and diversity unit to manage the employee wellness programmes. As part of this, four compulsory employee health and wellness policies and operational plans are guiding our wellness programmes. The Department launched a 24-hour employee assistance programme on 30 March 2017.

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

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

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

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

## 4.2. HUMAN RESOURCE OVERSIGHT STATISTICS

### 4.2.1. PERSONNEL RELATED EXPENDITURE

**Table 4.2.1.1 Personnel expenditure by programme for the period 1 April 2016 and 31 March 2017**

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	44 129	30 504	0.00	0.00	69	142
Small business Development (IEDS)	53 305	12 959	0.00	0.00	24	60
Trade and Sector Development	26 386	8 548	0.00	0.00	32	40
Business Regulation and Governance	28 782	6 008	0.00	0.00	21	28
Policy Research and Innovation (Economic Planning)	15 436	11 012	0.00	0.00	71	51
Tourism	37 639	9 256	0.00	0.00	25	43
<b>Total</b>	<b>205 677</b>	<b>78 287</b>	<b>0.00</b>	<b>0.00</b>	<b>38</b>	<b>364</b>

**Table 4.2.1.2 Personnel costs by salary band for the period 1 April 2016 and 31 March 2017**

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1-2)	-	-	-	-
Skilled (levels 3-5)	5 620	216 144	26	216 144
Highly skilled production (levels 6-8)	17 310	320 562	54	320 562
Highly skilled supervision (levels 9-12)	40 115	565 000	71	565 000
Senior and Top management (levels 13-16)	24 230	969 182	25	969 182
Contract (levels 1-2)	-	-	-	-
Contract (levels 3-5)	-	-	-	-
Contract (levels 6-8)	295	295 461	1	295 461
Contract (levels 9-12)	726	726 350	1	726 350
Contract (levels 13-16)	1 894			
Contract Other	1 520	54 293	28	54 293
Periodical Remuneration	2 247	374 571	6	374 571
Abnormal Appointment	-	-	-	-
<b>Total</b>	<b>93 957</b>	<b>3521563</b>	<b>212</b>	<b>3521563</b>

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

**Table 4.2.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2016 and 31 March 2017**

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	27 958	77.3	0	0	881	2.4	1 496	4.1
Small business Development (IEDS) (INTERGRATE ECONOMIC DEV SERV)	9 910	63.5	0	0	351	2.3	501	3.2
Trade and Sector Development	7 920	79.5	0	0	166	1.7	231	2.3
Business Regulation and Governance	6 655	77.4	0	0	193	2.2	315	3.7
Policy Research and Innovation (Economic Planning)	11 020	78.3	0	0	364	2.6	417	3
Tourism	8 569	74.4	0	0	237	2.1	466	4
<b>Total</b>	<b>72 032</b>	<b>75.1</b>	<b>0</b>	<b>0</b>	<b>2 192</b>	<b>2.3</b>	<b>3 426</b>	<b>3.6</b>

**Table 4.2.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2016 and 31 March 2017**

Salary Band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (levels 1-2)	-	-	-	-	-	-	-	-
Skilled (levels 3-5)	3 823	67.8	0	0	392	6.9	580	10.3
Highly skilled production (levels 6-8)	12 760	73.3	0	0	672	3.9	1 168	6.7
Highly skilled supervision (levels 9-12)	31 110	76.2	0	0	697	1.7	1 353	3.3
Senior and Top management (levels 13-16)	20 126	80.1	0	0	417	1.7	303	1.2
Contract (levels 1-2)	-	-	0	0	-	-	-	-
Contract (levels 3-5)	-	-	0	0	-	-	-	-
Contract Other	1 520	97.9	0	0				
Contract (levels 6-8)	211	71.3	0	0	14	4.9	25	8.4
Contract (levels 9-12)	726	99	0	0				
Contract (levels 13-16)	1 755	86.3	0	0				
Periodical Remuneration	-	-	0	0	-	-	-	-
Abnormal Appointment	-	-	0	0	-	-	-	-
<b>Total</b>	<b>72 031</b>	<b>75.1</b>	<b>0</b>	<b>0</b>	<b>2 192</b>	<b>2.3</b>	<b>3 429</b>	<b>3.6</b>

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

#### 4.2.2. EMPLOYMENT AND VACANCIES

**Table 4.2.2.1 Employment and vacancies by programme as on 31 March 2017**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	101.00	93.00	7.92	0.00
Small business Development (IEDS)	34.00	29.00	14.71	0.00
Trade and Sector Development	23.00	19.00	17.39	0.00
Business Regulation and Governance	27.00	18.00	33.33	0.00
Policy Research and Innovation (Economic Planning)	27.00	24.00	11.11	0.00
Tourism	26.00	24.00	7.69	0.00
<b>Total</b>	<b>238.00</b>	<b>207.00</b>	<b>13.03</b>	<b>0.00</b>

**Table 4.2.2.2 Employment and vacancies by salary band as on 31 March 2017**

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)	-	-	-	-
Skilled (3-5)	34.00	26.00	23.53	0.00
Highly skilled production (6-8)	63.00	54.00	14.29	0.00
Highly skilled supervision (9-12)	79.00	71.00	10.13	0.00
Senior management (13-16)	31.00	25.00	19.35	0.00
09 Other, Permanent	28.00	28.00	0.00	0.00
Contract (levels 1-2)	-	-	-	-
Contract (levels 3-5)	-	-	-	-
Contract (levels 6-8)	1.00	1.00	0.00	0.00
Contract (levels 9-12)	1.00	1.00	0.00	0.00
Contract (levels 13-16)	1.00	1.00	0.00	0.00
Periodical Remuneration	-	-	-	-
Abnormal Appointment	-	-	-	-
<b>Total</b>	<b>238.00</b>	<b>207.00</b>	<b>13.03</b>	<b>0.00</b>

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

**Table 4.2.2.3 Employment and vacancies by critical occupation as on 31 March 2017**

Critical occupations	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related, Perm	97.00	87.00	10.31	0.00
Client information clerks (e.g. switchboard	1.00	1.00	0.00	0.00
Communication and information related	2.00	2.00	0.00	0.00
Computer programmers	-	-	-	-
Computer system designers and analysts	1.00	1.00	0.00	0.00
Economists	1.00	1.00	0.00	0.00
Finance and economics related	8.00	8.00	0.00	0.00
Financial and related professionals	7.00	7.00	0.00	0.00
Financial clerks and credit controllers	8.00	8.00	0.00	0.00
Food services aids and waiters	1.00	0.00	0.00	0.00
General legal administration and related professionals	6.00	4.00	33.33	0.00
Human resources and organisation developed and related	11.00	10.00	9.09	0.00
Human resources clerks	1.00	1.00	0.00	0.00
Human resources related	1.00	1.00	0.00	0.00
Information technology related	1.00	1.00	0.00	0.00
Language practitioners, interpreters and other communication	-	-	-	-
Library mail and related clerks	5.00	5.00	0.00	0.00
Material-recording clerks and transport clerks	1.00	1.00	0.00	0.00
Messengers, porters and deliverers	2.00	2.00	0.00	0.00
Other administration and related clerks and organisers	9.00	8.00	11.11	0.00
Other administrative policy and related officers	5.00	5.00	0.00	0.00
Other information technology personnel	3.00	2.00	33.33	0.00
Other occupations	2.00	2.00	0.00	0.00
Regulatory inspectors	14.00	10.00	28.57	0.00
Risk management and security services	1.00	1.00	0.00	0.00
Secretaries and other keyboard operating clerks	15.00	11.00	26.67	0.00
Security guards	6.00	6.00	0.00	0.00
Security Officers, Permanent	1.00	1.00	0.00	0.00
Senior managers	18.00	14.00	22.22	0.00
Trade Labourers, Permanent	1.00	1.00	0.00	0.00
Trade/industry advisors and other related professionals	9.00	6.00	33.33	0.00
<b>Total</b>	<b>238.00</b>	<b>207.00</b>	<b>13.03</b>	<b>0.00</b>

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

#### 4.2.3. FILLING OF SMS POSTS

**Table 4.2.3.1 SMS post information as on 31 March 2017**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	0	0	0	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	2	1	50	1	50
Salary Level 14	7	7	100	0	0
Salary Level 13	17	17	100	0	0
<b>Total</b>	<b>26</b>	<b>25</b>	<b>96%</b>	<b>1</b>	<b>4%</b>

**Table 4.2.3.2 SMS post information as on 31 September 2016**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	0	0	0	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	2	1	50	1	50
Salary Level 14	7	7	100	0	0
Salary Level 13	17	17	100	0	0
<b>Total</b>	<b>26</b>	<b>25</b>	<b>96%</b>	<b>1</b>	<b>4%</b>

**Table 4.2.3.3 Advertising and filling of SMS posts for the period 1 April 2016 to 31 March 2017**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	0	0	0	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	0	0	0	0	0
Salary Level 13	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 4.2.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2016 to 31 March 2017**

#### Reasons for vacancies not advertised within six months

N/A

#### Reasons for vacancies not filled within six months

HOD position was advertised by Office of the Premier within six months but not yet filled.

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

**Table 4.2.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2016 to 31 March 2017**

Reasons for vacancies not advertised within six months
See above

---

Reasons for vacancies not filled within six months
See above

#### 4.2.4. JOB EVALUATION

**Table 4.2.4.1 Job Evaluation by salary band for the period 1 April 2016 to 31 March 2017**

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (levels1-2)	-	-	-	-	-	-	-
Skilled (levels 3-5)	34	0	0.00	0	0.00	0	0
Highly skilled production (levels 6-8)	63	2	3.17	0	0.00	0	0
Highly skilled supervision (levels 9-12)	79	2	2.53	0	0.00	0	0
Senior Management Service Band A	20	0	0.00	0	0.00	0	0
Senior Management Service Band B	9	0	0.00	0	0.00	0	0
Senior Management Service Band C	2	0	0.00	0	0.00	0	0
09 Other	28	0	0.00	0	0.00	0	0
Senior Management Service Band D	-	-	-	-	-	0	0
Contract (levels 1-2)	-	-	-	-	-	0	0
Contract (levels 3-5)	-	-	-	-	-	0	0
Contract (levels 6-8)	1	0	0.00	0	0.00	0	0
Contract (levels 9-12)	1	0	0.00	0	0.00	0	0
Contract (Band A)	1	0	0.00	0	0.00	0	0
Contract (Band B)	-	-	-	-	-	0	0
Contract (Band C)	-	-	-	-	-	0	0
Contract (Band D)	-	-	-	-	-	0	0
<b>Total</b>	<b>238</b>	<b>4</b>	<b>1.68</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>

**Table 4.2.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2016 to 31 March 2017**

Beneficiaries	African	Asian	Coloured	White	Total
Female					
Male					
<b>Total</b>					
<b>Employees with a disability</b>					<b>0</b>

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

**Table 4.2.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2016 to 31 March 2017**

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

**Table 4.2.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2016 to 31 March 2017**

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

## 4.2.5. EMPLOYMENT CHANGES

**Table 4.2.5.1 Annual turnover rates by salary band for the period 1 April 2016 to 31 March 2017**

Salary Band	Employment at beginning of period-April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled ( levels 1-2)	-	-	-	-
Skilled (levels 3-5)	31	1	2	6.45
Highly skilled production (levels 6-8)	71	6	2	2.82
Highly skilled supervision (levels 9-12)	54	1	1	1.85
Senior Management Service Bands A	15	0	0	0.00
Senior Management Service Bands B	8	0	0	0.00
Senior Management Service Bands C	1	0	0	0.00
Senior Management Service Bands D	-	-	-	-
Other Permanent	19	33	25	131.58
Contract (Levels 1-2)	-	-	-	-
Contract (Levels 3-5)	-	-	-	-
Contract (Levels 6-8)	1	0	0	0.00
Contract (Levels 9-12)	1	0	0	0.00
Contract (Band A)	3	0	1	33.33
<b>Total</b>	<b>204</b>	<b>41</b>	<b>31</b>	<b>15.20</b>

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

**Table 4.2.5.2 Annual turnover rates by critical occupation for the period 1 April 2016 to 31 March 2017**

Critical Occupation	Number of employees at beginning of period-April 2013	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related	81	34	27	33.33
Client information clerks	1	0	0	0.00
Communication and information related	2	0	0	0.00
Computer programmers	-	-	-	-
Computer system designers and analysts	1	0	0	0.00
Economists	1	0	0	0.00
Finance and economics related	7	0	0	0.00
Financial and related professionals	6	1	0	0.00
Financial clerks and credit controllers	8	0	0	0.00
Food services aids and waiters	2	0	1	50.00
General legal administration and related professionals	4	0	0	0.00
Head of department/chief executive officer	-	-	-	-
Human resources and organisation developed and related	9	0	0	0.00
Human resources clerk	1	0	0	0.00
Human resources related	1	0	0	0.00
Information technology related	2	0	0	0.00
Library mail and related clerks	5	0	0	0.00
Material-recording clerks and transport clerks	1	0	0	0.00
Messengers, porters and deliverers	2	0	0	0.00
Other administrative and related clerks and organisers	7	0	0	0.00
Other administrative policy and related officers	5	0	0	0.00
Other information technology personnel	2	0	0	0.00
Other occupations	2	0	0	0.00
Regulatory inspectors	11	6	1	9.09
Risk management and security services	1	0	0	0.00

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

Critical Occupation	Number of employees at beginning of period- April 2013	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Secretaries and other operating clerks	12	0	2	16.67
Security guards	6	0	0	0.00
Security Officers	1	0	0	0.00
Senior managers	14	0	0	0.00
Trade Labourers	1	0	0	0.00
Trade/industry advisers and other related professionals	8	0	0	0.00
<b>Total</b>	<b>204</b>	<b>41</b>	<b>31</b>	<b>15.20</b>

**Table 4.2.5.3 Reasons why staff left the department for the period 1 April 2016 to 31 March 2017**

Termination Type	Number	% of Total Resignations
Death	-	-
Resignation	8	25.81
Expiry of contract	21	67.74
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement	2	6.45
Transfer to other Public Service Departments	-	-
Other	-	-
<b>Total</b>	<b>31</b>	<b>100.00</b>
<b>Total number of employees who left as a % of total employment</b>		

**Table 4.2.5.4 Promotions by critical occupation for the period 1 April 2016 to 31 March 2017**

Occupation:	Employees 1 April 2014	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch promotions as a % of employees by occupation
Administrative related	81	1	1.23	53	65.43
Client information clerks	1	0	0.00	1	100.00
Communication and information related	2	0	0.00	2	100.00
Computer system designers and analysts	1	0	0.00	1	100.00
Economists	1	0	0.00	1	100.00
Finance and economics related	7	1	14.29	1	14.29
Financial and related professionals	6	0	0.00	2	33.33
Financial clerks and credit controllers	8	0	0.00	6	75.00

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

Occupation:	Employees 1 April 2014	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch promotions as a % of employees by occupation
Food services aids and waiters	2	0	0.00	1	50.00
General legal administration and related professionals	4	0	0.00	0	0.00
Head of department	-	-	-	-	-
Human resources and organisational developed and related	9	0	0.00	6	66.67
Human resources clerk	1	0	0.00	1	100.00
Human resources related	1	0	0.00	1	100.00
Information technology related	2	0	0.00	0	0.00
Library mail and related clerks	5	0	0.00	5	100.00
Material-recording clerks and transport clerks	1	0	0.00	1	100.00
Messengers, porters and deliverers	2	0	0.00	0	0.00
Other administrative and related clerks and organisers	7	0	0.00	6	85.71
Other administrative policy and related officers	5	0	0.00	3	60.00
Other information technology personnel	2	0	0.00	2	100.00
Other occupations	2	0	0.00	2	100.00
Regulatory inspectors	11	0	0.00	15	136.36
Risk management and security services	1	0	0.00	0	0.00
Secretaries and other keyboard operating clerks	12	1	8.33	6	50.00
Security Guards	6	0	0.00	0	0.00
Security Officers	1	0	0.00	0	0.00
Senior managers	14	0	0.00	11	78.57
Trade Labourers	1	0	0.00	0	0.00
Statisticians and related professionals	-	-	-	-	-
Trade/industry advisers and other related professionals	8	0	0.00	3	37.50
<b>Total</b>	<b>204</b>	<b>3</b>	<b>1.47</b>	<b>130</b>	<b>63.73</b>

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

**Table 4.2.5.5 Promotions by salary band for the period 1 April 2016 to 31 March 2017**

Salary band	Employees 1 April 2015	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled ( levels 1-2)	-	-	-	-	-
Skilled (levels3-5)	31	0	0.00	13	41.94
Highly skilled production (levels 6-8)	71	1	1.41	47	66.20
Highly skilled supervision (levels 9-12)	54	2	3.70	36	66.67
Senior Management (level 13-16)	24	0	0.00	15	62.50
Other, Permanent	19	0	0.00	19	100.00
Contract (levels 1-2)	-	-	-	-	-
Contract (levels 3-5)	-	-	-	-	-
Contract (levels 6-8)	1	0	0.00	0	0.00
Contract (levels 9-12)	1	0	0.00	0	0.00
Contract (levels 13-16)	3	0	0.00	0	0.00
<b>Total</b>	<b>204</b>	<b>3</b>	<b>1.47</b>	<b>130</b>	<b>63.73</b>

#### 4.2.6. EMPLOYMENT EQUITY

**Table 4.2.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2017**

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	4	4	1	0	3	1	0	1	14
Professionals	15	6	0	2	11	6	0	3	43
Technicians and associate professionals	32	5	0	3	37	14	0	1	92
Clerks	4	1	0	0	15	12	0	3	35
Service and sales workers	4	5	0	0	4	4	0	1	18
Labourers and related workers	1	4	0	0	0	0	0	0	5
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations									
<b>Total</b>	<b>60</b>	<b>25</b>	<b>1</b>	<b>5</b>	<b>70</b>	<b>37</b>	<b>0</b>	<b>9</b>	<b>207</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

**Table 4.2.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2017**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (L15-L16)	0	0	1	0	0	0	0	0	1
Senior Management (L13-L14)	5	5	0	3	7	3	0	1	24
Professionally qualified and experienced specialists and mid-management	32	11	0	2	14	9	0	3	71
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	7	5	0	0	18	19	0	5	54
Semi-skilled and discretionary decision making	5	3	0	0	15	3	0	0	26
Not available, Permanent	10	0	0	0	16	2	0	0	28
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Contract (Senior Management)	1	0	0	0	0	0	0	0	1
Contract (Professionally qualified)	0	0	0	0	0	1	0	0	1
Contract (Semi-skilled)	0	1	0	0	0	0	0	0	1
Contract (Unskilled)									
<b>Total</b>	<b>60</b>	<b>25</b>	<b>1</b>	<b>5</b>	<b>70</b>	<b>37</b>	<b>0</b>	<b>9</b>	<b>207</b>

**Table 4.2.6.3 Recruitment for the period 1 April 2016 and 31 March 2017**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	1	0	0	1	2	0	1	6
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	1

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Not available, Permanent	12	0	0	0	19	2	0	0	33
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Contract (Senior Management)	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified)	0	0	0	0	0	0	0	0	0
Contract (Semi-skilled)	0	0	0	0	0	0	0	0	0
Contract (Unskilled)	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>13</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>41</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 4.2.6.4 Promotions for the period 1 April 2016 to 31 March 2017**

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

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

**Table 4.2.6.5 Terminations for the period 1 April 2016 to 31 March 2017**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	1	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	1	0	0	0	0	0	0	2
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	1	2
Not available, Permanent	8	2	0	0	15	0	0	0	25
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Contract (Senior Management)	0	1	0	0	0	0	0	0	1
Contract (Professionally qualified)	0	0	0	0	0	0	0	0	0
Contract (semi-skilled)	0	0	0	0	0	0	0	0	0
Contract (Unskilled)	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>9</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>31</b>
<b>Employees with Disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 4.2.6.6 Disciplinary action for the period 1 April 2016 to 31 March 2017**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Absenteeism	4	0	0	0	0	0	0	0	4
Insubordination	3	0	0	0	2	2	0	0	7
Refusing a lawful instruction	0	0	0	0	0	0	0	0	0
Non-compliance to supply chain processes	0	0	0	0	0	0	0	0	0
Non-compliance to EPMDs processes	0	0	0	0	0	0	0	0	0

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

**Table 4.2.6.7 Skills development for the period 1 April 2016 to 31 March 2017**

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	2	0	0	0	1	0	0	0	3
Professionals	18	5	0	0	0	0	0	0	23
Technicians and associate professionals	10	1	0	1	8	3		1	24
Clerks	6	2	0	0	11	7	0	2	28
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>36</b>	<b>8</b>	<b>0</b>	<b>1</b>	<b>20</b>	<b>10</b>	<b>0</b>	<b>3</b>	<b>78</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>		<b>1</b>

#### 4.2.7. SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

**Table 4.2.7.1 Signing of Performance Agreements by SMS members as on 31 May 2017**

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	0	0	0	0
Salary Level 16	0	0	0	0
Salary Level 15	0	1	1	100%
Salary Level 14	0	7	7	100%
Salary Level 13	0	17	16	94%
<b>Total</b>	<b>0</b>	<b>25</b>	<b>24</b>	<b>96%</b>

**Table 4.2.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2017**

Reasons
Not Applicable

**Table 4.2.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2017**

Reasons
Not Applicable

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

#### 4.2.8. PERFORMANCE REWARDS

**Table 4.2.8.1 Performance Rewards by race, gender and disability for the period 1 April 2016 to 31 March 2017**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Male	1.00	60.00	1.67	26.61	26,613.90
Asian, Male	0.00	1.00	0.00	0.00	0.00
Coloured Male	1.00	25.00	4.00	29.34	29,337.45
White Male	0.00	4.00	0.00	0.00	0.00
African Female	2.00	67.00	2.99	21.32	10,662.45
Asian Female	0.00	0.00	0.00	0.00	0.00
Coloured Female	0.00	36.00	0.00	0.00	0.00
White Female	1.00	9.00	11.11	9.81	9,813.90
Employees with disability	0	5	0.00	0.00	0.00
<b>Total</b>	<b>5.00</b>	<b>207.00</b>	<b>2.42</b>	<b>87.09</b>	<b>17,418.03</b>

**Table 4.2.8.2 Performance Rewards by salary bands for personnel below Senior Management Service for the period 1 April 2016 to 31 March 2017**

Salary Bands	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Skilled (levels 3-5)	1.00	26.00	3.85	6.62	6,619.95	-
Highly skilled production (levels 6-8)	1.00	54.00	1.85	9.81	9,813.90	-
Highly skilled supervision (levels 9-12)	3.00	71.00	4.23	70.66	23,552.10	-
Contract ( levels1-2)	0.00	28.00	0.00	0.00	0.00	-
Contract ( levels 3-5)	0.00	1.00	0.00	0.00	0.00	-
Contract ( levels 9-12)	0.00	1.00	0.00	0.00	0.00	-
Abnormal Appointments	-	-	-	-	-	-
<b>Total</b>	<b>5.00</b>	<b>181.00</b>	<b>2.76</b>	<b>87.09</b>	<b>17,418.03</b>	<b>-</b>

**Table 4.2.8.3 Performance Rewards by critical occupations for the period 1 April 2015 to 31 March 2017**

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative Related	1.00	87.00	1.15	6.62	6,619.95
Client information clerks	0.00	1.00	0.00	0.00	0.00
Communication and information related	0.00	2.00	0.00	0.00	0.00
Computer system designers and analysts	0.00	1.00	0.00	0.00	0.00
Economists	0.00	1.00	0.00	0.00	0.00
Finance and economics related	1.00	8.00	12.50	26.61	26,613.90

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial and related professionals	0.00	7.00	0.00	0.00	0.00
Financial clerks and credit controllers	0.00	8.00	0.00	0.00	0.00
Food services aids and waiters	-	-	-	-	-
General legal administration and related professionals	0.00	4.00	0.00	0.00	0.00
Human resources and organisational development and related personnel	0.00	10.00	0.00	0.00	0.00
Human resources clerk					
Human resources related	1.00	1.00	100.00	29.34	29,337.45
Information technology related	0.00	1.00	0.00	0.00	0.00
Library mail and related clerks	0.00	5.00	0.00	0.00	0.00
Material-recording clerks and transport clerks	0.00	1.00	0.00	0.00	0.00
Messengers porters and deliverers	0.00	2.00	0.00	0.00	0.00
Other administrative related clerks and organisers	0.00	8.00	0.00	0.00	0.00
Other administrative policy and related officers	1.00	5.00	20.00	14.70	14,704.95
Other information technology personnel	0.00	2.00	0.00	0.00	0.00
Other occupations	0.00	2.00	0.00	0.00	0.00
Regulatory inspectors	0.00	10.00	0.00	0.00	0.00
Risk management and security services	0.00	1.00	0.00	0.00	0.00
Secretaries and other keyboard operating clerks	1.00	11.00	9.09	9.81	9,813.90
Security guards	0.00	6.00	0.00	0.00	0.00
Security Officers	0.00	1.00	0.00	0.00	0.00
Senior managers	0.00	14.00	0.00	0.00	0.00
Trade Labourers	0.00	1.00	0.00	0.00	0.00
Trade/industry advisors and other related professions	0.00	6.00	0.00	0.00	0.00
<b>Total</b>	<b>5.00</b>	<b>207.00</b>	<b>2.42</b>	<b>87.09</b>	<b>17,418.03</b>

**Table 4.2.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2016 to 31 March 2017**

Salary Band	Number of beneficiaries			Cost		
	Number of beneficiaries	Number of employees	% of total within band	Total Cost (R'000)	Average cost per employee	Total cost as a % of the personnel expenditure
Band A	0.00	17.00	0.00	0.00	0.00	0.00
Band B	0.00	8.00	0.00	0.00	0.00	0.00
Band C	-	-	-	-	-	-
Band D	0.00	1.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>26.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

#### 4.2.9. FOREIGN WORKERS

**Table 4.2.9.1 foreign workers by salary band for the period 1 April 2016 to 31 March 2017**

Salary Band	01 April 2014	31 March 2015	Number	Change	Number	% Change
	Number	% of total		% of total		
Lower skilled	0	0	0	0	0	0
Highly skilled production (level 6-8)	0	0	0	0	0	0
Highly skilled supervision (level 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 4.2.9.2 foreign workers by major occupation**

Major occupation	01 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
Economic and Advisory Support	0	0	0	0	0	0

#### 4.2.10. LEAVE UTILISATION

**Table 4.2.10.1 Sick leave for the period 1 April 2016 to 31 March 2017**

Salary Band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (levels 1-2)	-	-	-	-	-	-
Skilled (levels 3-5)	164	42.68	21	11.35	7.81	121.00
Highly skilled production (levels 6-8)	493	58.82	55	29.73	8.96	572.00
Highly skilled supervision (levels 9 -12)	578	57.61	59	31.89	9.8	1151.00
Top and Senior management (levels 13-16)	141	50.35	18	9.73	7.83	529.00
Contract (levels 1-2)	-	-	-	-	-	-
Contract (levels 3-5)	-	-	-	-	-	-
Contract Other	81	39.51	29	15.68	2.79	21.00
Contract (levels 6-8)	15	33.33	1	54	15	16.00
Contract (levels 13-16)	9	55.56	2	1.08	4.5	30.00
<b>Total</b>	<b>1481</b>	<b>54.42</b>	<b>185</b>	<b>100</b>	<b>8.01</b>	<b>2439.00</b>

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

**Table 4.2.10.2 Disability Leave (temporary and permanent) for the period 1 April 2016 to 31 March 2017**

Salary Band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (levels 1-2)	0	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)	66	100	1	100	66	105.00
Senior management (levels 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>66</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>66</b>	<b>105.00</b>

**Table 4.2.10.3 Annual Leave for the period 1 April 2016 to 31 March 2017**

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (levels 1-2)	-	-	-
Skilled (levels 3-5)	533	29	18.38
Highly skilled production (levels 6-8)	1222	62	19.71
Highly skilled supervision (levels 9-12)	1611	75	21.48
Senior management (levels 13-16)	597	25	23.88
Contract (level 1-2)	-	-	-
Contract (level 3-5)	-	-	-
Contract (level 6-8)	17	1	17
Contract )level 9-12)	22	1	22
Contract Other	528	52	10.15
Contract (level 13-16)	54	3	18
<b>Total</b>	<b>4584</b>	<b>248</b>	<b>18.48</b>

**Table 4.2.10.4 Capped leave for the period 1 April 2016 to 31 March 2017**

Salary Band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as at 31 March
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	14.88
Highly skilled supervision (Levels 9-12)	0	0	0	33.06
Senior management (Levels 13-16)	0	0	0	53.06
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34.82</b>

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

**Table 4.2.10.5 Leave pay outs for the period 1 April 2016 to 31 March 2017**

Reason	Total Amount (R'000)	Number of Employees	Average per employee (R'000)
Capped leave pay-outs on termination of service	476	3	158 575
Current leave pay-outs on termination of service	28	2	14 118
<b>Total</b>	<b>504</b>	<b>5</b>	<b>100 793</b>

#### 4.2.11. HIV/AIDS & HEALTH PROMOTION PROGRAMMES

**Table 4.2.11.1 Steps taken to reduce the risk of occupational exposure**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	General awareness programmes are conducted within the Department.

**Table 4.2.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)**

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Adv. Molefinyana Phera is such a designated SMS.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		We have a dedicated Employee Wellness and Diversity Management Unit, with 3 employees.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		The Department has a 24 hotline and employee assistance programme covering all elements of employee wellness, including socio-psychological services.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		Health and Safety Committee has been established. Here are the names of members: Adv. M Phera (Chair); Mr J van Zyl; Ms E Dennis; Ms L Molefe; Mr Z Jakavula; Mr R Koopman; Mr R Moses; Mr G Bosman; Mr M Makhate and Mr Gotha
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		The EHW policies are reviewed and relevant and are due next year for another review. All our HR policies ensures no discrimination on the basis of HIV/AIDS status.

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

Question	Yes	No	Details, if yes
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Yes, we have policies in this regard. Workshops are conducted during HR Information Sessions to create awareness and ensure a culture free of discrimination towards departmental staff.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Yes, we do have regular VCT programmes. The number of officials making use of this is small and feedback is given directing of those making use of this service.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Yes. A staff survey was conducted and feedback is also received from all forums in the Department.

#### 4.2.12. LABOUR RELATIONS

**Table 4.2.12.1 Collective agreements for the period 1 April 2016 to 31 March 2017**

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

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

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	7	78%
Final written warning	2	22%
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
<b>Total</b>	<b>9</b>	<b>100%</b>

**Total number of Disciplinary hearings finalised** 9

**Table 4.2.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2016 to 31 March 2017**

Type of misconduct (based on annexure A)	Number	% of total
Absenteeism	4	39.4
Insubordination	7	63.6
Refusing a lawful instruction	0	0
Non-compliance to supply chain processes	0	0
Non-compliance to EPMDs processes	0	0
<b>Total</b>	<b>11</b>	<b>100%</b>

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

**Table 4.2.12.4 Grievances logged for the period 1 April 2016 to 31 March 2017**

	Number	% of Total
Number of grievances resolved	0	0
Number of grievances not resolved	5	100%
<b>Total number of grievances lodged</b>	<b>5</b>	<b>100%</b>

**Table 4.2.12.5 Disputes logged for the period 1 April 2016 to 31 March 2017**

	Number	% of Total
Number of disputes upheld	1	50%
Number of disputes dismissed	1	50%
<b>Total number of disputes lodged</b>	<b>2</b>	<b>100%</b>

**Table 4.2.12.6 Strike actions for the period 1 April 2016 to 31 March 2017**

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

**Table 4.2.12.7 Precautionary suspensions for the period 1 April 2016 to 31 March 2017**

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

## 4.2.13. SKILLS DEVELOPMENT

**Table 4.2.13.1 Training needs identified for the period 1 April 2016 to 31 March 2017**

Occupational Categories	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Males-15	25	N/A	LMDP (Leadership Development Programme) Basic Economics	Project Management Monitoring and Evaluation Finance for non-financial managers.	25
	Females-10					
Professionals	Males-25	31	N/A	MDP (Management Development Programme) AMDP (Advance Management Development Prog.) Finance for non-financial managers.	Research Methodology Computer literacy Basic Economics Occupational Health and Safety Course	31
	Females- 6					

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

Occupational Categories	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Technicians and associate professionals	Males- 19	42	N/A	EMDP (Emerging Management Development Programme Basic Economics Project Management Computer literacy	Occupational Health and Safety Course	42
	Females- 23					
Clerks	Males-20	80	N/A	FMDP (Foundation Management Development Programme) Office Management Basic Economics	Computer literacy Occupational Health and Safety Course	80
	Females- 60					
Total	Males	79	-	-	-	79
	Females	99	-	-	-	99
<b>Total</b>		<b>178</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178</b>

**Table 4.2.13.2 Training provided for the period for the period 1 April 2016 to 31 March 2017**

Occupational Categories	Gender	Number of employees as at 1 April 2016	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female 1	3	0	Finance for non-financial managers	0	3
	Male 2					
Professionals	Female 0	23	0	MDP (Management Development Programme) AMDP (Advance Management Development Prog.) Finance for non-financial managers.	Research Methodology Occupational Health and Safety Course.	19
	Male 23					
Technicians and associate professionals	Female 16	24	0	Advance Management Development Programme Finance for non-finance manager.	Occupational Health and Safety Course.	24
	Male 8					
Clerks	Female 21	28	1	FMDP (Foundation Management Development Programme).	Occupational Health and Safety Course.	28
	Male 7					
	Female	38	-	-	-	-
	Male	40	-	-	-	-
<b>Total</b>		<b>78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78</b>

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

#### 4.2.14. INJURY ON DUTY

**Table 4.2.14.1 Injury on duty for the period 1 April 2016 to 31 March 2017**

Nature of injury on duty	Number	% of total
Required basic medical attention only	3	0.55%
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
<b>Total</b>	<b>3</b>	<b>0.55%</b>

#### 4.2.15. UTILISATION OF CONSULTANTS

**Table 4.2.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2016 to 31 March 2017**

Project Title	Total Number of consultants that worked on project	Duration Work days	Contract value in Rand (R'000)
Development for the metals industrial cluster	Red Flank Solutions	6 months	R494 815
To prepare a spluma compliant land use planning statement for portions of farms 585/0, 585/122 & 122/0, Gordonia road, Mier local municipality, ZF Mgcawu District Municipality.	Gobetla Beplannings Dienste	3 months	R15 207
To prepare a service investigation for the Hakskeenpan, Dawid Kruijer Municipality, ZF Mgcawu District Municipality.	BVI Consulting Engineers	3 months	R56 245
Waste tyre management business	Joxicraft	6 months	R80 000
Coastal Tourism Development strategy	Urban – Econ Development Economist (PTY) LTD	3 months	R399 214
Impact assessment for bloodhound SSC project	Enviro Africa	3 months	R179 470
Informal economy upliftment development strategy	Namron General Trading 4610	4 months	R118 300
Establishment of the Agricultural incubator	IDS Consulting	3 months	R200 000
Develop steel fabrication company	Matsieng Consulting	2 months	R14 700
Traffic impact assessment: metals industrial cluster	Savannah Environmental	1 month	R52 742
Heritage impact assessment	McGregor Museum	2 months	R33 963
Bio - Diversity study	Prescali Environmental Cons	3 months	R102 600
Skills development – computer aid design and manufacturing	Micrographics (PTY) LTD	4 months	R415 399
Basic ICT solutions	Progressive solutions	Once off	R195 342
Impact assessment - socio economic	Tony Barbour	3 months	R80 712
Rationalisation of public entities falling under the department	Ecodzone	3 months	R399 000
Developed USSD solutions	Lestati	Once off	R199 000

## HUMAN RESOURCE MANAGEMENT INFORMATION

### For the year ended the 31 March 2017

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
17	17		R3 036 709

**Table.4.2.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2016 to 31 March 2017**

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Development of the metals industrials cluster	100%	100%	5
SPLUMA compliant land use and planning statement for portions of farms 585/0, 585/122 and 122/0, Gordonia Road, Mier Local Municipality, ZF Mgcawu district municipality, NC.	5%	5%	0
To prepare the service inspection of the Haakskeenpan, Dawid Kuiper Municipality.	52.68%	52.68%	0
Waste Tyre Management Business in the NC	100%	100%	1
Coastal Tourism Development Strategy.	25%	25%	4
Impact Assessment for the Bloodhound SSC Project.	0%	0%	3
Informal Economy Upliftment Development Strategy	51%	51%	0
Establishment of the Agricultural Incubator	100%	100%	2
Develop Steel Fabrication Company	100%	100%	1
Traffic Impact Assessment Metals Industrials Cluster	33%	33%	1
Heritage Impact Assessment	0%	0%	1
Bio-Diversity Study	0%	0%	3
Skills Development: CAD and Manufacturing	0%	0%	1
Basic IT Solutions	0%	0%	1
Impact Assessment – Socio-Economic	0%	0%	0
Rationalisation of the Public Entities falling under the DEDaT	0%	0%	4
Developed SSD solutions.	100%	100%	1



# **PART E: FINANCIAL INFORMATION**



**FINANCIAL INFORMATION****For the year ended the 31 March 2017**

## 5.1 REPORT OF THE AUDITOR GENERAL

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

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

##### **Opinion**

1. I have audited the financial statements of the Department of Economic Development and Tourism set out on pages 154 to 236, which comprise the appropriation statement, the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Economic Development and Tourism as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

##### **Basis for opinion**

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

##### **Emphasis of matters**

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

##### **Irregular expenditure**

7. As disclosed in note 23 to the financial statements, the department incurred irregular expenditure of R6 156 000 (2016: R12 563 000) during the year under review mainly due to non-compliance with supply chain management requirements with regards to travel agent expenditure. The total amount of irregular expenditure recorded in the annual financial statements as at 31 March 2017 amount to R214 000 (2016: R34 878 000).

**FINANCIAL INFORMATION****For the year ended the 31 March 2017****Material underspending of the vote**

8. As disclosed in the appropriation statement, the department has materially underspent the budget on Administration, Economic Planning and Tourism to the amount of R 11 890 000. The underspending is as a result of the department's reprioritisation of budgeted funds to create a saving to finance outstanding debt, however at year end this amount remains unpaid as a result of a pending legal matter regarding a utility bill.

**Other matter**

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

**Unaudited supplementary schedules**

10. The supplementary information set out on pages 237 to 248 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.

**Responsibilities of the accounting officer**

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

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

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

**Report on the audit of the annual performance report****Introduction and scope**

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

**FINANCIAL INFORMATION****For the year ended the 31 March 2017**

16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2017:

<b>Programmes</b>	<b>Pages in the annual performance report</b>
Programme 2: Small Business Development	68 – 75
Programme 6: Tourism	99 – 104

18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

19. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Programme 2: Small Business Development
- Programme 6: Tourism

**Other matters**

20. I draw attention to the matters below.

**Achievement of planned targets**

21. Refer to the annual performance report on page(s) 68 to 75; 99 to 104 for information on the achievement of planned targets for the year and explanations provided for the under and overachievement of a number of targets.

**Adjustment of material misstatement**

22. I identified a material misstatement in the annual performance report submitted for auditing. This material misstatement was on the reported performance information of Small Business Development. As management subsequently corrected the misstatement, I did not raise any material findings on the usefulness and reliability of the reported performance information.

**FINANCIAL INFORMATION****For the year ended the 31 March 2017****Report on audit of compliance with legislation****Introduction and scope**

23. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
24. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

**Expenditure management**

25. Effective steps were not taken to prevent irregular expenditure amounting to R6 156 000 as disclosed in note 23 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1. The majority of the irregular expenditure was caused by supply chain processes not followed.

**Procurement and contract management**

26. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by Treasury Regulation 16A6.1. This non-compliance was identified in the procurement processes for travel agent expenditure. Similar non-compliance was also reported in the prior year.
27. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1. This non-compliance was identified in the procurement processes for travel agent expenditure. Similar non-compliance was also reported in the prior year.

**Other information**

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

**FINANCIAL INFORMATION**  
**For the year ended the 31 March 2017**

**Internal control deficiencies**

32. I considered internal control relevant to my audit of the statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
- The department did not adequately monitor compliance with supply chain regulations, as a result irregular expenditure was incurred.

**Other reports**

33. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
34. An investigation is being conducted to probe the manner in which some projects utilized funds advanced as transfer payments by the department. The investigation aims to establish whether the funds were utilized for the intended purpose and in accordance with approved business plans. The investigation was still ongoing at the reporting date.
35. 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 2017



**A U D I T O R - G E N E R A L**  
**S O U T H A F R I C A**  
*Auditing to build public confidence*

**FINANCIAL INFORMATION****For the year ended the 31 March 2017**

## 5.2. ANNUAL FINANCIAL STATEMENTS

### Table of Contents

Appropriation Statement	155
Notes to the Appropriation Statement	198
Statement of Financial Performance	199
Statement of Financial Position	200
Statement of Changes in Net Assets	201
Cash Flow Statement	202
Notes to the Annual Financial Statements (including Accounting policies)	203
Annexures	237

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

Appropriation per programme									
2016/17								2015/16	
	Ad-justed Appropriation	Shift-ing of Funds	Vire-ment	Final Appro-riation	Actual Expend-iture	Vari-ance	Expend-iture as % of final appro-riation	Final Appro-riation	Actual Expend-iture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Programme</b>									
1. Administration	56,350	-	6,180	62,530	53,688	8,842	85.9%	55,024	53,602
2. Integrated Economic Development Services	86,274	-	253	86,527	86,527	-	100.0%	99,793	99,793
3. Trade and Sector Development	33,383	-	(392)	32,991	32,991	-	100.0%	29,077	28,804
4. Business Regulation and Governance	34,548	-	(302)	34,246	34,246	-	100.0%	31,351	31,351
5. Economic Planning	20,525	-	(1,520)	19,005	18,217	788	95.9%	16,925	16,925
6. Tourism	53,277	-	(4,219)	49,058	46,798	2,260	95.4%	49,919	49,196
<b>Subtotal</b>	<b>284,357</b>	-	-	<b>284,357</b>	<b>272,467</b>	<b>11,890</b>	<b>95.8%</b>	<b>282,089</b>	<b>279,671</b>
<b>TOTAL</b>	<b>284,357</b>	-	-	<b>284,357</b>	<b>272,467</b>	<b>11,890</b>	<b>95.8%</b>	<b>282,089</b>	<b>279,671</b>

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

	2016/17		2015/16	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
<b>TOTAL (brought forward)</b>				
Reconciliation with statement of financial performance				
<b>ADD</b>				
Departmental receipts	-	-	262	-
Aid assistance	3,700	-	1,000	-
<b>Actual amounts per statement of financial performance (total revenue)</b>	<b>288,057</b>	-	<b>283,351</b>	
<b>ADD</b>				
Aid assistance		3,257		712
<b>Actual amounts per statement of financial performance (total expenditure)</b>		<b>275,724</b>		<b>280,383</b>

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>Appropriation per economic classification</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>180,451</b>	<b>(618)</b>	<b>(1)</b>	<b>179,832</b>	<b>167,942</b>	<b>11,890</b>	<b>93.4%</b>	<b>177,974</b>	<b>175,556</b>
Compensation of employees	95,901	(1,785)	(616)	93,500	93,500	-	100.0%	82,671	81,948
Salaries and wages	85,480	(2,721)	(745)	82,014	82,014	-	100.0%	72,742	72,092
Social contributions	10,421	936	129	11,486	11,486	-	100.0%	9,929	9,856
Goods and services	84,550	1,167	615	86,332	74,442	11,890	86.2%	95,303	93,608
Administrative fees	1,808	143	(107)	1,844	1,844	-	100.0%	2,292	2,292
Advertising	919	996	(128)	1,787	1,787	-	100.0%	3,466	3,466
Minor assets	181	158	35	374	374	-	100.0%	381	381
Audit costs: External	2,988	(351)	-	2,637	2,637	-	100.0%	2,587	2,587
Bursaries:									
Employees	222	213	70	505	505	-	100.0%	269	269
Catering:									
Departmental activities	1,126	375	(201)	1,300	1,300	-	100.0%	1,925	1,925
Communication	1,870	84	5	1,959	1,959	-	100.0%	1,855	1,855
Computer services	2,837	(304)	(40)	2,493	1,071	1,422	43.0%	2,598	1,176
Consultants:									
Business and advisory services	7,524	(804)	(3,481)	3,239	3,239	-	100.0%	3,466	3,466
Legal services	1,173	(364)	(402)	407	407	-	100.0%	375	375
Contractors	24,650	(592)	(20)	24,038	24,038	-	100.0%	38,699	38,699
Agency and support / outsourced services	23	25	-	48	48	-	100.0%	1,268	1,268
Fleet services	438	241	4	683	683	-	100.0%	454	454
Consumable supplies	77	15	9	101	101	-	100.0%	393	393
Consumable: Stationery, printing and office supplies	2,388	(129)	(83)	2,176	2,176	-	100.0%	2,138	2,138
Operating leases	8,071	249	(339)	7,981	7,981	-	100.0%	7,263	7,263

**APPROPRIATION STATEMENT****For the year ended the 31 March 2017**

<b>Appropriation per economic classification</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Property payments	6,547	2,321	7,592	16,460	6,326	10,134	38.4%	7,357	7,357
Transport provided:									
Departmental activity	103	39	31	173	173	-	100.0%	-	-
Travel and subsistence	15,520	(630)	(232)	14,658	14,324	334	97.7%	15,507	15,234
Training and development	3,109	(507)	(1,079)	1,523	1,523	-	100.0%	476	476
Operating payments	392	125	7	524	524	-	100.0%	702	702
Venues and facilities	1,584	(136)	(26)	1,422	1,422	-	100.0%	1,779	1,779
Rental and hiring	1,000	-	(1,000)	-	-	-	-	53	53
<b>Transfers and subsidies</b>	<b>102,197</b>	<b>440</b>	<b>1</b>	<b>102,638</b>	<b>102,638</b>	<b>-</b>	<b>100.0%</b>	<b>100,580</b>	<b>100,580</b>
Provinces and municipalities	3,447	(268)	(26)	3,153	3,153	-	100.0%	1,858	1,858
Provinces	-	-	-	-	-	-	-	200	200
Provincial agencies and funds	-	-	-	-	-	-	-	200	200
Municipalities	3,447	(268)	(26)	3,153	3,153	-	100.0%	1,658	1,658
Municipal bank accounts	3,441	(268)	(26)	3,147	3,147	-	100.0%	-	-
Municipal agencies and funds	6	-	-	6	6	-	100.0%	1,658	1,658
Departmental agencies and accounts	58,276	17,826	613	76,715	76,715	-	100.0%	59,776	59,776
Departmental agencies and accounts	58,276	17,826	613	76,715	76,715	-	100.0%	59,776	59,776

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>Appropriation per economic classification</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appro- priation</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appro- priation</b>	<b>Actual Expend- iture</b>	<b>Vari- ance</b>	<b>Ex- pendi- ture as % of final appro- pria- tion</b>	<b>Final Appro- priation</b>	<b>Actual expend- iture</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Public corporations and private enterprises	40,359	(17,570)	(612)	22,177	22,177	-	100.0%	38,839	38,839
Public corporations	1,020	(1,000)	-	20	20	-	100.0%	187	187
Other transfers to public corporations	1,020	(1,000)	-	20	20	-	100.0%	187	187
Private enterprises	39,339	(16,570)	(612)	22,157	22,157	-	100.0%	38,652	38,652
Other transfers to private enterprises	39,339	(16,570)	(612)	22,157	22,157	-	100.0%	38,652	38,652
Households	115	452	26	593	593	-	100.0%	107	107
Social benefits	17	452	26	495	495	-	100.0%	-	-
Other transfers to households	98	-	-	98	98	-	100.0%	107	107
<b>Payments for capital assets</b>	<b>1,709</b>	<b>178</b>	<b>-</b>	<b>1,887</b>	<b>1,887</b>	<b>-</b>	<b>100.0%</b>	<b>2,751</b>	<b>2,751</b>
Buildings and other fixed structures	154	-	18	172	172	-	100.0%	314	314
Other fixed structures	154	-	18	172	172	-	100.0%	314	314
Machinery and equipment	1,555	178	(18)	1,715	1,715	-	100.0%	2,329	2,329
Transport equipment	276	121	104	501	501	-	100.0%	162	162
Other machinery and equipment	1,279	57	(122)	1,214	1,214	-	100.0%	2,167	2,167
Software and other intangible assets	-	-	-	-	-	-	-	108	108
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>784</b>	<b>784</b>
<b>Total</b>	<b>284,357</b>	<b>-</b>	<b>-</b>	<b>284,357</b>	<b>272,467</b>	<b>11,890</b>	<b>95.8%</b>	<b>282,089</b>	<b>279,671</b>

**APPROPRIATION STATEMENT****For the year ended the 31 March 2017**

<b>Programme 1: ADMINISTRATION</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Sub programme</b>									
1. Office of the MEC	1,151	(201)	-	950	950	-	100.0%	1,358	1,358
2. Office of the HOD	6,822	(799)	-	6,023	6,023	-	100.0%	6,083	6,083
3. Corporate Services	23,586	873	51	24,510	23,088	1,422	94.2%	19,532	18,110
4. Financial Management	24,791	127	6,129	31,047	23,627	7,420	76.1%	28,051	28,051
<b>Total for sub programmes</b>	<b>56,350</b>	<b>-</b>	<b>6,180</b>	<b>62,530</b>	<b>53,688</b>	<b>8,842</b>	<b>85.9%</b>	<b>55,024</b>	<b>53,602</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>55,713</b>	<b>(178)</b>	<b>6,018</b>	<b>61,553</b>	<b>52,711</b>	<b>8,842</b>	<b>85.6%</b>	<b>53,004</b>	<b>51,582</b>
Compensation of employees	37,960	(1,150)	-	36,810	36,810	-	100.0%	31,200	31,200
Salaries and wages	34,138	(2,195)	-	31,943	31,943	-	100.0%	27,123	27,123
Social contributions	3,822	1,045	-	4,867	4,867	-	100.0%	4,077	4,077
Goods and services	17,753	972	6,018	24,743	15,901	8,842	64.3%	21,804	20,382
Administrative fees	668	34	-	702	702	-	100.0%	509	509
Advertising	190	126	-	316	316	-	100.0%	873	873
Minor assets	98	79	-	177	177	-	100.0%	123	123
Audit costs:									
External	2,487	(246)	-	2,241	2,241	-	100.0%	2,104	2,104
Bursaries:									
Employees	96	189	-	285	285	-	100.0%	192	192
Catering:									
Departmental activities	156	92	-	248	248	-	100.0%	143	143
Communication	711	138	-	849	849	-	100.0%	660	660
Computer services	2,340	(359)	-	1,981	559	1,422	28.2%	1,730	308
Consultants:									
Business and advisory services	67	(60)	-	7	7	-	100.0%	250	250
Legal services	122	(1)	-	121	121	-	100.0%	370	370
Contractors	430	5	-	435	435	-	100.0%	22	22

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>Programme 1: ADMINISTRATION</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appro- pria- tion</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appro- piation</b>	<b>Actual Expend- iture</b>	<b>Vari- ance</b>	<b>Ex- pendi- ture as % of final appro- piation</b>	<b>Final Appro- piation</b>	<b>Actual expend- iture</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Agency and support / outsourced services	16	25	-	41	41	-	100.0%	90	90
Fleet services	179	112	-	291	291	-	100.0%	98	98
Consumable supplies	55	(3)	1	53	53	-	100.0%	31	31
Consumable: Stationery, printing and office supplies	1,037	(87)	-	950	950	-	100.0%	869	869
Operating leases	1,707	(50)	-	1,657	1,657	-	100.0%	4,715	4,715
Property payments	2,182	751	5,593	8,526	1,440	7,086	16.9%	4,005	4,005
Travel and subsistence	4,178	182	325	4,685	4,351	334	92.9%	3,847	3,847
Training and development	434	87	-	521	521	-	100.0%	214	214
Operating payments	292	(22)	-	270	270	-	100.0%	482	482
Venues and facilities	308	(20)	99	387	387	-	100.0%	477	477
<b>Transfers and subsidies</b>	<b>308</b>	<b>-</b>	<b>(26)</b>	<b>282</b>	<b>282</b>	<b>-</b>	<b>100.0%</b>	<b>519</b>	<b>519</b>
Provinces and municipalities	173	(1)	(26)	146	146	-	100.0%	138	138
Municipalities	173	(1)	(26)	146	146	-	100.0%	138	138
Municipal bank accounts	173	(1)	(26)	146	146	-	100.0%	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	138	138
Departmental agencies and accounts	-	1	-	1	1	-	100.0%	1	1
Departmental agencies	-	1	-	1	1	-	100.0%	1	1

**APPROPRIATION STATEMENT****For the year ended the 31 March 2017**

<b>Programme 1: ADMINISTRATION</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Public corporations and private enterprises	20	-	-	20	20	-	100.0%	295	295
Public corporations	20	-	-	20	20	-	100.0%	-	-
Other transfers to public corporations	20	-	-	20	20	-	100.0%	-	-
Private enterprises	-	-	-	-	-	-	100.0%	295	295
Other transfers to private enterprises	-	-	-	-	-	-	-	295	295
Households	115	-	-	115	115	-	100.0%	85	85
Social benefits	17	-	-	17	17	-	100.0%	-	-
Other transfers to households	98	-	-	98	98	-	100.0%	85	85
<b>Payments for capital assets</b>	<b>329</b>	<b>178</b>	<b>188</b>	<b>695</b>	<b>695</b>	<b>-</b>	<b>100.0%</b>	<b>717</b>	<b>717</b>
Machinery and equipment	329	178	188	695	695	-	100.0%	702	702
Transport equipment	76	38	80	194	194	-	100.0%	34	34
Other machinery and equipment	253	140	108	501	501	-	100.0%	668	668
Software and other intangible assets	-	-	-	-	-	-	-	15	15
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>784</b>	<b>784</b>
<b>Total</b>	<b>56,350</b>	<b>-</b>	<b>6,180</b>	<b>62,530</b>	<b>53,688</b>	<b>8,842</b>	<b>85.9%</b>	<b>55,024</b>	<b>53,602</b>

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>1.1 OFFICE OF THE MEC</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Ad-justed Appropriation</b>	<b>Shift-ing of Funds</b>	<b>Vire-ment</b>	<b>Final Appropria-tion</b>	<b>Actual Ex-pend-iture</b>	<b>Vari-ance</b>	<b>Expendi-ture as % of final appropri-ation</b>	<b>Final Appropria-tion</b>	<b>Actual ex-pend-iture</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>1,033</b>	<b>(201)</b>	-	<b>832</b>	<b>832</b>	-	<b>100.0%</b>	<b>1,351</b>	<b>1,351</b>
Goods and services	1,033	(201)	-	832	832	-	100.0%	1,351	1,351
<b>Transfers and subsidies</b>	<b>118</b>	-	-	<b>118</b>	-	<b>118</b>	<b>100.0%</b>	<b>7</b>	<b>7</b>
Public corporations and private enterprises	20	-	-	20	20	-	100.0%	7	7
Households	98	-	-	98	98	-	100.0%	-	-
<b>Total</b>	<b>1,151</b>	<b>(201)</b>	-	<b>950</b>	<b>950</b>	-	<b>100.0%</b>	<b>1,358</b>	<b>1,358</b>

**APPROPRIATION STATEMENT****For the year ended the 31 March 2017**

<b>1.2 OFFICE OF THE HOD</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>6,742</b>	<b>(823)</b>	-	<b>5,919</b>	<b>5,919</b>	-	<b>100.0%</b>	<b>5,988</b>	<b>5,988</b>
Compensation of employees	5,208	(989)	-	4,219	4,219	-	100.0%	4,478	4,478
Goods and services	1,534	166	-	1,700	1,700	-	100.0%	1,510	1,510
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>14</b>	<b>14</b>
Public corporations and private enterprises	-	-	-	-	-	-	-	14	14
<b>Payments for capital assets</b>	<b>80</b>	<b>24</b>	-	<b>104</b>	<b>104</b>	-	<b>100.0%</b>	<b>81</b>	<b>81</b>
Machinery and equipment	80	24	-	104	104	-	100.0%	81	81
<b>Total</b>	<b>6,822</b>	<b>(799)</b>	-	<b>6,023</b>	<b>6,023</b>	-	<b>100.0%</b>	<b>6,083</b>	<b>6,083</b>

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>1.3 CORPORATE SERVICES</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>23,488</b>	<b>718</b>	<b>-</b>	<b>24,206</b>	<b>22,784</b>	<b>1,422</b>	<b>94.1%</b>	<b>19,323</b>	<b>17,901</b>
Compensation of employees	19,407	15	-	19,422	19,422	-	100.0%	15,596	15,596
Goods and services	4,081	703	-	4,784	3,362	1,422	70.3%	3,727	2,305
<b>Transfers and subsidies</b>	<b>17</b>	<b>1</b>	<b>-</b>	<b>18</b>	<b>18</b>	<b>-</b>	<b>100.0%</b>	<b>55</b>	<b>55</b>
Departmental agencies and accounts	-	1	-	1	1	-	100.0%	1	1
Public corporations and private enterprises	-	-	-	-	-	-	-	14	14
Households	17	-	-	17	17	-	100.0%	40	40
<b>Payments for capital assets</b>	<b>81</b>	<b>154</b>	<b>51</b>	<b>286</b>	<b>286</b>	<b>-</b>	<b>100.0%</b>	<b>154</b>	<b>154</b>
Machinery and equipment	81	154	51	286	286	-	100.0%	154	154
<b>Total</b>	<b>23,586</b>	<b>873</b>	<b>51</b>	<b>24,510</b>	<b>23,088</b>	<b>1,422</b>	<b>94.2%</b>	<b>19,532</b>	<b>18,110</b>

**APPROPRIATION STATEMENT****For the year ended the 31 March 2017**

<b>1.4 FINANCIAL MANAGEMENT</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Ad-justed Appropriation</b>	<b>Shift-ing of Funds</b>	<b>Vire-ment</b>	<b>Final Approp-riation</b>	<b>Actual Ex-pend-iture</b>	<b>Vari-ance</b>	<b>Expend-iture as % of final approp-riation</b>	<b>Final Approp-riation</b>	<b>Actual ex-pend-iture</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>24,450</b>	<b>128</b>	<b>6,018</b>	<b>30,596</b>	<b>23,176</b>	<b>7,420</b>	<b>75.7%</b>	<b>26,342</b>	<b>26,342</b>
Compensation of employees	13,345	(176)	-	13,169	13,169	-	100.0%	11,126	11,126
Goods and services	11,105	304	6,018	17,427	10,007	7,420	57.4%	15,216	15,216
<b>Transfers and subsidies</b>	<b>173</b>	<b>(1)</b>	<b>(26)</b>	<b>146</b>	<b>146</b>	<b>-</b>	<b>100.0%</b>	<b>443</b>	<b>443</b>
Provinces and municipalities	173	(1)	(26)	146	146	-	100.0%	138	138
Public corporations and private enterprises	-	-	-	-	-	-	-	260	260
Households	-	-	-	-	-	-	-	45	45
<b>Payments for capital assets</b>	<b>168</b>	<b>-</b>	<b>137</b>	<b>305</b>	<b>305</b>	<b>-</b>	<b>100.0%</b>	<b>482</b>	<b>482</b>
Machinery and equipment	168	-	137	305	305	-	100.0%	467	467
Software and other intangible assets	-	-	-	-	-	-	-	15	15
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>784</b>	<b>784</b>
<b>Total</b>	<b>24,791</b>	<b>127</b>	<b>6,129</b>	<b>31,047</b>	<b>23,627</b>	<b>7,420</b>	<b>76.1%</b>	<b>28,051</b>	<b>28,051</b>

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>Programme 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appro- priation</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appro- priation</b>	<b>Actual Expend- iture</b>	<b>Vari- ance</b>	<b>Expendi- ture as % of final appro- priation</b>	<b>Final Appro- priation</b>	<b>Actual expend- iture</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Sub programme</b>									
1. Enterprise Development	35,207	62	(67)	35,202	35,202	-	100.0%	49,213	49,213
2. Regional and Local Economic Development	8,574	213	(24)	8,763	8,763	-	100.0%	7,678	7,678
3. Economic Empowerment	3,085	(42)	(141)	2,902	2,902	-	100.0%	2,878	2,878
4. Economic Growth and Development Fund	26,908	(2)	-	26,906	26,906	-	100.0%	36,000	36,000
5. Office of the Chief Director	12,500	(231)	485	12,754	12,754	-	100.0%	4,024	4,024
<b>Total for sub programmes</b>	<b>86,274</b>	<b>-</b>	<b>253</b>	<b>86,527</b>	<b>86,527</b>	<b>-</b>	<b>100.0%</b>	<b>99,793</b>	<b>99,793</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>48,317</b>	<b>(440)</b>	<b>(506)</b>	<b>47,371</b>	<b>47,371</b>	<b>-</b>	<b>100.0%</b>	<b>54,935</b>	<b>54,935</b>
Compensation of employees	15,965	(440)	(342)	15,183	15,183	-	100.0%	11,949	11,949
Salaries and wages	14,368	(508)	(373)	13,487	13,487	-	100.0%	10,571	10,571
Social contributions	1,597	68	31	1,696	1,696	-	100.0%	1,378	1,378
Goods and services	32,352	-	(164)	32,188	32,188	-	100.0%	42,986	42,986
Administrative fees	381	18	(3)	396	396	-	100.0%	418	418
Advertising	13	214	-	227	227	-	100.0%	39	39
Minor assets	13	13	7	33	33	-	100.0%	64	64
Audit costs:									
External	185	(185)	-	-	-	-	-	176	176
Bursaries:									
Employees	40	-	27	67	67	-	100.0%	38	38
Catering:									
Departmental activities	224	235	(22)	437	437	-	100.0%	605	605
Communication	264	(34)	21	251	251	-	100.0%	260	260

**APPROPRIATION STATEMENT****For the year ended the 31 March 2017**

<b>Programme 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appro- priation</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appro- priation</b>	<b>Actual Expend- iture</b>	<b>Vari- ance</b>	<b>Expendi- ture as % of final appro- priation</b>	<b>Final Appro- priation</b>	<b>Actual expend- iture</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Consultants:									
Business and advisory services	1,520	(683)	-	837	837	-	100.0%	775	775
Contractors	23,098	(417)	(67)	22,614	22,614	-	100.0%	36,092	36,092
Agency and support / outsourced services	7	-	-	7	7	-	100.0%	4	4
Fleet services	37	22	(3)	56	56	-	100.0%	36	36
Consumable supplies	8	1	1	10	10	-	100.0%	13	13
Consumable: Stationery, printing and office supplies	420	-	(6)	414	414	-	100.0%	466	466
Operating leases	1,540	20	-	1,560	1,560	-	100.0%	534	534
Property payments	812	53	-	865	865	-	100.0%	251	251
Transport provided:									
Departmental activity	103	39	-	142	142	-	100.0%	-	-
Travel and subsistence	2,799	497	(31)	3,265	3,265	-	100.0%	2,866	2,866
Training and development	596	34	(1)	629	629	-	100.0%	15	15
Operating payments	65	54	-	119	119	-	100.0%	144	144
Venues and facilities	227	119	(87)	259	259	-	100.0%	190	190
<b>Transfers and subsidies</b>	<b>37,733</b>	<b>440</b>	<b>708</b>	<b>38,881</b>	<b>38,881</b>	<b>-</b>	<b>100.0%</b>	<b>44,562</b>	<b>44,562</b>
Provinces and municipalities	2,430	-	-	2,430	2,430	-	100.0%	839	839
Provinces	-	-	-	-	-	-	-	200	200
Provincial agencies and funds	-	-	-	-	-	-	-	200	200

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>Programme 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appro- priation</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appro- priation</b>	<b>Actual Expend- iture</b>	<b>Vari- ance</b>	<b>Expendi- ture as % of final appro- priation</b>	<b>Final Appro- priation</b>	<b>Actual expend- iture</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Municipalities	2,430	-	-	2,430	2,430	-	100.0%	639	639
Municipal bank accounts	2,430	-	-	2,430	2,430	-	100.0%	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	639	639
Departmental agencies and accounts	3,111	15,553	-	18,664	18,664	-	100.0%	12,709	12,709
Departmental agencies	3,111	15,553	-	18,664	18,664	-	100.0%	12,709	12,709
Public corporations and private enterprises	32,192	(15,553)	682	17,321	17,321	-	100.0%	31,014	31,014
Public corporations	1,000	(1,000)	-	-	-	-	-	-	-
Other transfers to public corporations	1,000	(1,000)	-	-	-	-	-	-	-
Private enterprises Other transfers to private enterprises	31,192	(14,553)	682	17,321	17,321	-	100.0%	31,014	31,014
Households	-	440	26	466	466	-	100.0%	-	-
Social benefits	-	440	26	466	466	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>224</b>	<b>-</b>	<b>51</b>	<b>275</b>	<b>275</b>	<b>-</b>	<b>100.0%</b>	<b>296</b>	<b>296</b>
Machinery and equipment	224	-	51	275	275	-	100.0%	291	291
Transport equipment	44	15	25	84	84	-	100.0%	37	37
Other machinery and equipment	180	(15)	26	191	191	-	100.0%	254	254
Software and other intangible assets	-	-	-	-	-	-	-	5	5
<b>Total</b>	<b>86,274</b>	<b>-</b>	<b>253</b>	<b>86,527</b>	<b>86,527</b>	<b>-</b>	<b>100.0%</b>	<b>99,793</b>	<b>99,793</b>

**APPROPRIATION STATEMENT****For the year ended the 31 March 2017**

<b>2.1 ENTERPRISE DEVELOPMENT</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appro- priation</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Ap- pro- priation</b>	<b>Actual Ex- pendi- ture</b>	<b>Vari- ance</b>	<b>Expend- iture as % of final appro- priation</b>	<b>Final Appro- priation</b>	<b>Actual ex- pendi- ture</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	30,623	336	(67)	30,892	30,892	-	100.0%	42,617	42,617
Compensation of employees	3,078	344	-	3,422	3,422	-	100.0%	2,928	2,928
Goods and services	27,545	(8)	(67)	27,470	27,470	-	100.0%	39,689	39,689
<b>Transfers and subsidies</b>	<b>4,511</b>	<b>(274)</b>	<b>-</b>	<b>4,237</b>	<b>4,237</b>	<b>-</b>	<b>100.0%</b>	<b>6,562</b>	<b>6,562</b>
Provinces and municipalities	400	-	-	400	400	-	100.0%	200	200
Departmental agencies and accounts	3,111	708	-	3,819	3,819	-	100.0%	6,348	6,348
Public corporations and private enterprises	1,000	(1,000)	-	-	-	-	-	14	14
Households	-	18	-	18	18	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>73</b>	<b>-</b>	<b>-</b>	<b>73</b>	<b>73</b>	<b>-</b>	<b>100.0%</b>	<b>34</b>	<b>34</b>
Machinery and equipment	73	-	-	73	73	-	100.0%	34	34
<b>Total</b>	<b>35,207</b>	<b>62</b>	<b>(67)</b>	<b>35,202</b>	<b>35,202</b>	<b>-</b>	<b>100.0%</b>	<b>49,213</b>	<b>49,213</b>

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>2.2 REGIONAL AND LOCAL ECONOMIC DEVELOPMENT</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Ad-justed Appropriation</b>	<b>Shift-ing of Funds</b>	<b>Vire-ment</b>	<b>Final Ap-pro-riation</b>	<b>Actual Ex-pendi-ture</b>	<b>Vari-ance</b>	<b>Expend-iture as % of final appro-riation</b>	<b>Final App-ro-riation</b>	<b>Actual ex-pendi-ture</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>6,481</b>	<b>(236)</b>	<b>(50)</b>	<b>6,195</b>	<b>6,195</b>	<b>-</b>	<b>100.0%</b>	<b>5,478</b>	<b>5,478</b>
Compensation of employees	5,358	(236)	-	5,122	5,122	-	100.0%	4,367	4,367
Goods and services	1,123	-	(50)	1,073	1,073	-	100.0%	1,111	1,111
<b>Transfers and subsidies</b>	<b>2,030</b>	<b>422</b>	<b>26</b>	<b>2,478</b>	<b>2,478</b>	<b>-</b>	<b>100.0%</b>	<b>2,000</b>	<b>2,000</b>
Provinces and municipalities	2,030	-	-	2,030	2,030	-	100.0%	639	639
Departmental agencies and accounts	-	-	-	-	-	-	-	1,361	1,361
Households	-	422	26	448	448	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>63</b>	<b>27</b>	<b>-</b>	<b>90</b>	<b>90</b>	<b>-</b>	<b>100.0%</b>	<b>200</b>	<b>200</b>
Machinery and equipment	63	27	-	90	90	-	100.0%	195	195
Software and other intangible assets	-	-	-	-	-	-	-	5	5
<b>Total</b>	<b>8,574</b>	<b>213</b>	<b>(24)</b>	<b>8,763</b>	<b>8,763</b>	<b>-</b>	<b>100.0%</b>	<b>7,678</b>	<b>7,678</b>

**APPROPRIATION STATEMENT****For the year ended the 31 March 2017**

<b>2.3 ECONOMIC EMPOWERMENT</b>									
<b>2016/17</b>								<b>2015/16</b>	
	<b>Ad-justed Ap-pro-ria-tion</b>	<b>Shift-ing of Funds</b>	<b>Vire-ment</b>	<b>Final App-ro-ria-tion</b>	<b>Actual Ex-pen-di-ture</b>	<b>Vari-ance</b>	<b>Expend-iture as % of final app-ro-ria-tion</b>	<b>Final App-ro-ria-tion</b>	<b>Actual ex-pen-di-ture</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>3,032</b>	-	(141)	<b>2,891</b>	<b>2,891</b>	-	<b>100.0%</b>	<b>2,816</b>	<b>2,816</b>
Compensation of employees	2,585	-	(94)	2,491	2,491	-	100.0%	2,148	2,148
Goods and services	447	-	(47)	400	400	-	100.0%	668	668
								-	-
<b>Payments for capital assets</b>	<b>53</b>	<b>(42)</b>	-	<b>11</b>	<b>11</b>	-	<b>100.0%</b>	<b>62</b>	<b>62</b>
Machinery and equipment	53	(42)	-	11	11	-	100.0%	62	62
<b>Total</b>	<b>3,085</b>	<b>(42)</b>	<b>(141)</b>	<b>2,902</b>	<b>2,902</b>	-	<b>100.0%</b>	<b>2,878</b>	<b>2,878</b>

<b>2.4 ECONOMIC GROWTH AND DEVELOPMENT FUND</b>									
<b>2016/17</b>								<b>2015/16</b>	
	<b>Adjust-ed App-ro-ria-tion</b>	<b>Shift-ing of Funds</b>	<b>Vire-ment</b>	<b>Final App-ro-ria-tion</b>	<b>Actual Ex-pen-di-ture</b>	<b>Vari-ance</b>	<b>Expend-iture as % of final app-ro-ria-tion</b>	<b>Final App-ro-ria-tion</b>	<b>Actual ex-pen-di-ture</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Transfers and subsidies</b>	<b>26,908</b>	(2)	-	<b>26,906</b>	<b>26,906</b>	-	<b>100.0%</b>	<b>36,000</b>	<b>36,000</b>
Departmental agencies and accounts	-	14,845	-	14,845	14,845	-	100.0%	5,000	5,000
Public corporations and private enterprises	26,908	(14,847)	-	12,061	12,061	-	100.0%	31,000	31,000
<b>Total</b>	<b>26,908</b>	<b>(2)</b>	-	<b>26,906</b>	<b>26,906</b>	-	<b>100.0%</b>	<b>36,000</b>	<b>36,000</b>

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>2.5 OFFICE OF THE CHIEF DIRECTOR</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appro- pria- tion</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appro- pria- tion</b>	<b>Actual Ex- pendi- ture</b>	<b>Vari- ance</b>	<b>Expend- iture as % of final appro- pria- tion</b>	<b>Final Appro- pria- tion</b>	<b>Actual ex- pendi- ture</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>8,181</b>	<b>(540)</b>	<b>(248)</b>	<b>7,393</b>	<b>7,393</b>	<b>-</b>	<b>100.0%</b>	<b>4,024</b>	<b>4,024</b>
Compensation of employees	4,944	(548)	(248)	4,148	4,148	-	100.0%	2,506	2,506
Goods and services	3,237	8	-	3,245	3,245	-	100.0%	1,518	1,518
<b>Transfers and subsidies</b>	<b>4,284</b>	<b>294</b>	<b>682</b>	<b>5,260</b>	<b>5,260</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Public corporations and private enterprises	4,284	294	682	5,260	5,260	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>35</b>	<b>15</b>	<b>51</b>	<b>101</b>	<b>101</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Machinery and equipment	35	15	51	101	101	-	100.0%	-	-
<b>Total</b>	<b>12,500</b>	<b>(231)</b>	<b>485</b>	<b>12,754</b>	<b>12,754</b>	<b>-</b>	<b>100.0%</b>	<b>4,024</b>	<b>4,024</b>

**APPROPRIATION STATEMENT****For the year ended the 31 March 2017**

<b>Programme 3: TRADE AND SECTOR DEVELOPMENT</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appropriation</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appropriation</b>	<b>Actual Ex- penditure</b>	<b>Vari- ance</b>	<b>Expendi- ture as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual ex- penditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Sub programme</b>									
1. Trade and Investment Promotion	13,908	(416)	614	14,106	14,106	-	100.0%	11,740	11,587
2. Sector Development	7,702	249	(1,057)	6,894	6,894	-	100.0%	8,436	8,436
3. Strategic Initiatives	8,332	(1,237)	28	7,123	7,123	-	100.0%	7,556	7,436
4. Office of the Chief Director	3,441	1,404	23	4,868	4,868	-	100.0%	1,345	1,345
<b>Total for sub programmes</b>	<b>33,383</b>	<b>-</b>	<b>(392)</b>	<b>32,991</b>	<b>32,991</b>	<b>-</b>	<b>100.0%</b>	<b>29,077</b>	<b>28,804</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>20,939</b>	<b>-</b>	<b>(1,140)</b>	<b>19,799</b>	<b>19,799</b>	<b>-</b>	<b>100.0%</b>	<b>21,003</b>	<b>20,730</b>
Compensation of employees	10,215	-	(86)	10,129	10,129	-	100.0%	9,104	9,104
Salaries and wages	9,217	(140)	(86)	8,991	8,991	-	100.0%	8,078	8,078
Social contributions	998	140	-	1,138	1,138	-	100.0%	1,026	1,026
Goods and services	10,724	-	(1,054)	9,670	9,670	-	100.0%	11,899	11,626
Administrative fees	215	118	-	333	333	-	100.0%	648	648
Advertising	336	(11)	-	325	325	-	100.0%	1,088	1,088
Minor assets	38	27	-	65	65	-	100.0%	8	8
Audit costs:									
External	176	220	-	396	396	-	100.0%	171	171
Bursaries:									
Employees	86	(7)	-	79	79	-	100.0%	29	29
Catering:									
Departmental activities	54	8	-	62	62	-	100.0%	152	152
Communication	254	(50)	-	204	204	-	100.0%	260	260
Computer services	2	(2)	-	-	-	-	-	-	-

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>Programme 3: TRADE AND SECTOR DEVELOPMENT</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appro- priation</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appro- priation</b>	<b>Actual Ex- pendi- ture</b>	<b>Vari- ance</b>	<b>Expendi- ture as % of final appro- priation</b>	<b>Final Appro- priation</b>	<b>Actual ex- pendi- ture</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Consultants:									
Business and advisory services	1,942	(50)	(929)	963	963	-	100.0%	2,097	2,097
Legal services	500	(219)	-	281	281	-	100.0%	-	-
Contractors	498	50	-	548	548	-	100.0%	507	507
Agency and support / outsourced services	-	-	-	-	-	-	-	851	851
Fleet services	8	4	-	12	12	-	100.0%	11	11
Consumable supplies	3	10	-	13	13	-	100.0%	8	8
Consumable: Stationery, printing and office supplies	327	4	-	331	331	-	100.0%	275	275
Operating leases	987	138	-	1,125	1,125	-	100.0%	169	169
Property payments	1,334	1,038	-	2,372	2,372	-	100.0%	909	909
Travel and subsistence	2,844	(730)	(29)	2,085	2,085	-	100.0%	3,776	3,503
Training and development	347	(292)	(45)	10	10	-	100.0%	5	5
Operating payments	2	32	-	34	34	-	100.0%	8	8
Venues and facilities	771	(288)	(51)	432	432	-	100.0%	897	897
<b>Transfers and subsidies</b>	<b>12,177</b>	<b>-</b>	<b>700</b>	<b>12,877</b>	<b>12,877</b>	<b>-</b>	<b>100.0%</b>	<b>7,974</b>	<b>7,974</b>
Departmental agencies and accounts	11,137	952	700	12,789	12,789	-	100.0%	5,908	5,908
Social security funds	-								
Departmental agencies	11,137	952	700	12,789	12,789	-	100.0%	5,908	5,908

**APPROPRIATION STATEMENT****For the year ended the 31 March 2017**

<b>Programme 3: TRADE AND SECTOR DEVELOPMENT</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appropriation</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appro- priation</b>	<b>Actual Ex- pendi- ture</b>	<b>Vari- ance</b>	<b>Expendi- ture as % of final appro- priation</b>	<b>Final Appro- priation</b>	<b>Actual ex- pendi- ture</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Public corporations and private enterprises	1,040	(952)	-	88	88	-	100.0%	2,066	2,066
Public corporations	-	-	-	-	-	-	-	187	187
Other transfers to public corporations	-	-	-	-	-	-	-	187	187
Private enterprises	1,040	(952)	-	88	88	-	100.0%	1,879	1,879
Other transfers to private enterprises	1,040	(952)	-	88	88	-	100.0%	1,879	1,879
<b>Payments for capital assets</b>	<b>267</b>	<b>-</b>	<b>48</b>	<b>315</b>	<b>315</b>	<b>-</b>	<b>100.0%</b>	<b>100</b>	<b>100</b>
Buildings and other fixed structures	154	-	18	172	172	-	100.0%	-	-
Other fixed structures	154	-	18	172	172	-	100.0%	-	-
Machinery and equipment	113	-	30	143	143	-	100.0%	81	81
Transport equipment	2	-	5	7	7	-	100.0%	-	-
Other machinery and equipment	111	-	25	136	136	-	100.0%	81	81
Software and other intangible assets	-	-	-	-	-	-	-	19	19
<b>Total</b>	<b>33,383</b>	<b>-</b>	<b>(392)</b>	<b>32,991</b>	<b>32,991</b>	<b>-</b>	<b>100.0%</b>	<b>29,077</b>	<b>28,804</b>

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>3.1 TRADE AND INVESTMENT PROMOTION</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appropriation</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appropriation</b>	<b>Actual Expend- iture</b>	<b>Vari- ance</b>	<b>Expendi- ture as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual ex- pendi- ture</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>5,971</b>	<b>(416)</b>	<b>(86)</b>	<b>5,469</b>	<b>5,469</b>	<b>-</b>	<b>100.0%</b>	<b>5,772</b>	<b>5,619</b>
Compensation of employees	3,873	(548)	(86)	3,239	3,239	-	100.0%	3,272	3,272
Goods and services	2,098	132	-	2,230	2,230	-	100.0%	2,500	2,347
<b>Transfers and subsidies</b>	<b>7,937</b>	<b>-</b>	<b>700</b>	<b>8,637</b>	<b>8,637</b>	<b>-</b>	<b>100.0%</b>	<b>5,958</b>	<b>5,958</b>
Departmental agencies and accounts	7,937	-	700	8,637	8,637	-	100.0%	5,908	5,908
Public corporations and private enterprises	-	-	-	-	-	-	-	50	50
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>10</b>
Machinery and equipment	-	-	-	-	-	-	-	10	10
<b>Total</b>	<b>13,908</b>	<b>(416)</b>	<b>614</b>	<b>14,106</b>	<b>14,106</b>	<b>-</b>	<b>100.0%</b>	<b>11,740</b>	<b>11,587</b>

**APPROPRIATION STATEMENT****For the year ended the 31 March 2017**

<b>3.2 SECTOR DEVELOPMENT</b>									
<b>Economic classification</b>	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>5,939</b>	<b>276</b>	<b>(1,054)</b>	<b>5,161</b>	<b>5,161</b>	<b>-</b>	<b>100.0%</b>	<b>7,728</b>	<b>7,728</b>
Compensation of employees	2,534	438	-	2,972	2,972	-	100.0%	2,517	2,517
Goods and services	3,405	(162)	(1,054)	2,189	2,189	-	100.0%	5,211	5,211
<b>Transfers and subsidies</b>	<b>1,700</b>	<b>-</b>	<b>-</b>	<b>1,700</b>	<b>-</b>	<b>1,700</b>	<b>100.0%</b>	<b>684</b>	<b>684</b>
Departmental agencies and accounts	1,700	(88)	-	1,612	1,612	-	100.0%	-	-
Public corporations and private enterprises	-	88	-	88	88	-	100.0%	684	684
<b>Payments for capital assets</b>	<b>63</b>	<b>(27)</b>	<b>(3)</b>	<b>33</b>	<b>33</b>	<b>-</b>	<b>100.0%</b>	<b>24</b>	<b>24</b>
Machinery and equipment	63	(27)	(3)	33	33	-	100.0%	24	24
<b>Total</b>	<b>7,702</b>	<b>249</b>	<b>(1,057)</b>	<b>6,894</b>	<b>6,894</b>	<b>-</b>	<b>100.0%</b>	<b>8,436</b>	<b>8,436</b>

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>3.3 STRATEGIC INITIATIVES</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appropriation</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appropriation</b>	<b>Actual Ex- pendi- ture</b>	<b>Vari- ance</b>	<b>Expend- iture as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual ex- pendi- ture</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>5,638</b>	<b>(1,237)</b>	-	<b>4,401</b>	<b>4,401</b>	-	<b>100.0%</b>	<b>6,158</b>	<b>6,038</b>
Compensation of employees	2,423	23	-	2,446	2,446	-	100.0%	3,146	3,146
Goods and services	3,215	(1,260)	-	1,955	1,955	-	100.0%	3,012	2,892
<b>Transfers and subsidies</b>	<b>2,540</b>	-	-	<b>2,540</b>	<b>2,540</b>	-	<b>100.0%</b>	<b>1,332</b>	<b>1,332</b>
Departmental agencies and accounts	1,500	1,040	-	2,540	2,540	-	100.0%	-	-
Public corporations and private enterprises	1,040	(1,040)	-	-	-	-	-	1,332	1,332
<b>Payments for capital assets</b>	<b>154</b>	-	<b>28</b>	<b>182</b>	<b>182</b>	-	<b>100.0%</b>	<b>66</b>	<b>66</b>
Buildings and other fixed structures	154	-	18	172	172	-	100.0%	-	-
Machinery and equipment	-	-	10	10	10	-	100.0%	47	47
Software and other intangible assets	-	-	-	-	-	-	-	19	19
<b>Total</b>	<b>8,332</b>	<b>(1,237)</b>	<b>28</b>	<b>7,123</b>	<b>7,123</b>	-	<b>100.0%</b>	<b>7,556</b>	<b>7,436</b>

**APPROPRIATION STATEMENT****For the year ended the 31 March 2017**

<b>3.4 OFFICE OF THE CHIEF DIRECTOR</b>									
<b>2016/17</b>								<b>2015/16</b>	
	<b>Ad-justed Appropriation</b>	<b>Shift-ing of Funds</b>	<b>Vire-ment</b>	<b>Final Appropriation</b>	<b>Actual Ex-pendi-ture</b>	<b>Vari-ance</b>	<b>Expendi-ture as % of final appro-riation</b>	<b>Final App-ro-riation</b>	<b>Actual ex-pendi-ture</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>3,391</b>	<b>1,377</b>	<b>-</b>	<b>4,768</b>	<b>4,768</b>	<b>-</b>	<b>100.0%</b>	<b>1,345</b>	<b>1,345</b>
Compensation of employees	1,385	87	-	1,472	1,472	-	100.0%	169	169
Goods and services	2,006	1,290	-	3,296	3,296	-	100.0%	1,176	1,176
<b>Payments for capital assets</b>	<b>50</b>	<b>27</b>	<b>23</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Machinery and equipment	50	27	23	100	100	-	100.0%	-	-
<b>Total</b>	<b>3,441</b>	<b>1,404</b>	<b>23</b>	<b>4,868</b>	<b>4,868</b>	<b>-</b>	<b>100.0%</b>	<b>1,345</b>	<b>1,345</b>

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>Programme 4: BUSINESS REGULATION AND GOVERNANCE</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appropriation</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appropriation</b>	<b>Actual Expend- iture</b>	<b>Vari- ance</b>	<b>Expendi- ture as % of final appropri- ation</b>	<b>Final Appropriation</b>	<b>Actual expend- iture</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Sub programme</b>									
1. Corporate Governance	2,284	109	-	2,393	2,393	-	100.0%	5,423	5,423
2. Consumer Protection	8,593	(137)	(307)	8,149	8,149	-	100.0%	6,158	6,158
3. Liquor Regulation	10,835	1	-	10,836	10,836	-	100.0%	9,628	9,628
4. Gambling and Betting	12,836	27	5	12,868	12,868	-	100.0%	10,142	10,142
<b>Total for sub programmes</b>	<b>34,548</b>	<b>-</b>	<b>(302)</b>	<b>34,246</b>	<b>34,246</b>	<b>-</b>	<b>100.0%</b>	<b>31,351</b>	<b>31,351</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>10,833</b>	<b>-</b>	<b>(338)</b>	<b>10,495</b>	<b>10,495</b>	<b>-</b>	<b>100.0%</b>	<b>11,369</b>	<b>11,369</b>
Compensation of employees	7,245	(1)	67	7,311	7,311	-	100.0%	8,759	8,759
Salaries and wages	6,522	(28)	(43)	6,451	6,451	-	100.0%	8,018	8,018
Social contributions	723	27	110	860	860	-	100.0%	741	741
Goods and services	3,588	1	(405)	3,184	3,184	-	100.0%	2,610	2,610
Administrative fees	41	(6)	-	35	35	-	100.0%	41	41
Advertising	195	356	-	551	551	-	100.0%	179	179
Minor assets	14	13	-	27	27	-	100.0%	18	18
Audit costs:									
External	24	(24)	-	-	-	-	-	21	21
Bursaries:									
Employees	-	15	-	15	15	-	100.0%	-	-
Catering:									
Departmental activities	70	(19)	-	51	51	-	100.0%	139	139
Communication	173	6	-	179	179	-	100.0%	188	188
Legal services	551	(144)	(402)	5	5	-	100.0%	5	5
Contractors	6	(6)	-	-	-	-	-	-	-
Fleet services	128	45	(3)	170	170	-	100.0%	115	115
Consumable supplies	3	2	-	5	5	-	100.0%	1	1

**APPROPRIATION STATEMENT****For the year ended the 31 March 2017**

<b>Programme 4: BUSINESS REGULATION AND GOVERNANCE</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Consumable: Stationery, printing and office supplies	79	(37)	-	42	42	-	100.0%	62	62
Operating leases	1,110	(2)	-	1,108	1,108	-	100.0%	1,130	1,130
Property payments	455	(165)	-	290	290	-	100.0%	124	124
Travel and subsistence	634	(143)	-	491	491	-	100.0%	503	503
Training and development	93	110	-	203	203	-	100.0%	40	40
Operating payments	8	4	-	12	12	-	100.0%	14	14
Venues and facilities	4	(4)	-	-	-	-	-	30	30
<b>Transfers and subsidies</b>	<b>23,592</b>	<b>-</b>	<b>-</b>	<b>23,592</b>	<b>23,592</b>	<b>-</b>	<b>100.0%</b>	<b>19,597</b>	<b>19,597</b>
Departmental agencies and accounts	23,592	-	-	23,592	23,592	-	100.0%	19,597	19,597
Departmental agencies	23,592	-	-	23,592	23,592	-	100.0%	19,597	19,597
<b>Payments for capital assets</b>	<b>123</b>	<b>-</b>	<b>36</b>	<b>159</b>	<b>159</b>	<b>-</b>	<b>100.0%</b>	<b>385</b>	<b>385</b>
Machinery and equipment	123	-	36	159	159	-	100.0%	380	380
Transport equipment	103	-	(6)	97	97	-	100.0%	47	47
Other machinery and equipment	20	-	42	62	62	-	100.0%	333	333
Software and other intangible assets	-	-	-	-	-	-	-	5	5
<b>Total</b>	<b>34,548</b>	<b>-</b>	<b>(302)</b>	<b>34,246</b>	<b>34,246</b>	<b>-</b>	<b>100.0%</b>	<b>31,351</b>	<b>31,351</b>

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>4.1 CORPORATE GOVERNANCE</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appropriation</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Vari- ance</b>	<b>Expendi- ture as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expend- iture</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>2,273</b>	<b>109</b>	-	<b>2,382</b>	<b>2,382</b>	-	<b>100.0%</b>	<b>5,376</b>	<b>5,376</b>
Compensation of employees	2,028	(13)	-	2,015	2,015	-	100.0%	3,835	3,835
Goods and services	245	122	-	367	367	-	100.0%	1,541	1,541
<b>Payments for capital assets</b>	<b>11</b>	-	-	<b>11</b>	<b>11</b>	-	<b>100.0%</b>	<b>47</b>	<b>47</b>
Machinery and equipment	11	-	-	11	11	-	100.0%	42	42
Software and other intangible assets	-	-	-	-	-	-	-	5	5
<b>Total</b>	<b>2,284</b>	<b>109</b>	-	<b>2,393</b>	<b>2,393</b>	-	<b>100.0%</b>	<b>5,423</b>	<b>5,423</b>

<b>4.2 CONSUMER PROTECTION</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appropriation</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Vari- ance</b>	<b>Expendi- ture as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expend- iture</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>8,487</b>	<b>(137)</b>	<b>(338)</b>	<b>8,012</b>	<b>8,012</b>	-	<b>100.0%</b>	<b>5,862</b>	<b>5,862</b>
Compensation of employees	5,217	12	67	5,296	5,296	-	100.0%	4,884	4,884
Goods and services	3,270	(149)	(405)	2,716	2,716	-	100.0%	978	978
<b>Payments for capital assets</b>	<b>106</b>	-	<b>31</b>	<b>137</b>	<b>137</b>	-	<b>100.0%</b>	<b>296</b>	<b>296</b>
Machinery and equipment	106	-	31	137	137	-	100.0%	296	296
<b>Total</b>	<b>8,593</b>	<b>(137)</b>	<b>(307)</b>	<b>8,149</b>	<b>8,149</b>	-	<b>100.0%</b>	<b>6,158</b>	<b>6,158</b>

**APPROPRIATION STATEMENT**

For the year ended the 31 March 2017

<b>4.3 LIQUOR REGULATION</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appro- piation</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appro- piation</b>	<b>Actual Ex- pendi- ture</b>	<b>Vari- ance</b>	<b>Expendi- ture as % of final appro- piation</b>	<b>Final Appro- piation</b>	<b>Actual ex- pendi- ture</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>100.0%</b>	<b>4</b>	<b>4</b>
Goods and services	2	1	-	3	3	-	100.0%	4	4
<b>Transfers and subsidies</b>	<b>10,833</b>	<b>-</b>	<b>-</b>	<b>10,833</b>	<b>10,833</b>	<b>-</b>	<b>100.0%</b>	<b>9,624</b>	<b>9,624</b>
Departmental agencies and accounts	10,833	-	-	10,833	10,833	-	100.0%	9,624	9,624
<b>Total</b>	<b>10,835</b>	<b>1</b>	<b>-</b>	<b>10,836</b>	<b>10,836</b>	<b>-</b>	<b>100.0%</b>	<b>9,628</b>	<b>9,628</b>

<b>4.4 GAMBLING AND BETTING</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appro- piation</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appro- piation</b>	<b>Actual Ex- pendi- ture</b>	<b>Vari- ance</b>	<b>Expendi- ture as % of final appro- piation</b>	<b>Final Appro- piation</b>	<b>Actual ex- pendi- ture</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>71</b>	<b>27</b>	<b>-</b>	<b>98</b>	<b>98</b>	<b>-</b>	<b>100.0%</b>	<b>127</b>	<b>127</b>
Compensation of employees	-	-	-	-	-	-	-	40	40
Goods and services	71	27	-	98	98	-	100.0%	87	87
<b>Transfers and subsidies</b>	<b>12,759</b>	<b>-</b>	<b>-</b>	<b>12,759</b>	<b>12,759</b>	<b>-</b>	<b>100.0%</b>	<b>9,973</b>	<b>9,973</b>
Departmental agencies and accounts	12,759	-	-	12,759	12,759	-	100.0%	9,973	9,973
<b>Payments for capital assets</b>	<b>6</b>	<b>-</b>	<b>5</b>	<b>11</b>	<b>11</b>	<b>-</b>	<b>100.0%</b>	<b>42</b>	<b>42</b>
Machinery and equipment	6	-	5	11	11	-	100.0%	42	42
<b>Total</b>	<b>12,836</b>	<b>27</b>	<b>5</b>	<b>12,868</b>	<b>12,868</b>	<b>-</b>	<b>100.0%</b>	<b>10,142</b>	<b>10,142</b>

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>Programme 5: ECONOMIC PLANNING</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjusted Appropriation</b>	<b>Shift-ing of Funds</b>	<b>Vire-ment</b>	<b>Final Appropriation</b>	<b>Actual Ex-pendi-ture</b>	<b>Vari-ance</b>	<b>Expendi-ture as % of final appro-riation</b>	<b>Final Appro-riation</b>	<b>Actual ex-pendi-ture</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Sub programme</b>									
1. Policy and Planning	3,192	-	(245)	2,947	2,947	-	100.0%	3,481	3,481
2. Research and Development	4,436	(94)	(254)	4,088	4,088	-	100.0%	4,245	4,245
3. Knowledge Management	6,343	(87)	(1,014)	5,242	5,242	-	100.0%	4,461	4,461
4. Monitoring and Evaluation	2,352	25	(7)	2,370	2,370	-	100.0%	2,348	2,348
5. Office of the Chief Director	4,202	156	-	4,358	3,570	788	81.9%	2,390	2,390
<b>Total for sub programmes</b>	<b>20,525</b>	<b>-</b>	<b>(1,520)</b>	<b>19,005</b>	<b>18,217</b>	<b>788</b>	<b>95.9%</b>	<b>16,925</b>	<b>16,925</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>20,210</b>	<b>-</b>	<b>(1,354)</b>	<b>18,856</b>	<b>18,068</b>	<b>788</b>	<b>95.8%</b>	<b>16,567</b>	<b>16,567</b>
Compensation of employees	13,270	-	(255)	13,015	13,015	-	100.0%	12,244	12,244
Salaries and wages	11,670	93	(243)	11,520	11,520	-	100.0%	10,824	10,824
Social contributions	1,600	(93)	(12)	1,495	1,495	-	100.0%	1,420	1,420
Goods and services	6,940	-	(1,099)	5,841	5,053	788	86.5%	4,323	4,323
Administrative fees	191	(11)	(38)	142	142	-	100.0%	193	193
Advertising	-	79	-	79	79	-	100.0%	57	57
Minor assets	5	23	(1)	27	27	-	100.0%	53	53
Audit costs:									
External	79	(79)	-	-	-	-	-	73	73
Bursaries:									
Employees	-	16	36	52	52	-	100.0%	3	3

**APPROPRIATION STATEMENT****For the year ended the 31 March 2017**

<b>Programme 5: ECONOMIC PLANNING</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Catering:									
Departmental activities	226	27	11	264	264	-	100.0%	257	257
Communication	225	46	(28)	243	243	-	100.0%	179	179
Computer services	451	61	-	512	512	-	100.0%	868	868
Consultants:									
Business and advisory services	829	(211)	(424)	194	194	-	100.0%	12	12
Contractors	224	(224)	-	-	-	-	-	342	342
Agency and support / outsourced services	-	-	-	-	-	-	-	165	165
Fleet services	11	16	12	39	39	-	100.0%	50	50
Consumable supplies	3	4	-	7	7	-	100.0%	8	8
Consumable:									
Stationery, printing and office supplies	115	(9)	11	117	117	-	100.0%	149	149
Operating leases	1,298	(173)	-	1,125	1,125	-	100.0%	309	309
Property payments	676	517	-	1,193	405	788	33.9%	169	169
Travel and subsistence	1,639	(95)	(2)	1,542	1,542	-	100.0%	1,151	1,151
Training and development	833	5	(699)	139	139	-	100.0%	192	192
Operating payments	2	29	7	38	38	-	100.0%	44	44
Venues and facilities	133	(21)	16	128	128	-	100.0%	49	49

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>Programme 5: ECONOMIC PLANNING</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>36</b>	<b>36</b>
Public corporations and private enterprises	-	-	-	-	-	-	-	14	14
Private enterprises	-	-	-	-	-	-	-	14	14
Other transfers to private enterprises	-	-	-	-	-	-	-	14	14
Households	-	-	-	-	-	-	-	22	22
Other transfers to households	-	-	-	-	-	-	-	22	22
<b>Payments for capital assets</b>	<b>315</b>	-	<b>(166)</b>	<b>149</b>	<b>149</b>	-	<b>100.0%</b>	<b>322</b>	<b>322</b>
Machinery and equipment	315	-	(166)	149	149	-	100.0%	315	315
Transport equipment	27	11	-	38	38	-	100.0%	13	13
Other machinery and equipment	288	(11)	(166)	111	111	-	100.0%	302	302
Software and other intangible assets	-	-	-	-	-	-	-	7	7
<b>Total</b>	<b>20,525</b>	-	<b>(1,520)</b>	<b>19,005</b>	<b>18,217</b>	<b>788</b>	<b>95.9%</b>	<b>16,925</b>	<b>16,925</b>

**APPROPRIATION STATEMENT****For the year ended the 31 March 2017**

<b>5.1 POLICY AND PLANNING</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>3,142</b>	-	<b>(195)</b>	<b>2,947</b>	<b>2,947</b>	-	<b>100.0%</b>	<b>3,429</b>	<b>3,429</b>
Compensation of employees	2,584	-	(116)	2,468	2,468	-	100.0%	2,747	2,747
Goods and services	558	-	(79)	479	479	-	100.0%	682	682
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>14</b>	<b>14</b>
Public corporations and private enterprises	-	-	-	-	-	-	-	14	14
<b>Payments for capital assets</b>	<b>50</b>	-	<b>(50)</b>	-	-	-	-	<b>38</b>	<b>38</b>
Machinery and equipment	50	-	(50)	-	-	-	-	38	38
<b>Total</b>	<b>3,192</b>	-	<b>(245)</b>	<b>2,947</b>	<b>2,947</b>	-	<b>100.0%</b>	<b>3,481</b>	<b>3,481</b>

<b>5.2 RESEARCH AND DEVELOPMENT</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>4,386</b>	<b>(94)</b>	<b>(204)</b>	<b>4,088</b>	<b>4,088</b>	-	<b>100.0%</b>	<b>4,237</b>	<b>4,237</b>
Compensation of employees	3,847	(94)	(139)	3,614	3,614	-	100.0%	3,886	3,886
Goods and services	539	-	(65)	474	474	-	100.0%	351	351
<b>Payments for capital assets</b>	<b>50</b>	-	<b>(50)</b>	-	-	-	-	<b>8</b>	<b>8</b>
Machinery and equipment	50	-	(50)	-	-	-	-	8	8
<b>Total</b>	<b>4,436</b>	<b>(94)</b>	<b>(254)</b>	<b>4,088</b>	<b>4,088</b>	-	<b>100.0%</b>	<b>4,245</b>	<b>4,245</b>

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>5.3 KNOWLEDGE MANAGEMENT</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Ad-justed Appropriation</b>	<b>Shift-ing of Funds</b>	<b>Vire-ment</b>	<b>Final Approp-iation</b>	<b>Actual Ex-pendi-ture</b>	<b>Vari-ance</b>	<b>Expendi-ture as % of final appropri-ation</b>	<b>Final Ap-pro-iation</b>	<b>Actu-al ex-pend-iture</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>6,196</b>	<b>(64)</b>	<b>(948)</b>	<b>5,184</b>	<b>5,184</b>	<b>-</b>	<b>100.0%</b>	<b>4,275</b>	<b>4,275</b>
Compensation of employees	3,354	12	-	3,366	3,366	-	100.0%	2,251	2,251
Goods and services	2,842	(76)	(948)	1,818	1,818	-	100.0%	2,024	2,024
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22</b>	<b>22</b>
Households	-	-	-	-	-	-	-	22	22
<b>Payments for capital assets</b>	<b>147</b>	<b>(23)</b>	<b>(66)</b>	<b>58</b>	<b>58</b>	<b>-</b>	<b>100.0%</b>	<b>164</b>	<b>164</b>
Machinery and equipment	147	(23)	(66)	58	58	-	100.0%	164	164
<b>Total</b>	<b>6,343</b>	<b>(87)</b>	<b>(1,014)</b>	<b>5,242</b>	<b>5,242</b>	<b>-</b>	<b>100.0%</b>	<b>4,461</b>	<b>4,461</b>

**APPROPRIATION STATEMENT****For the year ended the 31 March 2017**

<b>5.4 MONITORING AND EVALUATION</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Ad-justed Ap-pro-ria-tion</b>	<b>Shift-ing of Funds</b>	<b>Vire-ment</b>	<b>Final Ap-pro-ria-tion</b>	<b>Actual Ex-pendi-ture</b>	<b>Vari-ance</b>	<b>Expend-iture as % of final ap-pro-ria-tion</b>	<b>Final Ap-pro-ria-tion</b>	<b>Actual ex-pendi-ture</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>2,325</b>	<b>25</b>	<b>(7)</b>	<b>2,343</b>	<b>2,343</b>	<b>-</b>	<b>100.0%</b>	<b>2,275</b>	<b>2,275</b>
Compensation of employees	2,128	25	-	2,153	2,153	-	100.0%	2,033	2,033
Goods and services	197	-	(7)	190	190	-	100.0%	242	242
<b>Payments for capital assets</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>27</b>	<b>-</b>	<b>100.0%</b>	<b>73</b>	<b>73</b>
Machinery and equipment	27	-	-	27	27	-	100.0%	73	73
<b>Total</b>	<b>2,352</b>	<b>25</b>	<b>(7)</b>	<b>2,370</b>	<b>2,370</b>	<b>-</b>	<b>100.0%</b>	<b>2,348</b>	<b>2,348</b>

<b>5.5 OFFICE OF THE CHIEF DIRECTOR</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Ad-justed Ap-pro-ria-tion</b>	<b>Shift-ing of Funds</b>	<b>Vire-ment</b>	<b>Final Ap-pro-ria-tion</b>	<b>Actual Ex-pendi-ture</b>	<b>Vari-ance</b>	<b>Expend-iture as % of final ap-pro-ria-tion</b>	<b>Final Ap-pro-ria-tion</b>	<b>Actual ex-pendi-ture</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>4,161</b>	<b>133</b>	<b>-</b>	<b>4,294</b>	<b>3,506</b>	<b>788</b>	<b>81.6%</b>	<b>2,351</b>	<b>2,351</b>
Compensation of employees	1,357	57	-	1,414	1,414	-	100.0%	1,327	1,327
Goods and services	2,804	76	-	2,880	2,092	788	72.6%	1,024	1,024
<b>Payments for capital assets</b>	<b>41</b>	<b>23</b>	<b>-</b>	<b>64</b>	<b>64</b>	<b>-</b>	<b>100.0%</b>	<b>39</b>	<b>39</b>
Machinery and equipment	41	23	-	64	64	-	100.0%	32	32
Software and other intangible assets	-	-	-	-	-	-	-	7	7
<b>Total</b>	<b>4,202</b>	<b>156</b>	<b>-</b>	<b>4,358</b>	<b>3,570</b>	<b>788</b>	<b>81.9%</b>	<b>2,390</b>	<b>2,390</b>

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>Programme 6: TOURISM</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appropri- ation</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appropri- ation</b>	<b>Actual Expendi- ture</b>	<b>Vari- ance</b>	<b>Expendi- ture as % of final appropri- ation</b>	<b>Final Appropri- ation</b>	<b>Actual expendi- ture</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Sub programme</b>									
1. Tourism Planning	5,918	(107)	(22)	5,789	5,789	-	100.0%	5,175	5,175
2. Tourism Growth and Development	39,716	419	(4,197)	35,938	33,678	2,260	93.7%	39,977	39,550
3. Tourism Sector Transformation	2,024	(109)	-	1,915	1,915	-	100.0%	1,964	1,964
4. Office of the Chief Director	5,619	(203)	-	5,416	5,416	-	100.0%	2,803	2,507
<b>Total for sub programmes</b>	<b>53,277</b>	<b>-</b>	<b>(4,219)</b>	<b>49,058</b>	<b>46,798</b>	<b>2,260</b>	<b>95.4%</b>	<b>49,919</b>	<b>49,196</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>24,439</b>	<b>-</b>	<b>(2,681)</b>	<b>21,758</b>	<b>19,498</b>	<b>2,260</b>	<b>89.6%</b>	<b>21,096</b>	<b>20,373</b>
Compensation of employees	11,246	(194)	-	11,052	11,052	-	100.0%	9,415	8,692
Salaries and wages	9,565	57	-	9,622	9,622	-	100.0%	8,128	7,478
Social contributions	1,681	(251)	-	1,430	1,430	-	100.0%	1,287	1,214
Goods and services	13,193	194	(2,681)	10,706	8,446	2,260	78.9%	11,681	11,681
Administrative fees	312	(10)	(66)	236	236	-	100.0%	483	483
Advertising	185	232	(128)	289	289	-	100.0%	1,230	1,230
Minor assets	13	3	29	45	45	-	100.0%	115	115
Audit costs:									
External	37	(37)	-	-	-	-	-	42	42
Bursaries:									
Employees	-	-	7	7	7	-	100.0%	7	7
Catering:									
Departmental activities	396	32	(190)	238	238	-	100.0%	629	629
Communication	243	(22)	12	233	233	-	100.0%	278	278
Computer services	44	(4)	(40)	-	-	-	-	-	-
Consultants:									
Business and advisory services	3,166	200	(2,128)	1,238	1,238	-	100.0%	332	332

**APPROPRIATION STATEMENT****For the year ended the 31 March 2017**

<b>Programme 6: TOURISM</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appropri- ation</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appropri- ation</b>	<b>Actual Expendi- ture</b>	<b>Vari- ance</b>	<b>Expendi- ture as % of final appropri- ation</b>	<b>Final Appropri- ation</b>	<b>Actual expend- iture</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Contractors	394	-	47	441	441	-	100.0%	1,736	1,736
Agency and support / outsourced services	-	-	-	-	-	-	-	158	158
Entertainment									
Fleet services	75	42	(2)	115	115	-	100.0%	144	144
Consumable supplies	5	1	7	13	13	-	100.0%	332	332
Consumable: Stationery, printing and office supplies	410	-	(88)	322	322	-	100.0%	317	317
Operating leases	1,429	316	(339)	1,406	1,406	-	100.0%	406	406
Property payments	1,088	127	1,999	3,214	954	2,260	29.7%	1,899	1,899
Transport provided:									
Departmental activity	-	-	31	31	31	-	100.0%	-	-
Travel and subsistence	3,426	(341)	(495)	2,590	2,590	-	100.0%	3,364	3,364
Training and development	806	(451)	(334)	21	21	-	100.0%	10	10
Operating payments	23	28	-	51	51	-	100.0%	10	10
Venues and facilities	141	78	(3)	216	216	-	100.0%	136	136
Rental and hiring	1,000	-	(1,000)	-	-	-	-	53	53
<b>Transfers and subsidiaries</b>	<b>28,387</b>	<b>-</b>	<b>(1,381)</b>	<b>27,006</b>	<b>27,006</b>	<b>-</b>	<b>100.0%</b>	<b>27,892</b>	<b>27,892</b>
Provinces and municipalities	844	(267)	-	577	577	-	100.0%	881	881
Municipalities	844	(267)	-	577	577	-	100.0%	881	881
Municipal bank accounts	838	(267)	-	571	571	-	100.0%	-	-

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>Programme 6: TOURISM</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appropri- ation</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appropri- ation</b>	<b>Actual Expendi- ture</b>	<b>Vari- ance</b>	<b>Expendi- ture as % of final appropri- ation</b>	<b>Final Appropri- ation</b>	<b>Actual expendi- ture</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Municipal agencies and funds	6	-	-	6	6	-	100.0%	881	881
Departmental agencies and accounts	20,436	1,320	(87)	21,669	21,669	-	100.0%	21,561	21,561
Departmental agencies	20,436	1,320	(87)	21,669	21,669	-	100.0%	21,561	21,561
Public corporations and private enterprises	7,107	(1,065)	(1,294)	4,748	4,748	-	100.0%	5,450	5,450
Private enterprises	7,107	(1,065)	(1,294)	4,748	4,748	-	100.0%	5,450	5,450
Other transfers to private enterprises	7,107	(1,065)	(1,294)	4,748	4,748	-	100.0%	5,450	5,450
Households	-	12	-	12	12	-	100.0%	-	-
Social benefits	-	12	-	12	12	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>451</b>	<b>-</b>	<b>(157)</b>	<b>294</b>	<b>294</b>	<b>-</b>	<b>100.0%</b>	<b>931</b>	<b>931</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	314	314
Other fixed structures	-	-	-	-	-	-	-	314	314
Machinery and equipment	451	-	(157)	294	294	-	100.0%	560	560
Transport equipment	24	57	-	81	81	-	100.0%	31	31
Other machinery and equipment	427	(57)	(157)	213	213	-	100.0%	529	529
Software and other intangible assets	-	-	-	-	-	-	-	57	57
<b>Total</b>	<b>53,277</b>	<b>-</b>	<b>(4,219)</b>	<b>49,058</b>	<b>46,798</b>	<b>2,260</b>	<b>95.4%</b>	<b>49,919</b>	<b>49,196</b>

**APPROPRIATION STATEMENT****For the year ended the 31 March 2017**

<b>6.1 TOURISM PLANNING</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>5,865</b>	<b>(85)</b>	<b>-</b>	<b>5,780</b>	<b>5,780</b>	<b>-</b>	<b>100.0%</b>	<b>5,079</b>	<b>5,079</b>
Compensation of employees	4,013	(100)	-	3,913	3,913	-	100.0%	4,054	4,054
Goods and services	1,852	15	-	1,867	1,867	-	100.0%	1,025	1,025
<b>Payments for capital assets</b>	<b>53</b>	<b>(22)</b>	<b>(22)</b>	<b>9</b>	<b>9</b>	<b>-</b>	<b>100.0%</b>	<b>96</b>	<b>96</b>
Machinery and equipment	53	(22)	(22)	9	9	-	100.0%	96	96
<b>Total</b>	<b>5,918</b>	<b>(107)</b>	<b>(22)</b>	<b>5,789</b>	<b>5,789</b>	<b>-</b>	<b>100.0%</b>	<b>5,175</b>	<b>5,175</b>

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>6.2 TOURISM GROWTH AND DEVELOPMENT</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>11,016</b>	<b>461</b>	<b>(2,681)</b>	<b>8,796</b>	<b>6,536</b>	<b>2,260</b>	<b>74.3%</b>	<b>11,279</b>	<b>10,852</b>
Compensation of employees	3,256	100	-	3,356	3,356	-	100.0%	2,952	2,525
Goods and services	7,760	361	(2,681)	5,440	3,180	2,260	58.5%	8,327	8,327
<b>Transfers and subsidies</b>	<b>28,381</b>	<b>(12)</b>	<b>(1,381)</b>	<b>26,988</b>	<b>26,988</b>	<b>-</b>	<b>100.0%</b>	<b>27,892</b>	<b>27,892</b>
Provinces and municipalities	838	(267)	-	571	571	-	100.0%	881	881
Departmental agencies and accounts	20,436	1,320	(87)	21,669	21,669	-	100.0%	21,561	21,561
Public corporations and private enterprises	7,107	(1,065)	(1,294)	4,748	4,748	-	100.0%	5,450	5,450
<b>Payments for capital assets</b>	<b>319</b>	<b>(30)</b>	<b>(135)</b>	<b>154</b>	<b>154</b>	<b>-</b>	<b>100.0%</b>	<b>806</b>	<b>806</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	314	314
Machinery and equipment	319	(30)	(135)	154	154	-	100.0%	435	435
Software and other intangible assets	-	-	-	-	-	-	-	57	57
<b>Total</b>	<b>39,716</b>	<b>419</b>	<b>(4,197)</b>	<b>35,938</b>	<b>33,678</b>	<b>2,260</b>	<b>93.7%</b>	<b>39,977</b>	<b>39,550</b>

**APPROPRIATION STATEMENT****For the year ended the 31 March 2017**

<b>6.3 TOURISM SECTOR TRANSFORMATION</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjust- ed Appropriation</b>	<b>Shift- ing of Funds</b>	<b>Vire- ment</b>	<b>Final Appropriation</b>	<b>Actual Ex- pendi- ture</b>	<b>Vari- ance</b>	<b>Expendi- ture as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual ex- pendi- ture</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>1,974</b>	<b>(82)</b>	-	<b>1,892</b>	<b>1,892</b>	-	<b>100.0%</b>	<b>1,964</b>	<b>1,964</b>
Compensation of employees	1,116	(47)	-	1,069	1,069	-	100.0%	989	989
Goods and services	858	(35)	-	823	823	-	100.0%	975	975
<b>Payments for capital assets</b>	<b>50</b>	<b>(27)</b>	-	<b>23</b>	<b>23</b>	-	<b>100.0%</b>	-	-
Machinery and equipment	50	(27)	-	23	23	-	100.0%	-	-
<b>Total</b>	<b>2,024</b>	<b>(109)</b>	-	<b>1,915</b>	<b>1,915</b>	-	<b>100.0%</b>	<b>1,964</b>	<b>1,964</b>

**APPROPRIATION STATEMENT**  
**For the year ended the 31 March 2017**

<b>6.4 OFFICE OF THE CHIEF DIRECTOR</b>									
	<b>2016/17</b>							<b>2015/16</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>5,584</b>	<b>(294)</b>	-	<b>5,290</b>	<b>5,290</b>	-	<b>100.0%</b>	<b>2,774</b>	<b>2,478</b>
Compensation of employees	2,861	(147)	-	2,714	2,714	-	100.0%	1,420	1,124
Goods and services	2,723	(147)	-	2,576	2,576	-	100.0%	1,354	1,354
<b>Transfers and subsidies</b>	<b>6</b>	<b>12</b>	-	<b>18</b>	<b>18</b>	-	<b>100.0%</b>	-	-
Provinces and municipalities	6	-	-	6	6	-	100.0%	-	-
Households	-	12	-	12	12	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>29</b>	<b>79</b>	-	<b>108</b>	<b>108</b>	-	<b>100.0%</b>	<b>29</b>	<b>29</b>
Machinery and equipment	29	79	-	108	108	-	100.0%	29	29
<b>Total</b>	<b>5,619</b>	<b>(203)</b>	-	<b>5,416</b>	<b>5,416</b>	-	<b>100.0%</b>	<b>2,803</b>	<b>2,507</b>

## NOTES TO THE APPROPRIATION STATEMENT

### For the year ended the 31 March 2017

#### 1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

#### 2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

#### 3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

#### 4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
<b>Administration</b>				
Goods and Services	24,743	15,901	8,842	35.74%

Reprioritisation of budgeted funds to achieve a saving to accommodate financing of debt, however at year end this amount was unpaid as a result of a pending legal matter of a utility bill. Service delivery was not compromised by this under-spending.

#### **Economic Planning**

Goods and Services	5,841	5,053	788	13.49%
--------------------	-------	-------	-----	--------

Reprioritisation of budgeted funds to achieve a saving to accommodate financing of debt, however at year end this amount was unpaid as a result of a pending legal matter of a utility bill. Service delivery was not compromised by this under-spending.

#### **Tourism**

Goods and Services	10,706	8,446	2,260	21.11%
--------------------	--------	-------	-------	--------

Reprioritisation of budgeted funds to achieve a saving to accommodate financing of debt, however at year end this amount was unpaid as a result of a pending legal matter of a utility bill. Service delivery was not compromised by this under-spending.

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>Current payments</b>				
Goods and services	86,332	74,442	11,890	13,77%

Reprioritisation of budgeted funds to achieve a saving to accommodate financing of debt, however at year end this amount was unpaid as a result of a pending legal matter of a utility bill. Service delivery was not compromised by this under-spending.

**STATEMENT OF FINANCIAL PERFORMANCE**  
**For the year ended the 31 March 2017**

	<i>Note</i>	<b>2016/17</b> <b>R'000</b>	<b>2015/16</b> <b>R'000</b>
<b>REVENUE</b>			
Annual appropriation	1	284,357	282,089
Departmental revenue	2	-	262
Aid assistance	3	3,700	1,000
<b>TOTAL REVENUE</b>		<b>288,057</b>	<b>283,351</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	93,501	81,947
Goods and services	5	74,442	93,610
Aid assistance	3	146	712
<b>Total current expenditure</b>		<b>168,089</b>	<b>176,269</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	102,637	100,580
<b>Total transfers and subsidies</b>		<b>102,637</b>	<b>100,580</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	4,998	2,643
Software and other intangible assets	8	-	108
<b>Total expenditure for capital assets</b>		<b>4,998</b>	<b>2,751</b>
<b>Payments for financial assets</b>	6	-	<b>783</b>
<b>TOTAL EXPENDITURE</b>		<b>275,724</b>	<b>280,383</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>12,333</b>	<b>2,968</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		11,890	2,418
Annual appropriation		11,890	2,418
Conditional grants		-	-
Departmental revenue and NRF Receipts	13	-	262
Aid assistance	3	443	288
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>12,333</b>	<b>2,968</b>

**STATEMENT OF FINANCIAL POSITION**  
**For the year ended the 31 March 2017**

	<i>Note</i>	<b>2016/17</b> <b>R'000</b>	<b>2015/16</b> <b>R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>14,509</b>	<b>4,421</b>
Cash and cash equivalents	9	13,879	3,992
Prepayments and advances	10	298	151
Receivables	11	332	278
<b>Non-current assets</b>		<b>6,796</b>	<b>6,796</b>
Receivables	11	6,796	6,796
<b>TOTAL ASSETS</b>		<b>21,305</b>	<b>11,217</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>14,509</b>	<b>4,421</b>
Voted funds to be surrendered to the Revenue Fund	12	11,890	2,418
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	2,175	1,711
Payables	14	1	4
Aid assistance unutilised	3	443	288
<b>TOTAL LIABILITIES</b>		<b>14,509</b>	<b>4,421</b>
<b>NET ASSETS</b>		<b>6,796</b>	<b>6,796</b>
<b>Represented by:</b>			
Recoverable revenue		6,796	6,796
<b>TOTAL</b>		<b>6,796</b>	<b>6,796</b>

**STATEMENT OF CHANGES IN NET ASSETS**  
**For the year ended the 31 March 2017**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
<b>Recoverable revenue</b>			
Opening balance		6,796	6,796
Closing balance		<b>6,796</b>	<b>6,796</b>
<b>TOTAL</b>		<b>6,796</b>	<b>6,796</b>

**CASH FLOW STATEMENT**  
**For the year ended the 31 March 2017**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		317,138	310,543
Annual appropriated funds received	1.1	284,357	282,089
Departmental revenue received	2	29,081	27,454
Aid assistance received	3	3,700	1,000
Net (increase)/decrease in working capital		(204)	829
Surrendered to Revenue Fund		(31,035)	(28,328)
Surrendered to RDP Fund/Donor		(288)	(213)
Current payments		(168,089)	(175,557)
Payments for financial assets		-	(783)
Transfers and subsidies paid		(102,637)	(101,292)
<b>Net cash flow available from operating activities</b>	<b>15</b>	<b>14,885</b>	<b>5,199</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(4,998)	(2,751)
<b>Net cash flows from investing activities</b>		<b>(4,998)</b>	<b>(2,751)</b>
Net increase/(decrease) in cash and cash equivalents		9,887	2,448
Cash and cash equivalents at beginning of period		3,992	1,544
<b>Cash and cash equivalents at end of period</b>	<b>9</b>	<b>13,879</b>	<b>3,992</b>

**ACCOUNTING POLICIES****For the year ended the 31 March 2017**

<b>Summary of significant accounting policies</b>	
<p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.</p> <p>The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.</p> <p>Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p>	
<b>1</b>	<p><b>Basis of preparation</b></p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
<b>2</b>	<p><b>Going concern</b></p> <p>The financial statements have been prepared on a going concern basis.</p>
<b>3</b>	<p><b>Presentation currency</b></p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
<b>4</b>	<p><b>Rounding</b></p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
<b>5</b>	<p><b>Foreign currency translation</b></p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>
<b>6</b>	Comparative information
<b>6.1</b>	<p><b>Prior period comparative information</b></p> <p>Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.</p>
<b>6.2</b>	<p><b>Current year comparison with budget</b></p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
<b>7</b>	Revenue
<b>7.1</b>	<p><b>Appropriated funds</b></p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
<b>7.2</b>	<p><b>Departmental revenue</b></p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>

**ACCOUNTING POLICIES****For the year ended the 31 March 2017**

<b>7.3</b>	<p><b>Accrued departmental revenue</b></p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>• the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
<b>8</b>	<b>Expenditure</b>
<b>8.1</b>	Compensation of employees
<b>8.1.1</b>	<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
<b>8.1.2</b>	<p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
<b>8.2</b>	<p><b>Other expenditure</b></p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
<b>8.3</b>	<p><b>Accrued expenditure payable</b></p> <p>Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable.</p> <p>Accrued expenditure payable is measured at cost.</p>
<b>8.4</b>	<b>Leases</b>
<b>8.4.1</b>	<p><b>Operating leases</b></p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
<b>8.4.2</b>	<p><b>Finance leases</b></p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> <li>• cost, being the fair value of the asset; or</li> <li>• the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>

**ACCOUNTING POLICIES****For the year ended the 31 March 2017**

<b>9</b>	<b>Aid Assistance</b>
<b>9.1</b>	<p><b>Aid assistance received</b></p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
<b>9.2</b>	<p><b>Aid assistance paid</b></p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
<b>10</b>	<p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
<b>11</b>	<p><b>Prepayments and advances</b></p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p>&lt;Indicate when prepayments are expensed and under what circumstances.&gt;</p>
<b>12</b>	<p><b>Loans and receivables</b></p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
<b>13</b>	<p><b>Investments</b></p> <p>Investments are recognised in the statement of financial position at cost.</p>
<b>14</b>	<b>Financial assets</b>
<b>14.1</b>	<p><b>Financial assets (not covered elsewhere)</b></p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
<b>14.2</b>	<p><b>Impairment of financial assets</b></p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
<b>15</b>	<p><b>Payables</b></p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>

**ACCOUNTING POLICIES****For the year ended the 31 March 2017**

<b>16</b>	<b>Capital Assets</b>
<b>16.1</b>	<p><b>Immovable capital assets</b></p> <p>Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at fair value for recording in the asset register.</p> <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.</p>
<b>16.2</b>	<p><b>Movable capital assets</b></p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
<b>16.3</b>	<p><b>Software and other intangible assets</b></p> <p>Software and other intangible assets are initially recorded in the notes to the financial statements at cost. Software and other intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated Software and other intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of Software and other intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the Software and other intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Software and other intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
<b>17</b>	<b>Provisions and Contingents</b>
<b>17.1</b>	<p><b>Provisions</b></p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>

**ACCOUNTING POLICIES****For the year ended the 31 March 2017**

<b>17.2</b>	<p><b>Contingent liabilities</b></p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
<b>17.3</b>	<p><b>Contingent assets</b></p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
<b>17.4</b>	<p><b>Commitments</b></p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
<b>18</b>	<p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
<b>19</b>	<p><b>Fruitless and wasteful expenditure</b></p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>20</b>	<p><b>Irregular expenditure</b></p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>21</b>	<p><b>Changes in accounting policies, accounting estimates and errors</b></p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>

**ACCOUNTING POLICIES****For the year ended the 31 March 2017**

<b>22</b>	<p><b>Events after the reporting date</b></p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
<b>23</b>	<p><b>Principal-Agent arrangements</b></p> <p>The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
<b>24</b>	<p><b>Departures from the MCS requirements</b></p> <p>Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation.</p>
<b>25</b>	<p><b>Capitalisation reserve</b></p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
<b>26</b>	<p><b>Recoverable revenue</b></p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
<b>27</b>	<p><b>Related party transactions</b></p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
<b>28</b>	<p><b>Inventories (<i>Effective from date determined in a Treasury Instruction</i>)</b></p> <p>At the date of acquisition, inventories are recorded at cost price in the statement of performance. Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value.</p> <p>Subsequent measurement of the cost of inventory is determined on the weighted average basis.</p>
<b>29</b>	<p><b>Public-Private Partnerships</b></p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
<b>30</b>	<p><b>Employee benefits</b></p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2017

#### 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:

	<b>Final Appropriation</b>	<b>Actual Funds Received</b>	<b>2016/17 Funds not requested/ not received</b>	<b>2015/16 Appropriation received</b>
	R'000	R'000	R'000	R'000
Administration	56,350	56,350	-	55,024
Integrated Economic Development Services	86,274	86,274	-	99,793
Trade and Sector Development	33,383	33,383	-	29,077
Business Regulation and Governance	34,547	34,547	-	31,351
Economic Planning	20,526	20,526	-	16,925
Tourism	53,277	53,277	-	49,919
<b>Total</b>	<b>284,357</b>	<b>284,357</b>	<b>-</b>	<b>282,089</b>

The department received 100% of the appropriated funds from Provincial Treasury

##### 1.2 Conditional grants

	<i>Note</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Total grants received	31	2,030	2,000
Provincial grants included in Total Grants received		-	-

Conditional Grants were used for EPWP Projects.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**
**2. Departmental revenue**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Tax revenue		28,848	26,658
Sales of goods and services other than capital assets	2.1	86	73
Fines, penalties and forfeits	2.2	122	102
Transactions in financial assets and liabilities	2.3	25	621
<b>Total revenue collected</b>		<b>29,081</b>	<b>27,454</b>
Less: Own revenue included in appropriation	13	29,081	27,192
<b>Departmental revenue collected</b>		<b>-</b>	<b>262</b>

The under collection is due to gambling casino licences being paid directly to the bank account of the entity and not yet paid into the department's bank account.

**2.1 Sales of goods and services other than capital assets**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Sales of goods and services produced by the department	2	86	73
Sales by market establishment		25	21
Administrative fees		61	52
<b>Total</b>		<b>86</b>	<b>73</b>

**2.2 Fines, penalties and forfeits**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Fines, Penalties, Forfeits	2	122	102
<b>Total</b>		<b>122</b>	<b>102</b>

**2.3 Transactions in financial assets and liabilities**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Other Receipts including Recoverable Revenue	2	25	621
<b>Total</b>		<b>25</b>	<b>621</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2017

#### 3. Aid assistance

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Opening Balance		288	213
As restated		288	213
Transferred from statement of financial performance		443	288
Paid during the year		(288)	(213)
<b>Closing Balance</b>		<b>443</b>	<b>288</b>

Donor funding from European Union for employment creation – Total Donor funding for 2016/17 received R3,7 million less R3,257 spend on upgrading and maintenance on KIDJA Building.

#### 3.1 Analysis of balance by source

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Aid assistance from other sources		443	288
<b>Closing balance</b>		<b>443</b>	<b>288</b>

#### 3.2 Analysis of balance

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Aid assistance unutilised	3	443	288
<b>Closing balance</b>		<b>443</b>	<b>288</b>

#### 4. Compensation of employees

##### 4.1 Salaries and Wages

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Basic salary		64,536	55,327
Performance award		87	-
Service Based		84	-
Compensative/circumstantial		470	2,795
Periodic payments		2,252	1,335
Other non-pensionable allowances		14,585	12,633
<b>Total</b>		<b>82,014</b>	<b>72,090</b>

An increase in the compensation of employee costs is due to filling of vacant posts, absorbing of former MEC's staff as well as stipends paid to Interns and Learners.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**
**4.2 Social contributions**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
<b>Employer contributions</b>			
Pension		8,049	6,948
Medical		3,424	2,898
Bargaining council		14	11
<b>Total</b>		<b>11,487</b>	<b>9,857</b>
<b>Total compensation of employees</b>			
		<b>93,501</b>	<b>81,947</b>
Average number of employees		237	212

An increase in the number of employees is due to filling of vacant posts. Absorbing of former MEC's staff as well as Interns and Learners.

**5. Goods and services**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Administrative fees		1,844	2,290
Advertising		1,786	3,467
Minor assets	5.1	375	382
Bursaries (employees)		503	267
Catering		1,300	1,925
Communication		1,960	1,853
Computer services	5.2	1,070	1,177
Consultants: Business and advisory services		3,239	3,465
Legal services		407	375
Contractors		24,038	38,698
Agency and support / outsourced services		48	1,269
Audit cost – external	5.3	2,637	2,586
Fleet services		681	456
Consumables	5.4	2,278	2,533
Operating leases		7,981	7,261
Property payments	5.5	6,328	7,359
Rental and hiring		-	53
Transport provided as part of the departmental activities		172	-
Travel and subsistence	5.6	14,324	15,235
Venues and facilities		1,421	1,779
Training and development		1,524	478
Other operating expenditure	5.7	526	702
<b>Total</b>		<b>74,442</b>	<b>93,610</b>

The reduction of goods and services is due to the implementation of the National Treasury cost containment instruction note on Contractors, Outsourcing services to Agencies, Property Payments as well as Travel & Subsistence – Foreign trips.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2017

#### 5.1 Minor assets

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	5	<b>R'000</b>	<b>R'000</b>
<b>Tangible assets</b>		<b>185</b>	<b>268</b>
Machinery and equipment		185	268
<b>Intangible assets</b>		<b>190</b>	<b>114</b>
Software		190	114
<b>Total</b>		<b>375</b>	<b>382</b>

#### 5.2 Computer services

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	5	<b>R'000</b>	<b>R'000</b>
SITA computer services		866	671
External computer service providers		204	506
<b>Total</b>		<b>1,070</b>	<b>1,177</b>

#### 5.3 Audit cost – External

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	5	<b>R'000</b>	<b>R'000</b>
Regularity audits		2,637	2,586
<b>Total</b>		<b>2,637</b>	<b>2,586</b>

#### 5.4 Consumables

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	5	<b>R'000</b>	<b>R'000</b>
Consumable supplies		102	394
Uniform and clothing		-	7
IT consumables		23	19
Other consumables		79	368
Stationery, printing and office supplies		2,176	2,139
<b>Total</b>		<b>2,278</b>	<b>2,533</b>

#### 5.5 Property payments

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	5	<b>R'000</b>	<b>R'000</b>
Municipal services		2,575	-
Property maintenance and repairs		115	-
Other		3,638	7,359
<b>Total</b>		<b>6,328</b>	<b>7,359</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**
**5.6 Travel and subsistence**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	5	<b>R'000</b>	<b>R'000</b>
Local		12,343	9,324
Foreign		1,981	5,911
<b>Total</b>		<b>14,324</b>	<b>15,235</b>

**5.7 Other operating expenditure**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	5	<b>R'000</b>	<b>R'000</b>
Professional bodies, membership and subscription fees		6	-
Resettlement costs		70	321
Other		450	381
<b>Total</b>		<b>526</b>	<b>702</b>

**6. Payments for financial assets**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Debts written off	6.2	-	495
Other material losses written off	6.1	-	288
<b>Total</b>		<b>-</b>	<b>783</b>

No payment relating to financial assets during 2016/17 financial year.
--

**6.1 Other material losses written off**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	6	<b>R'000</b>	<b>R'000</b>
<b>Nature of losses</b>			
(Group major categories, but list material items)			
Disallowance Miscellaneous – Outbound Mission		-	104
Disallowance Miscellaneous – Lebaeng Guesthouse		-	11
Disallowance – Iceberg Trading		-	19
Disallowance		-	154
<b>Total</b>		<b>-</b>	<b>288</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2017

#### 6.2 Debts written off

	Note 6	2016/17 R'000	2015/16 R'000
<b>Nature of debts written off</b>			
<b>Total</b>		-	-
Recoverable revenue written off			
Sal: Reversal Control: ca		-	1
Sal: Deduction Disall Acc: ca		-	134
Provincial Departments		-	10
Sal: Tax Debt: ca		-	226
Sal: Income Tax: cl		-	19
Sal: Insurance Deductions: cl		-	105
<b>Total</b>		-	<b>495</b>
<b>Total debt written off</b>		-	<b>495</b>

#### 7. Transfers and subsidies

	Note	2016/17 R'000	2015/16 R'000
Provinces and municipalities	32	3,153	1,858
Departmental agencies and accounts	Annex 1B	76,715	59,776
Public corporations and private enterprises	Annex 1D	22,177	38,838
Households	Annex 1G	592	108
<b>Total</b>		<b>102,637</b>	<b>100,580</b>

Payment to municipalities includes transfer to municipalities for EPWP projects, Tourism projects as well as rates and taxes on buildings (see Note 49 and Annexure 1A)

#### 8. Expenditure for capital assets

	Note	2016/17 R'000	2015/16 R'000
<b>Tangible assets</b>			
		<b>4,998</b>	<b>2,643</b>
Buildings and other fixed structures	29	3,283	314
Machinery and equipment	27	1,715	2,329
<b>Software and other intangible assets</b>			
		-	<b>108</b>
Software	28	-	57
Patents, licences, copyright, brand names, trademarks	28	-	51
<b>Total</b>		<b>4,998</b>	<b>2,751</b>

Total of building and other fixed structures costs includes R3,1 million received from European Union Donor funding for upgrades and refurbishments at KIDJA building.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**
**8.1 Analysis of funds utilised to acquire capital assets – 2016/17**

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>1,887</b>	<b>3,111</b>	<b>4,998</b>
Buildings and other fixed structures	172	3,111	3,283
Machinery and equipment	1,715	-	1,715
<b>Total</b>	<b>1,887</b>	<b>3,111</b>	<b>4,998</b>

**8.2 Analysis of funds utilised to acquire capital assets – 2015/16**

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	2,643	-	2,643
Buildings and other fixed structures	314	-	314
Machinery and equipment	2,329	-	2,329
<b>Software and other intangible assets</b>	108	-	108
Software	57	-	57
Patents, licences, copyright, brand names, trademarks	51	-	51
<b>Total</b>	<b>2,751</b>	<b>-</b>	<b>2,751</b>

**8.3 Finance lease expenditure included in Expenditure for capital assets**

	Note	2016/17	2016/17
		R'000	R'000
<b>Tangible assets</b>	8	-	-
Machinery and equipment		859	1,358
<b>Total</b>		<b>859</b>	<b>1,358</b>

**9. Cash and cash equivalents**

	Note	2016/17	2015/16
		R'000	R'000
Consolidated Paymaster General Account		13,878	3,991
Cash on hand		1	1
<b>Total</b>		<b>13,879</b>	<b>3,992</b>

Departmental Revenue collected in March R2, 175 million to be paid over to Provincial Treasury, R0, 443 of unspent donor funding and R11, 260 million of voted funds to be paid over and surrendered to Provincial Treasury and R1 000.00(one thousand rand only) of petty cash.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2017

#### 10. Prepayments and advances

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Travel and subsistence		147	-
Advances paid (Not expensed)	10.1	151	151
<b>Total</b>		<b>298</b>	<b>151</b>

Advances paid (Not Expensed) of R151 000 is the refundable deposits relating to lease agreements and municipal services (see Annexure 8A).

#### 10.1 Advances paid (Not expensed)

	<i>Note</i>	2016/17	2015/16
		R'000	R'000
Other institutions	10	151	151
<b>Total</b>		<b>151</b>	<b>151</b>

#### 11. Receivables

	<i>Note</i>	2016/17			2015/16		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1	-	6,796	6,796	-	6,796	6,796
Recoverable expenditure	11.2	52	-	52	-	-	-
Other debtors	11.3	280	-	280	278	-	278
<b>Total</b>		<b>332</b>	<b>6,796</b>	<b>7,128</b>	<b>278</b>	<b>6,796</b>	<b>7,074</b>

#### 11.1 Claims recoverable

	<i>Note</i>	2016/17	2015/16
		R'000	R'000
Private enterprises	11	6,796	6,796
<b>Total</b>		<b>6,796</b>	<b>6,796</b>

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**
**11.2 Recoverable expenditure (disallowance accounts)**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	<i>11</i>	<b>R'000</b>	<b>R'000</b>
Northern Cape Fleet Management		52	-
<b>Total</b>		<b>52</b>	<b>-</b>

**11.3 Other debtors**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	<i>11</i>	<b>R'000</b>	<b>R'000</b>
Sal: Deduction Disall		4	278
Sal: Reversal Control		265	-
Sal: Tax Debt		1	-
Pension Recoverable		2	-
Sal: Income Tax		8	-
<b>Total</b>		<b>280</b>	<b>278</b>

**12. Voted funds to be surrendered to the Revenue Fund**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		2,418	1,083
As restated		2,418	1,083
Transfer from statement of financial performance (as restated)		11,890	2,418
Paid during the year		(2,418)	(1,083)
<b>Closing balance</b>		<b>11,890</b>	<b>2,418</b>

The closing balance of voted funds to be surrendered to the revenue fund amounting to R11, 838 million will be surrendered after the final audit of annual financial statements is completed.

**13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		1,711	1,502
As restated		1,711	1,502
Transfer from Statement of Financial Performance (as restated)		-	262
Own revenue included in appropriation		29,081	27,192
Paid during the year		(28,617)	(27,245)
<b>Closing balance</b>		<b>2,175</b>	<b>1,711</b>

The closing balance of departmental revenue and NRF receipts to be surrendered to the Revenue Fund amounting to R2,175 will be paid over to Provincial Treasury after year-end of book closure.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**
**14. Payables – current**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	<i>14</i>	<b>R'000</b>	<b>R'000</b>
Other payables	<i>14.1</i>	1	4
<b>Total</b>		<b>1</b>	<b>4</b>

**14.1 Other payables**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	<i>14</i>	<b>R'000</b>	<b>R'000</b>
Description			
Sal: Reversal Control		-	4
Disallowance Miscellaneous		1	-
<b>Total</b>		<b>1</b>	<b>4</b>

**15. Net cash flow available from operating activities**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Net surplus/(deficit) as per Statement of Financial Performance		12,333	2,968
Add back non cash/cash movements not deemed operating activities		2,552	2,231
(Increase)/decrease in receivables – current		(54)	680
(Increase)/decrease in prepayments and advances		(147)	151
Increase/(decrease) in payables – current		(3)	(2)
Expenditure on capital assets		4,998	2,751
Surrenders to Revenue Fund		(31,035)	(28,328)
Surrenders to RDP Fund/Donor		(288)	(213)
Own revenue included in appropriation		29,081	27,192
<b>Net cash flow generated by operating activities</b>		<b>14,885</b>	<b>5,199</b>

**16. Reconciliation of cash and cash equivalents for cash flow purposes**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Consolidated Paymaster General account		13,878	3,991
Cash on hand		1	1
<b>Total</b>		<b>13,879</b>	<b>3,992</b>

Departmental Revenue collected in March R2, 175 million to be paid over to Provincial Treasury, R0, 443 of unspent donor funding and R11, 260 million of voted funds to be paid over and surrendered to Provincial Treasury and R1 000.00 (one thousand rand only) of petty cash.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2017

#### 17. Contingent liabilities and contingent assets

##### 17.1 Contingent liabilities

Liable to	Nature	Note	2016/17 R'000	2015/16 R'000
Claims against the department		Annex 3B	179	379
<b>Total</b>			<b>179</b>	<b>379</b>

Included in the claims against the department is Fleet Damages repairs of R0,163 million and R0,015 for Pemberley Investments (former fleet services agency) that relates to damages to government cars (refer to Annexure 3B).

##### 17.2 Contingent assets

Nature of contingent asset	Note	2016/17 R'000	2015/16 R'000
Claim against illegal occupants		7,599	-
<b>Total</b>		<b>7,599</b>	<b>-</b>

The Department is claiming reimbursement from the occupants of the Mittah Seperepere International Convention Centre on the municipal account owed to the municipality.

#### 18. Commitments

Current expenditure	Note	2016/17 R'000	2015/16 R'000
Approved and contracted		7,370	47,672
Approved but not yet contracted		-	-
<b>Total Commitments</b>		<b>7,370</b>	<b>47,672</b>

The reduction of commitments for the financial year under review is due to the contract between the Department and World Skateboard Grand Prix which terminated on the 31 December 2016 and not renewed.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2017

#### 19. Accruals and payables not recognised

##### 19.1 Accruals

	2016/17			2015/16
	R'000			R'000
<b>Listed by economic classification</b>	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	1,718	-	1,718	1,680
Capital assets	-	-	-	58
<b>Total</b>	<b>1,718</b>	<b>-</b>	<b>1,718</b>	<b>1,738</b>

	Note	2016/17	2015/16
		R'000	R'000
<b>Listed by programme level</b>			
Administration		939	754
Integrated Economic Development Services		135	107
Trade and Sector Development		189	343
Business Regulation and Governance		77	213
Economic Planning		61	151
Tourism		317	170
<b>Total</b>		<b>1,718</b>	<b>1,738</b>

The increase on Programme 6 was due to the Tourism Indaba that was held on 22 – 24 March 2017.

##### 19.2 Payables not recognised

	2016/17			2015/16
	R'000			R'000
<b>Listed by economic classification</b>	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	613	11,329	11,942	206
<b>Total</b>	<b>613</b>	<b>11,329</b>	<b>11,942</b>	<b>206</b>

	Note	2016/17	2015/16
		R'000	R'000
<b>Listed by programme level</b>			
Administration		11,874	59
Trade and Sector Development		-	107
Business Regulation and Governance		2	-
Economic Planning		-	30
Tourism		66	10
<b>Total</b>		<b>11,942</b>	<b>206</b>

The increase on Programme 1 is due to the non-payment of municipal services at Mittah Seperepere International Convention Centre due to a pending court case.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**
**20. Employee benefits**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Leave entitlement		3,336	2,389
Service bonus (Thirteenth cheque)		2,479	2,323
Performance awards		1,439	1,257
Capped leave commitments		1,988	2,143
Other		20	84
<b>Total</b>		<b>9,262</b>	<b>8,196</b>

R1,438 515.00 of performance award calculated at 1.5% of the total compensation of employees amounting to R95,901 000.00 as per the adjusted estimates expenditure for 2016/17. The R20 000.00 included in Other is for Long Service Award.

**21. Lease commitments****21.1 Operating leases expenditure**

	<b>Specialised military equipment</b>	<b>Land</b>	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>	<b>Total</b>
<b>2016/17</b>					
Not later than 1 year	-	-	7,462	-	7,462
Later than 1 year and not later than 5 years	-	-	11,705	-	11,705
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>19,167</b>	<b>-</b>	<b>19,167</b>

	<b>Specialised military equipment</b>	<b>Land</b>	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>	<b>Total</b>
<b>2015/16</b>					
Not later than 1 year	-	-	8,245	-	8,245
Later than 1 year and not later than 5 years	-	-	16,960	-	16,960
Later than five years	-	-	2,207	-	2,207
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>27,412</b>	<b>-</b>	<b>27,412</b>

No new lease agreements acquired during 2016/17 and also existing leases later than 5 years.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2017

#### 21.2 Finance leases expenditure

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
<b>2016/17</b>					
Not later than 1 year	-	-	-	719	719
Later than 1 year and not later than 5 years	-	-	-	727	727
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,446</b>	<b>1,446</b>
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
<b>2015/16</b>					
Not later than 1 year	-	-	-	483	483
Later than 1 year and not later than 5 years	-	-	-	293	293
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>776</b>	<b>776</b>

Finance leases expenditure of the department is comprised of fleet cars, photo copiers, faxes and cell phones.

#### 22. Accrued departmental revenue

	Note	2016/17 R'000	2015/16 R'000
Tax revenue		-	753
<b>Total</b>		<b>-</b>	<b>753</b>

#### 22.1 Analysis of accrued departmental revenue

	Note	2016/17 R'000	2015/16 R'000
Add: amounts recognised		-	753
<b>Closing balance</b>		<b>-</b>	<b>753</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2017

#### 23. Irregular expenditure

##### 23.1 Reconciliation of irregular expenditure

	Note	2016/17 R'000	2015/16 R'000
Opening balance		34,878	22,315
As restated		34,878	22,315
Add: Irregular expenditure – relating to current year		6,156	12,563
Less: Amounts not condoned and not recoverable		(40,820)	
<b>Closing balance</b>		<b>214</b>	<b>34,878</b>
Analysis of awaiting condonation per age classification		-	-
Current year		214	12,563
Prior years		-	22,315
<b>Total</b>		<b>214</b>	<b>34,878</b>

Irregular expenditure of R34,878 million incurred in the previous financial years of 2014/15 and 2015/16 to the amounts of R22,315 million and R12,563 million respectively. In 2016/17 financial year from 1 April 2016 to 31 Oct 2016 irregular expenditure was incurred to the amount of R5,942 million.

In the year under review an investigation was conducted and the outcome showed that the department received economic benefit from all the traveling transactions incurred in the department with the travel management companies and no party was liable to repay any amounts that resulted in the irregular expenditure. Hence the Head of Department approved the recommendation emanating from the investigation to de-recognise the irregular expenditure of R40, 820 million as per irregular guideline date April 2015 by the Office of the National Accountant General.

The investigation with respect to the amounts not condoned and not recoverable was done and concluded in February 2017. The payment of R214 000 was made in March 2017, hence did not form part of the investigation. This investigation with respect to the R214 000 will be concluded in the new financial year.

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

Incident	Disciplinary steps taken/criminal proceedings	2016/17 R'000
Contravention of Practice Note 8 of 2007/08 par 3.3 and TR 16A6.1 (Travel Management Companies)	The investigation has been completed and it was found that no party was liable to repay any amounts.	5,942
Contravention of Practice Note 8 of 2007/08 par 3.3 and TR 16A6.1 (Travel Management Companies)		214
<b>Total</b>		<b>6,156</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2017

#### 23.3 Details of irregular expenditure not recoverable (not condoned)

Incident	Not condoned by (condoning authority)	2016/17 R'000
Contravention of Practice Note 8 of 2007/08 par 3.3 and TR 16A6.1 (Travel Management Companies)	The Head of Department approved the recommendation since no party was found liable to repay any amounts.	40,820
<b>Total</b>		<b>40,820</b>

#### 24. Related party transactions

Payments made	Note	2016/17 R'000	2015/16 R'000
Goods and services		772	55
Expenditure for capital assets		12	43
Transfers		-	502
<b>Total</b>		<b>784</b>	<b>600</b>

The following related party relationships have been identified by the Department:

- 1) The Department has an administrative oversight role over the following public entities of the Department, to whom funds are transferred to via transfer payments, as disclosed in Note 11 and Annexure 1C;
  - a) Northern Cape Tourism Agency (NCTA);
  - b) Northern Cape Economic Development Agency (NCEDA);
  - c) Northern Cape Gambling Board (NCGB); and
  - d) Northern Cape Liquor Board (NCLB).

The Department pays the contract of car rental of NCLB and NCGB on their behalf for the period under review. The Department paid the fees of the Auditor General of south Africa and the department of Justice on behalf of NCEDA for the period under review.

- 2) The Department serves as a Trustee on the Board of Trustees of Frances Baard SMME Trust, to whom funds are transferred via transfer payments, as disclosed in Note 9 and Annexure 1L.
- 3) The Department serves as a Trustee on the Board of Trustees of Kimberley International Diamond and Jewellery Academy (KIDJA) and during the financial year under review the Department has assisted them administratively to procure goods and services from the donor funding received from the European Union, since their system of financial and internal controls were not established during the year to enable the Department to transfer the funds to KIDJA. All these transactions are captured under the Employment Creation Fund. Please refer to Note 6 for additional details on these transactions.
- 4) The Department serves as a Trustee on the Board of Trustees of KIDJA and during the previous financial year under review the Department has assisted them with payment of accommodation and meals for KIDJA students on their behalf.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**
**25. Key management personnel**

	<i>No. of Individuals</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Officials:			
Level 15	2	2,684	1,324
Level 14	7	7,856	8,463
<b>Total</b>		<b>10,540</b>	<b>9,787</b>

Total expenditure of level 15 includes the amount of an official who acted as Head of Department for a period of 11 months and the Chief Financial Officer. Furthermore, the MEC of the Department's personnel budget is reported by the Provincial Treasury.

**26. Provisions**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Please specify			
NCEDA vs Umfana and ICS (MCC)		200	200
<b>Total</b>		<b>200</b>	<b>200</b>

Provision of R200 000 is an estimated Legal cost in the case between Umfana & ICS Solutions and the Department.

**26.1 Reconciliation of movement in provisions – 2016/17**

	<b>Provision 1</b>	<b>Provision 2</b>	<b>Provision 3</b>	<b>Total provisions</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Opening balance	200	-	-	200
<b>Closing balance</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>200</b>

**Reconciliation of movement in provisions – 2015/16**

	<b>Provision 1</b>	<b>Provision 2</b>	<b>Provision 3</b>	<b>Total provisions</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Opening balance	200	-	-	200
<b>Closing balance</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>200</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**
**27. Movable Tangible Capital Assets**
**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>13,785</b>	<b>42</b>	<b>856</b>	<b>10</b>	<b>14,653</b>
Computer equipment	6,579	9	664	10	7,242
Furniture and office equipment	4,420	26	192	-	4,638
Other machinery and equipment	2,766	111	-	-	2,877
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>13,785</b>	<b>146</b>	<b>856</b>	<b>10</b>	<b>14,757</b>

Minor adjustments were made to the balances for Computer Equipment and Furniture & Office Equipment. These adjustments are due to rounding differences carried forth and accumulated over previous financial periods. An adjustment of R44 000 was made to the balance of Other Machinery & Equipment as a correction to finance leases written off in the previous financial period. The amount of R10 000 included in disposals for Machinery & Equipment applies to a departmental laptop which was stolen during the financial period.

**27.1 Additions**
**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>1,715</b>	<b>-</b>	<b>(859)</b>	<b>-</b>	<b>856</b>
Transport assets	504	-	(504)	-	-
Computer equipment	664	-	-	-	664
Furniture and office equipment	192	-	-	-	192
Other machinery and equipment	355	-	(355)	-	-
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>1,715</b>	<b>-</b>	<b>(859)</b>	<b>-</b>	<b>856</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**
**27.2 Disposals**
**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	-	10	10	-
Furniture and office equipment	-	10	10	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	-	10	10	-

The amount of R10 000 included in disposals for Machinery & Equipment applies to a departmental laptop which was stolen during the financial periods.

**27.3 Movement for 2015/16**
**MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>12,831</b>	<b>(28)</b>	<b>972</b>	<b>(10)</b>	<b>13,765</b>
Computer equipment	5,989	(28)	628	(10)	6,579
Furniture and office equipment	4,097	-	323	-	4,420
Other machinery and equipment	2,745	-	21	-	2,766
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>12,831</b>	<b>(28)</b>	<b>972</b>	<b>(10)</b>	<b>13,765</b>

**27.3.1 Prior period error**

	Note	2015/16 R'000
<b>Nature of prior period error</b>		
Relating to 2014/15 regarding thefts and losses not disclosed.		(28)
<b>Total prior period errors</b>		<b>(28)</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2017

#### 27.4 Minor assets

##### MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017

	Specialised military assets	Software and other intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	1,666	-	4,345	-	6,011
Value adjustments	-	(94)	-	(103)	-	(197)
Additions	-	190	-	185	-	375
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>1,762</b>	<b>-</b>	<b>4,427</b>	<b>-</b>	<b>6,189</b>

Correcting of overstatement of minor assets to major assets, intangible assets R94 000 and machinery and equipment R103 000

	Specialised military assets	Software and other intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	227	-	227
Number of minor assets at cost	-	345	-	3,169	-	3,501
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>345</b>	<b>-</b>	<b>3,383</b>	<b>-</b>	<b>3,728</b>

##### MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016

	Specialised military assets	Software and other intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	1,552	-	4,077	-	5,629
Prior period error						
Additions	-	114	-	268	-	382
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>1,666</b>	<b>-</b>	<b>4,345</b>	<b>-</b>	<b>6,011</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**

	Specialised military assets	Software and other intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	227	-	227
Number of minor assets at cost	-	284	-	3,080	-	3,364
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>284</b>	<b>-</b>	<b>3,307</b>	<b>-</b>	<b>3,591</b>

**28. Intangible Capital Assets**
**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	397	95	-	-	492
SERVICES AND OPERATING RIGHTS	51	-	-	-	51
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>448</b>	<b>95</b>	<b>-</b>	<b>-</b>	<b>543</b>

**28.1 Movement for 2015/16**
**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	340	-	57	-	397
SERVICES AND OPERATING RIGHTS	-	-	51	-	51
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>340</b>	<b>-</b>	<b>108</b>	<b>-</b>	<b>448</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**
**29. Immovable Tangible Capital Assets**
**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>8,054</b>	-	<b>3,283</b>	<b>5,824</b>	<b>5,513</b>
Other fixed structures	8,054	-	3,283	5,824	5,513
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>8,054</b>	-	<b>3,283</b>	<b>5,824</b>	<b>5,513</b>

Completed projects to value of R5,824 million was transferred to the Department of Public Works as per Sec 42 of the PFMA.

**29.1 Additions**
**ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	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
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	<b>3,283</b>	-	-	-	<b>3,283</b>
Other fixed structures	3,283	-	-	-	3,283
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>3,283</b>	-	-	-	<b>3,283</b>

Total of additions to building and other fixed structures costs includes R3,1 million received from European Union Donor funding for upgrades and refurbishments at KIDJA building (see Note 8).

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**
**29.2 Disposals**
**DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	<b>5,824</b>	<b>5,824</b>	-
Other fixed structures	-	5,824	5,824	-
<b>TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	-	<b>5,824</b>	<b>5,824</b>	-

Completed projects to value of R5,824 million was transferred to the Department of Public Works as per Sec 42 of the PFMA.

**29.3 Movement for 2015/16**
**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>5,624</b>	<b>2,116</b>	<b>314</b>	-	<b>8,054</b>
Other fixed structures	5,624	2,116	314	-	8,054
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>5,624</b>	<b>2,116</b>	<b>314</b>	-	<b>8,054</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### For the year ended the 31 March 2017

#### 29.3.1 Prior period error

	<i>Note</i>	<b>2015/16</b>
		<b>R'000</b>
<b>Nature of prior period error</b>		
Relating to 2012/13 to 2015/16		2,116
		2,116
<b>Total prior period errors</b>		<b>2,116</b>

During the 2016/17 financial year the Department conducted an audit on the immovable asset register with the following findings:

- Included in the asset register closing balance is a negative amount of R1 438 000 which was disclosed in the 2012/13 financial period relating to Section 42 transfers to the Department of Roads & Public Works which were never fully concluded and should therefore have remained in the immovable asset register.
- Payments to the value of R463 969.43 relating to upgrades and additions to existing infrastructure were incorrectly disclosed as maintenance and repairs.
- R213 000 constitutes upgrades and additions to the Boys High School hostel which occurred prior to 2012/13 and which is subject to an on-going contract agreement. These upgrades to existing infrastructure will be subject to transfer in accordance with section 42 of the PFMA on conclusion of the contract and is therefore reflected in the asset register balance for immovable assets.

#### 29.4 S42 Immovable assets

##### Assets subjected to transfer in terms of S42 of the PFMA – 2016/17

	<b>Number of assets</b>	<b>Value of assets R'000</b>
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>3</b>	<b>5,513</b>
Other fixed structures	3	5,513
<b>TOTAL</b>	<b>3</b>	<b>5,513</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**
**Assets subjected to transfer in terms of S42 of the PFMA – 2015/16**

	<b>Number of assets</b>	<b>Value of assets R'000</b>
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>3</b>	<b>8,054</b>
Other fixed structures	3	8,054
<b>TOTAL</b>	<b>3</b>	<b>8,054</b>
<b>30. Prior period errors</b>		
<b>30.1 Correction of prior period errors</b>		
	<i>Note</i>	<b>2015/16 R'000</b>
<b>Expenditure:</b>		
Aid assistance transfers reclassified to aid assistance current expenditure (see prior year PER)		712
<b>Net effect</b>		<b>712</b>
	<i>Note</i>	<b>2015/16 R'000</b>
<b>Other:</b>		
Immovable assets		2,144
<b>Net effect</b>		<b>2,144</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**

**31. STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT				2015/16	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Ad-just-ments	Other Ad-just-ments	Total Avail-able	Amount received by department	Amount spent by department	Under / (Over-spend-ing)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
EPWP Integrated Grant for Provinces	2,030	-	-	-	2,030	2,030	2,030	-	100%	2,000	2,000
	<b>2,030</b>	-	-	-	<b>2,030</b>	<b>2,030</b>	<b>2,030</b>	-	<b>100%</b>	<b>2,000</b>	<b>2,000</b>

*Departments are reminded of the requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of the province.*

Conditional Grants received were used for EPWP Projects.
--

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**

**32. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000		R'000	R'000	%
Sol Plaatje Municipality – Rates & Taxes (Eris Property Group)	-	-	146	146	146	-	-
Namakwa District Municipality	818	-	130	948	948	-	-
Pixley Ka Seme	1,092	-	400	1,492	1,492	-	-
Mier Municipality	-	-	311	311	311	-	-
Khara Hais Municipality	-	-	6	6	6	-	-
Sol Plaatje Municipality	120	-	-	120	120	-	-
Kai Garib Municipality	-	-	130	130	130	-	-
<b>TOTAL</b>	<b>2,030</b>	<b>-</b>	<b>1,123</b>	<b>3,153</b>	<b>3,153</b>	<b>-</b>	<b>-</b>

Payment to municipalities includes transfer to municipalities for EPWP projects, Tourism projects as well as rates and taxes on buildings as transferred by the department. Also see Annexure 1A

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**
**ANNEXURE 1A****STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2015/16
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%	R'000
Sol Plaatje Municipality – Rates & Taxes (Eris Property Group)	146	-	-	146	146	-	-	146	-	0%	138
Khara Hais Municipality	6	-	-	6	6	-	-	6	-	0%	200
Sol Plaatje Municipality	120	-	-	120	120	-	-	120	-	0%	701
Namakwa District Municipality	948	-	-	948	948	-	-	948	-	0%	319
Khai Gariep Municipality	130	-	-	130	130	-	-	130	-	0%	500
Pixley Ka Seme Municipality	1,492	-	-	1,492	1,492	-	-	1,492	-	0%	-
Mier Municipality	311	-	-	311	311	-	-	311	-	0%	-
<b>TOTAL</b>	<b>3,153</b>	<b>-</b>	<b>-</b>	<b>3,153</b>	<b>3,153</b>	<b>-</b>	<b>-</b>	<b>3,153</b>	<b>-</b>	<b>-</b>	<b>1,858</b>

Payment to municipalities includes transfer to municipalities for EPWP projects, Tourism projects as well as rates and taxes on buildings as transferred by the department.

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS****For the year ended the 31 March 2017****ANNEXURE 1B****STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2015/16
	Adjust- ed Ap- ropri- ation	Roll Overs	Adjust- ments	Total Availa- ble	Actual Trans- fer	% of Avail- able funds Trans- ferred	Appro- priation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Northern Cape Gambling Board	12,759	-	-	12,759	12,759	100%	9,973
NCEDA	9,037	-	-	9,037	9,037	100%	5,908
Northern Cape Liquor Board	10,833	-	-	10,833	10,833	100%	9,624
NCTA Tourism Promotion Dev	21,269	-	-	21,269	21,269	100%	19,561
KDJI	1,000	-	-	1,000	1,000	100%	-
Kimberley International Diamond Academy	1,540	-	-	1,540	1,540	100%	-
National Development Agency	-	-	-	-	-	-	1,166
Northern Cape SMME Trust	18,664	-	-	18,664	18,664	100%	11,543
Northern Cape Clothing Cluster	1,612	-	-	1,612	1,612	100%	-
SABC	1	-	-	1	1	100%	1
Dept of Transport, Roads & Public Works	-	-	-	-	-	-	2,000
<b>TOTAL</b>	<b>76,715</b>	<b>-</b>	<b>-</b>	<b>76,715</b>	<b>76,715</b>	<b>-</b>	<b>59,776</b>

Transfers to public entities and other projects. SABC payment is for the TV Licences of the Department.

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**
**ANNEXURE 1D****STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2015/16
	Ad-justed Appropriation Act	Roll Overs	Adjust-ments	Total Avail-able	Actual Trans-fer	% of Available funds Trans-ferred	Capital	Current	Appro-riation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000

**Private Enterprises**

<b>Transfers</b>	<b>21,177</b>	-	-	<b>21,177</b>	<b>21,177</b>	<b>100.0%</b>	-	-	<b>38,837</b>
Al-Amirr Halaal									
Butchry	80	-	-	80	80	100.0%	-	-	-
Baheso Brickmaking	430	-	-	430	430	100.0%	-	-	-
Batsumi Lodge and Pub	1,618	-	-	1,618	1,618	100.0%	-	-	-
Benchmarking and manufacturing	88	-	-	88	88	100.0%	-	-	-
Bosco Sports Event	2,000	-	-	2,000	2,000	100.0%	-	-	-
Carey Group	20	-	-	20	20	100.0%	-	-	-
Christians for Peace in Africa	5,000	-	-	5,000	5,000	100.0%	-	-	-
Delva Georges Civil and General	285	-	-	285	285	100.0%	-	-	-
Den M's Breakdown Service	300	-	-	300	300	100.0%	-	-	-
Die Potlepel Touriste Plaas	10	-	-	10	10	100.0%	-	-	20
Dinatla Co-operative Limited	150	-	-	150	150	100.0%	-	-	-
Gamii Goas Guesthouse	243	-	-	243	243	100.0%	-	-	-
Gariep Kunstefees	200	-	-	200	200	100.0%	-	-	250
Griqua Diamonds (NPC)	260	-	-	260	260	100.0%	-	-	260
Ilanushca Van Neel Tourism	21	-	-	21	21	100.0%	-	-	15

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS****For the year ended the 31 March 2017**

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2015/16
	Ad-justed Appropriation Act	Roll Overs	Adjust-ments	Total Avail-able	Actual Trans-fer	% of Available funds Trans-ferred	Capital	Current	Appro-priation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Jo Karoo Flavour	608	-	-	608	608	100.0%	-	-	-
Jo's B and B	100	-	-	100	100	100.0%	-	-	50
Kalaham Info Centre & Tented Camp	8	-	-	8	8	100.0%	-	-	-
Luxrail Maintenance & Construction	20	-	-	20	20	100.0%	-	-	-
Mafaratlha Technical Networks	200	-	-	200	200	100.0%	-	-	-
Maiktronix	2,000	-	-	2,000	2,000	100.0%	-	-	-
Masedi Star	44	-	-	44	44	100.0%	-	-	777
Native Mind Tourism Marketing	16	-	-	16	16	100.0%	-	-	-
Nonong Trading and Project CC	250	-	-	250	250	100.0%	-	-	-
Nothembekile NN Trading	628	-	-	628	-	100.0%	-	-	-
Open Africa	1,400	-	-	1,400	1,400	100.0%	-	-	1,000
Phuliso Autozone Primary	1,000	-	-	1,000	1,000	100.0%	-	-	-
PMST Residentials	254	-	-	254	254	100.0%	-	-	-
Proprint	250	-	-	250	250	100.0%	-	-	-
Sanparks	1,000	-	-	1,000	1,000	100.0%	-	-	225
Siphumlakahle Guesthouse	250	-	-	250	250	100.0%	-	-	-
Sizamile Guesthouse	189	-	-	189	189	100.0%	-	-	-
Springbok One Hour Lab	630	-	-	630	630	100.0%	-	-	-
Triponza Investments	1,500	-	-	1,500	1,500	100.0%	-	-	-
Upington Landbou Expo	35	-	-	35	35	100.0%	-	-	-
Vinkies Tourism Enterprise	20	-	-	20	20	100.0%	-	-	20

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2015/16
	Ad-justed Appropriation Act	Roll Overs	Adjust-ments	Total Avail-able	Actual Trans-fer	% of Available funds Trans-ferred	Capital	Current	Appro-riation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Wydex Events Promotions CC	50	-	-	50	50	100.0%	-	-	-
Pep-Division of Pepkor Retail	20	-	-	20	20	100.0%	-	-	-
Aukwatowa	-	-	-	-	-	-	-	-	40
BH Raats	-	-	-	-	-	-	-	-	192
Butler's T/A The Estate Hotel CC	-	-	-	-	-	-	-	-	1,000
Camms Fontyn Gastehuis (Pty) Ltd	-	-	-	-	-	-	-	-	75
Cool Ideas (Pty) Ltd	-	-	-	-	-	-	-	-	23,000
Diamond Bed Factory	-	-	-	-	-	-	-	-	68
EB Andrews Trading	-	-	-	-	-	-	-	-	8,000
Fiesant Andries	-	-	-	-	-	-	-	-	7
Francis Oats Hostel	-	-	-	-	-	-	-	-	502
Groen Kalahari Kanoe Maraton	-	-	-	-	-	-	-	-	900
Kimberley International Diamond	-	-	-	-	-	-	-	-	830
Matsieng Event T/A Fusion Garden	-	-	-	-	-	-	-	-	310
Northern Cape Clothing Cluster	-	-	-	-	-	-	-	-	670
Rooiduin Guestfarm	-	-	-	-	-	-	-	-	450
Sakhisizwe Colesburg Tours	-	-	-	-	-	-	-	-	76
Santaco T/A NC Prov Taxi Council	-	-	-	-	-	-	-	-	100
Macronym 37CC	1,000	-	-	1,000	1,000	100.0%	-	-	-
<b>TOTAL</b>	<b>22,177</b>	<b>-</b>	<b>-</b>	<b>22,177</b>	<b>22,177</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>	<b>38,837</b>

Transfers to private enterprises for the purpose of economic growth and development fund as well as support to tourism projects.

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS****For the year ended the 31 March 2017****ANNEXURE 1G****STATEMENT OF TRANSFERS TO HOUSEHOLDS**

	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	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
<b>HOUSEHOLDS</b>							
<b>Transfers</b>							
GAM Clarke	-	-	-	-	-	-	13
GK Dikgetsi	-	-	-	-	-	-	45
MA Le Grange	-	-	-	-	-	-	15
MC Segrys	-	-	-	-	-	-	22
O Botlhoko	-	-	-	-	-	-	12
A Pijoos	-	-	-	-	-	-	1
AD Seunelo	17	-	-	17	17	100.0%	-
R Bezuidenhout	-	-	12	12	12	100.0%	-
E Julius	-	-	447	447	447	100.0%	-
B Bobeje	-	-	18	18	18	100.0%	-
	17	-	477	494	494	100.0%	108
<b>Subsidies</b>							
Matsieng Event T/A Fusion Garden	-	-	-	-	98	-	-
<b>TOTAL</b>	<b>17</b>	<b>-</b>	<b>477</b>	<b>494</b>	<b>592</b>	<b>-</b>	<b>108</b>

Leave gratuity paid due to retirement and resignation of employees during 2016/17.
--

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**
**ANNEXURE 11**  
**STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDI- TURE R'000	PAID BACK ON/BY 31 MARCH R'000	CLOSING BALANCE R'000
<b>Received in cash</b>						
European Donor	Employment creation Fund KIDJA	288	3,700	3,257	288	443
<b>Subtotal</b>		<b>288</b>	<b>3,700</b>	<b>3,257</b>	<b>288</b>	<b>443</b>
<b>TOTAL</b>		<b>288</b>	<b>3,700</b>	<b>3,257</b>	<b>288</b>	<b>443</b>

Donor funding from European Union for employment creation - Kimberley International Jewellery Academy (KIDJA). The department utilised funds to improve the buildings for training facilities by learners in mining beneficiation processes to be self-employed at the end of the course.

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS****For the year ended the 31 March 2017****ANNEXURE 1J****STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE**

<b>NATURE OF GIFT, DONATION OR SPONSORSHIP</b>	<b>2016/17</b>	<b>2015/16</b>
<b>(Group major categories but list material items including name of organisation)</b>	<b>R'000</b>	<b>R'000</b>
<b>Made in kind</b>		
Two Galeshewe Families - Furniture	-	68
Richmond Youth Group – Transport	-	8
Jo's Catering Services	-	50
<b>TOTAL</b>	<b>-</b>	<b>126</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**

**ANNEXURE 3B****STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017**

Nature of Liability	Opening Balance  1 April 2016  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 2017  R'000
<b>Claims against the department</b>					
SAPS	1	-	-	-	1
Appeal against labour relations resolution	200	-	200	-	-
Fleet Services – Accidents claims	163	-	-	-	163
Pemberley Investments (Pty) Ltd	15	-	-	-	15
<b>Subtotal</b>	<b>379</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>179</b>
<b>TOTAL</b>	<b>379</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>179</b>

Appeal against labour relations resolution has been finalised, the claimant lost the case at no cost.

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS****For the year ended the 31 March 2017****ANNEXURE 4****CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2016/17 *	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department of Human Settlements	29	-	-	-	29	-	-	-
Department of Social Development	105	-	-	-	105	-	-	-
Northern Cape Fleet Management Trading Entity	-	-	52	-	52	-	-	-
<b>Subtotal</b>	<b>134</b>	<b>-</b>	<b>52</b>	<b>-</b>	<b>186</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>134</b>	<b>-</b>	<b>52</b>	<b>-</b>	<b>186</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended the 31 March 2017**
**ANNEXURE 5**  
**INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2016/17 *	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
<b>Current</b>								
Government Printing	-	-	1	-	1	-	-	-
Department of Justice & Constitutional Development	-	-	281	-	281	-	-	-
Northern Cape Fleet Management Trading Entity	-	-	563	-	563	-	-	-
<b>Subtotal</b>	-	-	<b>845</b>	-	<b>845</b>	-	-	-
<b>TOTAL INTERGOVERNMENTAL</b>								
	-	-	<b>845</b>	-	<b>845</b>	-	-	-

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS****For the year ended the 31 March 2017****ANNEXURE 8A****INTER-ENTITY ADVANCES PAID (note 14)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
<b>OTHER ENTITIES</b>						
Anlar Belleging (Refundable Rental Deposit)	75	75	-	-	75	75
Sol Plaatje (Refundable Deposit – Electricity)	56	56	-	-	56	56
Upington Building (Refundable Rental Deposit)	20	20	-	-	20	20
<b>Subtotal</b>	<b>151</b>	<b>151</b>	<b>-</b>	<b>-</b>	<b>151</b>	<b>151</b>
<b>TOTAL</b>	<b>151</b>	<b>151</b>	<b>-</b>	<b>-</b>	<b>151</b>	<b>151</b>



PR 147/2017  
ISBN: 978-0-621-45466-6

**Published by the Department of  
Economic Development and Tourism**

Metlife Towers, Market Square  
Private Bag X6108, KIMBERLEY 8300  
Tel: 053 839 4000 Fax: 053 831 3668  
E-mail: [tpalm@ncpg.co.za](mailto:tpalm@ncpg.co.za)  
Website: [www.econ.ncpg.gov.za](http://www.econ.ncpg.gov.za)