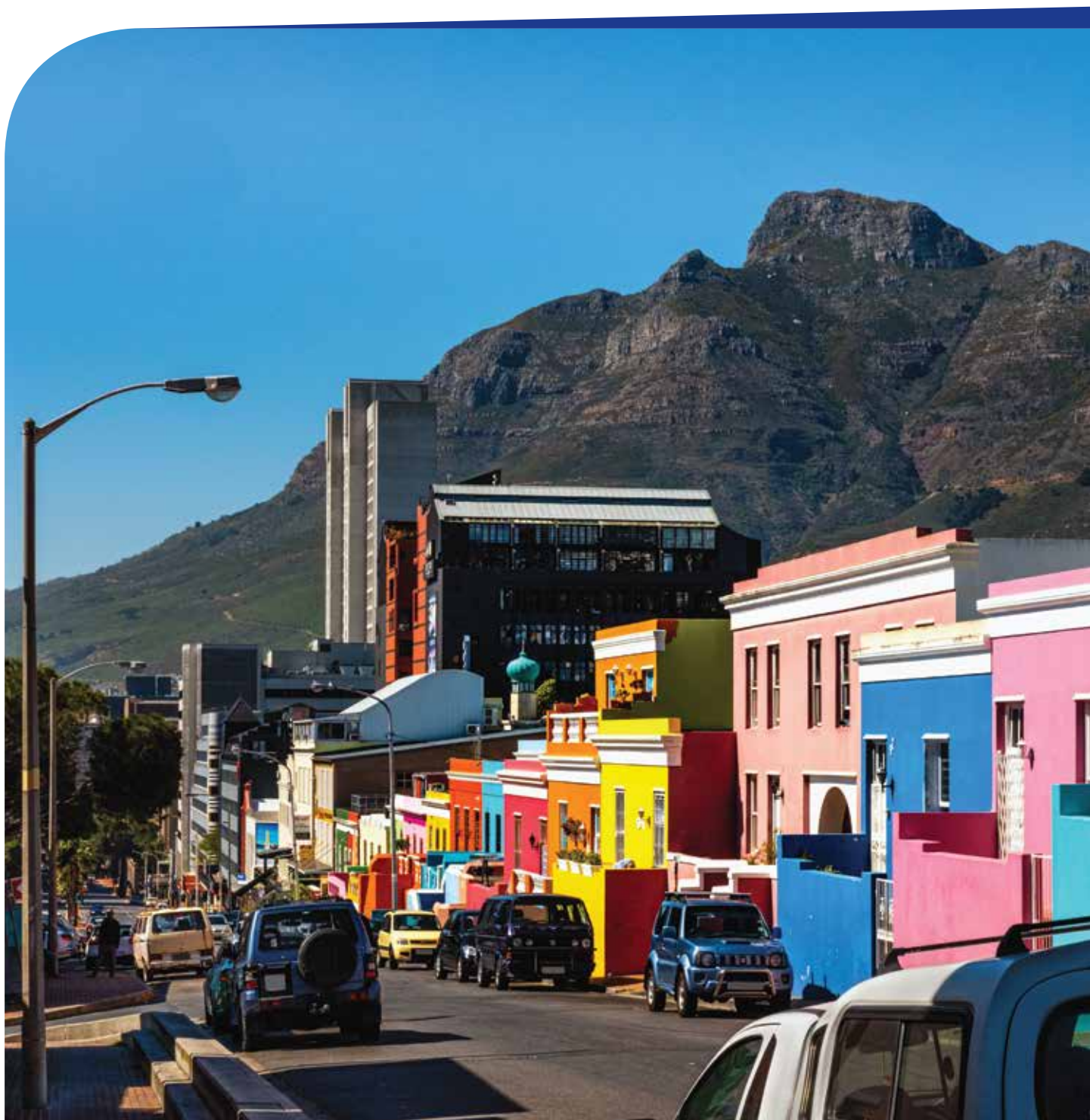




**Western Cape  
Government**

Economic Development  
and Tourism



**Annual Report 2019/20**  
Department of Economic Development and Tourism



DEPARTMENT OF  
ECONOMIC DEVELOPMENT  
AND TOURISM

PROVINCE OF THE WESTERN CAPE

VOTE NO. 12

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Annual Report  
2019/20 FINANCIAL YEAR



# SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

Mr D Maynier  
Minister of Finance and Economic Opportunities

I have the honour of submitting the Annual Report of the Department of Economic Development and Tourism for the period 1 April 2019 to 31 March 2020.

A handwritten signature in dark ink, appearing to read 'Solly Fourie', with a stylized, cursive script.

Mr Solly Fourie  
Accounting Officer  
28 October 2020

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## **PART A: GENERAL INFORMATION**

# 1. DEPARTMENTAL GENERAL INFORMATION

## Department of Economic Development and Tourism

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## 2. LIST OF ABBREVIATIONS/ACRONYMS

<b>ACSA</b>	Airports Company South Africa
<b>AFS</b>	Audited Financial Statement
<b>AGC</b>	Apprenticeship Game Changer
<b>AGSA</b>	Auditor-General of South Africa
<b>AIFMRM</b>	African Institute for Financial Markets and Risk Management
<b>AO</b>	Accounting Officer
<b>AOPI</b>	Auditing of Performance Information
<b>APP</b>	Annual Performance Plan
<b>ASEZ</b>	Atlantis Special Economic Zone Company
<b>BAS</b>	Basic Accounting System
<b>BBBEE</b>	Broad-based Black Economic Empowerment
<b>BER</b>	Bureau for Economic Research
<b>BESP</b>	Built environment Support Programme
<b>BPeSA</b>	Business Process enabling South Africa
<b>BPO</b>	Business Process Outsourcing
<b>CASIDRA</b>	Cape Agency for Sustainable Integrated Development in Rural Areas
<b>CATHSSETA</b>	Culture, Arts, Tourism, Hospitality, Sports, Sector Education and Training Authority
<b>CBMT</b>	Competency-based Modulator Training
<b>CCA</b>	Customs Control Area
<b>CCDI</b>	Cape Craft and Design Institute
<b>CCTC</b>	Cape Clothing and Textile Cluster
<b>CDI</b>	Craft and Design Institute
<b>CEI</b>	Centre for e-Innovation
<b>CIC</b>	Cape Investment Centre
<b>CITI</b>	Cape Information and Technology Initiative
<b>CIPC</b>	Companies and Intellectual Property Commission
<b>CLOTEX</b>	Cape Clothing and Textile Service Centre
<b>CMT</b>	Cut, Make and Trim
<b>CoS</b>	CoS pipefitter apprenticeships
<b>CPSI</b>	Centre for Public Service Innovation
<b>CPUT</b>	Cape Peninsula University of Technology
<b>CRDP</b>	Comprehensive Rural Development Programme
<b>CSC</b>	Corporate Services Centre
<b>CTFC</b>	Cape Town Fashion Council
<b>CTGA</b>	Cape Tourist Guides Association
<b>CTIA</b>	Cape Town International Airport
<b>CTICC</b>	Cape Town International Convention Centre
<b>CTCIP</b>	Clothing and Textile Competitiveness Improvement Programme
<b>DAFF</b>	Department of Agriculture, Forestry and Fisheries
<b>DBSA</b>	Development Bank of Southern Africa
<b>DEADP</b>	Department of Environmental Affairs and Development Planning
<b>DEDAT</b>	Department of Economic Development and Tourism
<b>DHA</b>	Department of Home Affairs
<b>DITCOM</b>	Departmental IT Committee
<b>DMO</b>	Destination Marketing Organisation
<b>DoT</b>	Department of Transport
<b>DotP</b>	Department of the Premier
<b>DPME</b>	Department of Planning, Monitoring & Evaluation
<b>DPSA</b>	Department of Public Service and Administration
<b>DST</b>	Department of Science and Technology
<b>DTM</b>	Departmental Top Management
<b>DTPW</b>	Department of Transport and Public Works
<b>dti</b>	Department of Trade and Industry

<b>dtic</b>	Department of Trade, Industry and Competition
<b>DPW</b>	Department of Public Works
<b>EBA</b>	Established Business Activity
<b>ECM</b>	Electronic Content Management
<b>ED</b>	Enterprise Development
<b>EDP</b>	Economic Development Partnership
<b>EE</b>	Employment Equity
<b>EHWP</b>	Employee Health and Wellness Programme
<b>EIA</b>	Environmental Impact Assessment
<b>EPWP</b>	Extended Public Works Programme
<b>ERM</b>	Enterprise Risk Management
<b>FET</b>	Further Education and Training
<b>FMCG</b>	Fast-moving consumer goods
<b>GDP</b>	Gross Domestic Product
<b>GDPR</b>	Gross Domestic Product per Region
<b>GEM</b>	Global Entrepreneurship Monitor
<b>GMT</b>	Government Motor Transport
<b>GVA</b>	Gross Value Added
<b>HCT</b>	HIV Counselling and Testing
<b>HDI</b>	Historically Disadvantaged Individual
<b>HOD</b>	Head of Department
<b>HRD</b>	Human Resource Development
<b>HSP</b>	Human Settlements Plan
<b>ICAN</b>	Integrated Community Access Network
<b>ICAS</b>	Independent Counselling and Advisory Service
<b>ICT</b>	Information and Communications Technology
<b>IDC</b>	Industrial Development Corporation
<b>IDZ</b>	Industrial Development Zone
<b>IFRS</b>	International Financial Reporting Standards
<b>ISO</b>	International Organisation for Standardisation
<b>ISSP</b>	Integrated Sustainable Settlements Programme
<b>IT</b>	Information Technology
<b>JMA</b>	Joint Marketing Agreement
<b>KZN</b>	KwaZulu-Natal
<b>LLT</b>	Liquor Licencing Tribunal
<b>LED</b>	Local Economic Development
<b>LGSETA</b>	Local Government Sector Education and Training Authority
<b>LLT</b>	Liquor Licencing Tribunal
<b>LMS</b>	Learner Management System
<b>LRA</b>	Labour Relations Act
<b>LSDF</b>	Local Spatial Development Framework
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MEC</b>	Member of Executive Council
<b>MERO</b>	Municipal Economic Review and Outlook
<b>MOA</b>	Memorandum of Agreement
<b>MPAT</b>	Management Performance Assessment Tool
<b>MTEF</b>	Medium Term Expenditure Framework
<b>NDP</b>	National Development Plan
<b>NDPW</b>	National Department of Public Works
<b>NDT</b>	National Department of Tourism
<b>NEF</b>	National Empowerment Fund
<b>NFVF</b>	National Film and Video Foundation



<b>NERSA</b>	National Energy Regulator of South Africa
<b>NGO</b>	Non-Governmental Organisation
<b>NO</b>	National Outcome
<b>NPO</b>	Non-Profit Organisation
<b>NT</b>	National Treasury
<b>OCP</b>	Office of the Consumer Protector
<b>OD</b>	Organisational Design
<b>OMS</b>	Operations Management System
<b>PACA</b>	Participatory Appraisal of Competitive Advantage
<b>PDO</b>	Pre-determined Objectives
<b>PERA</b>	Premier's Entrepreneurship Recognition Awards
<b>PERO</b>	Provincial Economic Review and Outlook
<b>PFMA</b>	Public Finance Management Act
<b>PGDS</b>	Provincial Growth and Development Strategy
<b>PILIR</b>	Policy on Incapacity Leave and Ill-Health Retirement
<b>PPP</b>	Public Private Partnership
<b>PSCBC</b>	Public Service Commission Bargaining Chamber
<b>PSDF</b>	Provincial Skills Development Forum
<b>PSG</b>	Provincial Strategic Goal
<b>PSG 1</b>	Provincial Strategic Goal 1
<b>PSO</b>	Provincial Strategic Objective
<b>PSP</b>	Provincial Strategic Plan
<b>PT</b>	Provincial Treasury
<b>PWD</b>	People with Disabilities
<b>RFI</b>	Request for Information
<b>RIA</b>	Regulatory Impact Assessment
<b>RIN</b>	Regional Innovation Network
<b>RLED</b>	Rural and Local Economic Development
<b>RPL</b>	Recognition of Prior Learning
<b>RTLC</b>	Regional Tourism Liaison Committee
<b>SALGA</b>	South African Local Government Association
<b>SAOGA</b>	South African Oil and Gas Alliance
<b>SAPS</b>	South African Police Service
<b>SARS</b>	South African Revenue Service
<b>SAT</b>	South African Tourism
<b>SCM</b>	Supply Chain Management
<b>SCOPA</b>	Standing Committee on Public Accounts
<b>SDF</b>	Spatial Development Framework
<b>SDIP</b>	Service Delivery Improvement Plan
<b>SDA</b>	Service Delivery Agreement
<b>SEDA</b>	Small Enterprise Development Agency
<b>SEFA</b>	Small Enterprise Finance Agency
<b>SETA</b>	Sector Education and Training Authority
<b>SEZ</b>	Special Economic Zone
<b>SITA</b>	State Information Technology Agency
<b>SKA</b>	Square Kilometre Array
<b>SME</b>	Small and Medium Enterprises
<b>SMME</b>	Small, Medium and Micro Enterprises
<b>SOE</b>	State-owned Enterprise
<b>SPV</b>	Special Purpose Vehicle
<b>SSEG</b>	Small-Scale Embedded Generation
<b>STATSSA</b>	Statistics South Africa
<b>TGCSA</b>	Tourism Grading Council of South Africa
<b>TNPA</b>	Transnet National Ports Authority
<b>ToR</b>	Terms of Reference

<b>TSD</b>	Trade and Sector Development
<b>TFDS</b>	Total Foreign Direct Spend
<b>TVET</b>	Technical and Vocational Training Colleges
<b>UCT</b>	University of Cape Town
<b>UK</b>	United Kingdom
<b>UNWTO</b>	United Nations World Tourism Organisation
<b>VIP</b>	Vision Inspired Priority
<b>WCADI</b>	Western Cape Aquaculture Initiative
<b>WCFFI</b>	Western Cape Fine Food Initiative
<b>WCG</b>	Western Cape Government
<b>WCLA</b>	Western Cape Liquor Authority
<b>WCM</b>	World Class Manufacturing
<b>WCSD</b>	Western Cape Supplier Database
<b>WCTI</b>	Western Cape Tooling Initiative
<b>WEF</b>	World Economic Forum
<b>Wesgro</b>	Western Cape Investment and Trade Promotion Agency
<b>WISP</b>	Western Cape Industrial Symbiosis Project
<b>W&amp;R SETA</b>	Wholesale & Retail Sector Education and Training Authority
<b>YES</b>	Youth Employment Services

### 3. FOREWORD BY THE MINISTER

In fulfilling our vision of a Western Cape that has a vibrant, innovative and sustainable economy, the Department of Economic Development and Tourism continues to focus on the creation and maintenance of an enabling business environment for private sector-led economic growth and jobs.

During the 2019/20 year, the consistent strategic approach and sector-specific interventions were successful for the province, despite tough economic challenges. This was done through two key approaches, namely cutting red tape and ensuring that access to required infrastructure both hard and soft, was facilitated.

Through the Department's trade and investment agency, Wesgro, more than R10.6 billion of investment has been attracted to key sectors resulting in the facilitation of 4 330 jobs since 2014 in the Western Cape. Further to this, Wesgro signed trade deals with an estimated economic impact of R16 854 278 347, resulting in the facilitation of a further 2 381 jobs in the Western Cape.

Support in the tourism sector continues to outperform the rest of South Africa. According to Wesgro (2020), the Western Cape accounted for 16.2% of all international tourist arrivals to South Africa and received 19.8% of South Africa's tourists spend. Also, the Western Cape held 19.7% of South Africa's bed nights recorded during the period. Ensuring our visitors safety is important to us, and so, as part of our Tourism Safety Strategy, we established the Tourism Law Enforcement Unit in partnership with the City of Cape Town, to provide additional security and assistance to those visiting the City of Cape Town.

A highlight of our ongoing ease of doing business initiatives include our interventions to address debilitating inefficiency in the port of Cape Town. A key milestone was the establishment of the Ports Task Team comprising of ten senior representatives from the entire port logistics chain to specifically tackle the congestion issues at the Port of Cape Town. The work of this task team is critical if we are to achieve our apex priority of increasing exports by 50% over the next 5 years and ensure that the Western Cape becomes the most competitive region in Africa.

A flagship project, the SMME Booster Fund was launched successfully with funding allocation to 17 organisations with the potential to assist over 400 SMMEs and create 400 jobs in the Western Cape.

And, the uptake of small-scale embedded generation (SSEG) has continued to increase with the adoption of the necessary legal frameworks by 24 out of the 25 local and metro municipalities to allow for grid-tied SSEG, with 19 of these municipalities having a NERSA-approved feed-in tariff. Supported by a communications campaign, there is now an estimated 167 MW of installed solar PV in the Western Cape. This equates to an estimated R2 billion investment and the creation of 418 jobs.

The Western Cape economy did not escape the challenges presented by the global economic downturn. The onset of Covid-19, which was first felt in December 2019, has dealt an additional blow to the Western Cape economy. This now requires urgent effort to mitigate the impact of the pandemic on jobs and the economy in the Western Cape.

In addressing the economic challenges, the department has adopted six focus areas: investment promotion, catalytic infrastructure provision, growing exports, addressing skills gaps, accelerating ease of doing business and building on resource resilience.

I'd like to acknowledge and thank the department, under the leadership of Mr Solly Fourie, for their efforts in creating an environment conducive to economic growth and job creation in the Western Cape. While we celebrate successes, lessons learned throughout the reporting period also help us shape our future efforts to better serve those living in the Western Cape.

I would also like to thank businesses in the Western Cape who have shown great resilience and innovation during these difficult times. We remain committed to ensuring that businesses stay safe and stay open so that together we can save jobs and save the economy in the Western Cape.



**Mr David Maynier**  
**Minister of Finance and Economic Opportunities**



## 4. REPORT OF THE ACCOUNTING OFFICER

### Overview of the operations of the Department

The year under review has once again provided the Department with the opportunity to establish itself as a leader in the creation of a conducive and growing economic environment.

The activities of the Department span a wide range of economic interventions and the aim of supporting a demand-led, private sector-driven approach to economic development was again successfully realised. Now the Department finds itself, as many similar global departments do, with responding to complexities accompanying the onset of the global Covid-19 pandemic. It is certain that the pandemic will have implications on the Department's work heading into the future and also on the required depth of future relationships with key economic stakeholders in the Western Cape economy.

### Achievements for the year

The 2019/20 financial year marked the end of the 2014/15 – 2019/20 5-year strategy where the Department adopted the vision of the creation of opportunities for jobs and economic growth in the Province and in response, initiated Project Khulisa. Project Khulisa was one of the “game changers” identified by the Western Cape Cabinet for priority focus, in which a deep-dive study into the economy revealed the economic sectors that were growing the fastest and that had the ability to drive job creation. In preparation of the 2020 – 2025 year cycle, the Department finalised the new 5-year strategy of the Department during 2019/20, drawing on the successes of the previous work and charting the new priorities in line with the Provincial Strategic Plan (PSP) and the Vision Inspired Priorities (VIP). An evidence-based approach and consultations with relevant stakeholders marked the finalisation of the new 5-year plan, which focuses on increasing high-quality exports of the Western Cape products and a number of successful sector growth orientated interventions.

In striving to reduce red tape for businesses, the PSP target of R1 billion in cost savings and economic benefits having been achieved in the previous financial year, the Department geared itself for the attainment of the next big target: R5 billion over the MTEF period 2020 – 2025. This is to be achieved through assisting local governments to optimise their business-facing processes, and pro-actively working with all three spheres of government to reduce the systemic inhibitors to efficiency in the delivery of business-facing services in the Province. An example of this is the championing and leading initiatives like improving the logistics at the Port of Cape Town which has commenced with the establishment of the Port of Cape Town Task Team, fully representative of all major role players. Leadership in problematic areas such as these provide relief from systemic red tape faced by businesses of all sizes in getting their goods to markets.

The Department's initiatives to support SMME development have also recorded numerous gains during the 2019/20 financial year. Key to this is the SMME Booster Fund, an initiative in partnership with organisations that provide business support to SMMEs, to leverage funding and scaling of projects. A flagship project, the SMME Booster Fund delivered on the outcomes of job creation (and/or retention) and business expansion by supporting organisations in the areas of Enterprise and Supplier Development, Business Development Support, Infrastructure Development and Businesses in Distress. The Fund supports 17 organisations with the potential to assist over 400 SMMEs and create at least 400 jobs.

DEDAT's *jump for entrepreneur's* free business resource tool is now available as an app. This innovative approach puts a wide set of resources into the palms of SMMEs, allowing them to establish the health of their business, find opportunities and events, connect with beneficial people such as mentors, jumpstart their business to improve competitiveness and productivity, listen to business podcasts and many other resources.

There were a further number of achievements realised over the past year, with many earlier implemented interventions, realising even greater gains. Air Access is one, which represents an innovative initiative conceptualised by the Department and realised through collaboration with Wesgro and the private sector. Since

its inception, this team has grown inbound international seats into the city by expanding existing routes (20 in total) as well as through the addition of new routes (19 in total) into Cape Town. The highlight of 2019/20 is the launch of the North America Route from Newark to Cape Town which will increase inbound passengers by 24 000 passengers and impact GDP by an estimated R286 million. Air Access will continue to focus on route retention as well as a renewed focus on cargo in 2020/21.

The industrialisation of the West Coast Region with the Saldanha Bay Industrial Development Zone is well on track, now with over 50 potential investors already signing Memorandums of Understanding or Rights of First Refusal. Infrastructure includes the bulk services and roads for the Port Land as well as the almost completed Access Complex (including commercial and government service offices) and the start of construction on top structures (workshops) for investors. Land transactions were completed for back-of-port and some portions of port land and the approval of the Customs Control Area (CCA) by SARS Customs allows the Saldanha Bay IDZ to implement one of their key value propositions – that of being South Africa’s first Free Port. With these important building blocks in place, the IDZ also attracted their first major project onto their Project Leasing Facility.

Given the unstable state of the country’s energy system energy resilience continued its focus, with 23 local municipalities and the City of Cape Town now having the required legal frameworks in place to allow for grid-tied SSEG and 19 of these having NERSA-approved feed-in tariffs approved, resulting in 167 MW of small scale renewable energy being installed in the Western Cape. The Department also continues to drive improved water resilience given the ongoing water security challenges in the Province that impact on investor confidence and competitiveness.

Through programmatic interventions of our Skills and Innovation programme we continued to address systemic challenges associated with career guidance, educational attainment in Mathematics, retention rates at educational institutions and workplaces; life and job readiness skills and the delivery of education and training curricula to address industry needs. To do this the subprogrammes strived to foster relationships with all three spheres of government, civil society and business to promote the concept of apprenticeships. The Apprenticeship Game Changer (AGC) ended as a stand-alone programme on 31 March 2020. The AGC provided a renewed strategic focus to increase the alignment between the demand and supply of technical and vocational skills to meet the skills needs of prioritised economic growth areas in the Western Cape. The AGC efforts positively strengthened key partnerships between the TVET colleges, industry and other key players in the skills development ecosystem that supports greater demand and supply of competent TVET workers.

As part of the Tourism Safety Strategy to provide a 24/7 safe environment, the Tourism Law Enforcement Unit was established in high risk areas for tourists. This was done together with the City of Cape Town (CoCT).

The detailed achievements of the Department are reflected later in this report as part of the programmatic feedback.

## Challenges for the year

In the first few quarters of 2019, the global economy continued to slow down. The International Monetary Fund (IMF) originally forecasted that the global economy was set for modest growth of 3,3% in 2020, while growing at 2,9% in 2019. This was before the Global Covid-19 pandemic emerged which resulted in severe shocks in all global markets. The International Monetary Fund now expects the global economy to contract by 4,9% in 2020. This is far more severe than the Global Financial Crisis of 2008, when the global economy contracted by -1,5% in 2009. These numbers reflect widespread global economic challenges on multiple fronts. Since its global onset in December 2019 the challenge presented is truly unprecedented in nature and has had detrimental impacts to business operations.

The Western Cape economy did not escape the challenges presented by the global economic downturn and like the rest of the world, was grappling with recovering from its impacts. Covid-19 dealt an additional severe blow to the Western Cape economy, which now requires critical elements of recovery within an uncertain health-related context. The primary societal challenge facing South Africa and therefore the Western Cape, is the unsustainable and growing levels of unemployment, even before the onset of the COVID-19 pandemic, which has contributed

to making the phenomenon worse. Key to addressing the growing rate of unemployment is to address the economic challenges that inhibits economic growth and the challenges faced by private sector firms.

The Department continues to align its operations and drive a number of initiatives as interventions to create an environment to unlock employment opportunities and exploit the full advantages of the Western Cape economy, but now more than ever, efforts need to be directed at supporting business, as our critical stakeholder in their resilience efforts.

## Overview of the financial results of the Department:

### Departmental receipts

	2019/20			2018/19		
	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
<b>Departmental receipts</b>						
Tax Receipts	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-
Non-Tax Receipts	333	2 026	(1 693)	315	1 144	(829)
Sale of goods and services other than capital assets	333	410	(77)	315	483	(168)
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	27	(27)
Sale of capital assets	-	32	(32)	-	19	(19)
Financial transactions in assets and liabilities	-	1 584	(1 584)	-	615	(615)
<b>Total</b>	<b>333</b>	<b>2 026</b>	<b>(1 693)</b>	<b>315</b>	<b>1 144</b>	<b>(829)</b>

During the financial year, the Department over-collected on its financial transactions in assets and liabilities by an amount of R1.693 million.

In terms of the tourist guide registration fees, 1 544 tourist guides were registered during the financial year resulting in an over-collection of revenue of R77 000. Other notable over-collections in revenue is attributed to the sale of obsolete equipment to staff amounting to R32 000 and interest earned from the application of debt management systems. The primary contributor to the over-collection of revenue is attributed to Financial Transactions in assets and liabilities which accounted for R1.584 million.

### Programme expenditure

In terms of final expenditure over the past two financial years, the Department has managed to expend 97.56% or R498.783 million of its adjusted appropriation in the 2019/20 financial year, compared to the 98.95% or R424.396 million spent in the 2018/19 financial year.

Programme Name	2019/20			2018/19		
	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	59 477	56 914	2 563	58 446	57 653	793
Integrated Economic Development Services	67 040	66 271	769	46 208	46 150	58
Trade and Sector Development	63 718	61 530	2 188	47 659	47 204	455
Business Regulation & Governance	9 223	9 058	165	9 731	9 684	47
Economic Planning	185 496	181 807	3 689	136 184	134 244	1 940
Tourism, Arts & Entertainment	60 035	58 148	1 887	59 670	59 339	331
Skills Development & Innovation	66 274	65 055	1 219	71 044	70 122	922
<b>Total</b>	<b>511 263</b>	<b>498 783</b>	<b>12 480</b>	<b>428 942</b>	<b>424 396</b>	<b>4 546</b>

## Virements

By the end of the 2019/2020 financial year, virements were undertaken to defray over expenditure across main divisions within the vote. These virements were applied as follows:

Programme 3: Trade and Sector Development: A virement to the Programme was done to defray over expenditure within the Goods and Services economic classification. The virement was effected from Programme 6: Tourism, Arts and Entertainment.

Programme 4: Business Regulation and Governance: A virement to the Programme was done to supplement the General Consumer Awareness project. The virement was effected from Programme 6: Tourism, Arts and Entertainment.

Programme 5: Economic Planning: A virement to the Programme was done to provide additional funding for the Economic Data Management project for the renewal of key data subscriptions.

Programme 7: Skills Development and Innovation: A virement to the Programme was done to provide funding for additional learners on the Competency Based Modular Training (CBMT). The virements were effected from Programme 1: Administration and Programme 2: Integrated Economic Development Services.

## Roll overs

No roll overs were effected during the 2019/20 financial year.

## Future plans of the Department

The Department has expanded its vision for the Western Cape economy into one of a vibrant, innovative and sustainable economy, characterised by economic growth and employment.

In attaining this vision, the Department will continue its provision of leadership to the economy through its understanding of the complexities of the Western Cape economy, its ability to identify economic opportunities and potential, while contributing to government economic priorities. This role will be vital in guiding economic stakeholders in the current reality we find ourselves. The Department will enhance the productive and competitive capability of the provincial economy and will catalyse economic growth and employment creation through: investment promotion and catalytic infrastructure; export growth; addressing the skills gap; accelerating the ease of doing business; and resource resilience.

Economic advocacy will play a critical role in forging vital partnerships with local, national and international role players, who can influence the growth of the regional economy and impact employment. The approach appreciates that every institution within the Western Cape has a role and mandate, and within these respective mandates and roles, these institutions can positively contribute towards the economic growth of the Western

Cape. Realisation of the objectives as well as implementation of this approach is highly dependent on ongoing partnerships with stakeholders, and the Department has and will continue to identify and engage with relevant stakeholders in a meaningful way, with a focus on creating shared value, especially in the context of the global Covid-19 pandemic.

## Public Private Partnerships

There are no PPP undertaken by the Department of Economic Development and Tourism.

## Discontinued activities

No activities were discontinued during the 2019/20 financial year.

## New or proposed activities

Key to addressing the growing rate of unemployment is to address the economic challenges that inhibits economic growth and the challenges faced by private sector firms.

Employment creation goals will be achieved through interventions in the following five Departmental focus areas: Investment through promotion and catalytic infrastructure, Grow exports, Address skills gaps, Accelerate ease of doing business and Resource resilience. These Departmental focus areas and their respective outcomes form the cornerstone of the Department of Economic Development and Tourism's new five-year strategy.

## Supply chain management

### Supply chain management (SCM) processes and systems to prevent irregular expenditure

The Department did not conclude any unsolicited bid proposals for the year under review.

A large percentage of the Department's work is undertaken through the supply chain processes and as such this is critical to the business of the Department. In the financial year under review, the SCM processes were critically reviewed to combat waste and corruption as well as to improve efficiencies.

Standard operating procedures and processes are in place to mitigate against the occurrence of irregular, fruitless and wasteful and unauthorised expenditure, through the design and implementation of detective, preventative and corrective controls. The Internal Control unit performs oversight and maintains adherence to governance and compliance prescripts. These controls are incorporated in the current Finance Policy Manual and Delegation Framework.

Since much of the SCM system is manual, structured capacity building and training programmes are in place to promote department-wide awareness of the SCM systems, standard operating procedures, policies, templates and tools.

In the 2019/20 financial year the Department procured goods and services according to the procurement plan with a 29,96% deviation which was due to projects having been cancelled and/or redirected as transfer payments. The Department continuously maintains and manages moveable assets on the LOGIS system in accordance with minimum required information in the Fixed Assets Register. The year-end physical verification of all moveable assets commenced on 10 February 2019 and was completed on 28 February 2019. All the moveable assets acquired in the year under review have been accounted for and accurately captured on the Asset Register as per the Asset Management Framework and the Public Finance Management Act.

As part of the effort to improve efficiencies, the Department automated the vehicle booking system that allows officials to book vehicles online. The automation of the vehicle booking system has eliminated much of the mundane and time-consuming processes associated with completing a manual form. With the use of the automated online booking system, the Department has realised the following unprecedented benefits:

- Helps to improve audit readiness
- Errors prone to human intervention are greatly diminished
- Team sharing and optimised collaborations

- Electronic review and monitoring while ensuring transparency and credibility of data
- It is faster and reports can be generated instantly at the click of a button.

The automation has streamlined the process and is ready to be implemented across other government departments.

Conflict of interest is at least managed through procurement and other processes. DEDAT continuously ensures that:

- Senior management, supply chain management practitioners, role players and bid committee members disclose their financial interest. The service providers are required to disclose their financial interests and connected government employees through the supply chain management processes.
- Vetting of senior management, staff and key suppliers.
- Verification of bidders' conduct against the register of tender defaulters.

In addition, all staff appointed within the Supply Chain Management unit, complete a Declaration of Interest and acknowledgement of the content of the Code of Conduct form which is kept on file by the Head of the SCM.

## Cost Containment

The need for fiscal prudence has become ever increasingly important in the current economic climate the country is facing. This economic climate calling for further "tightening of belts" has resulted in the National Treasury issuing and updating a number of cost containment measures over the last few years. These measures are aimed at limiting frivolous spending within government and focus the already limited resource envelope to where the need is greatest, i.e. the citizens of our great country.

While the Department has embraced the need for eliminating wastage and focusing every penny towards our client-facing services, the Department has further responded to the issuance of the cost-containment measures by firstly reviewing and updating all financial policies as well as delegations where applicable. It should be noted that the amending of policies would prove ineffective, if these are not only communicated, but training programmes are rolled out to help line managers and staff in understanding not only their obligations, but why these have been issued in the first place.

Further to the above, standard operating procedures (SOPs), checklists as well as templates were revised to assist all within the Department in terms of guidance and prevention of confusion. These measures were all put in place to guide officials as it is recognised that change can be difficult for some.

Appropriate controls are in place to ensure compliance with the Finance Policy Manual. A comprehensive set of procedures exists to provide the necessary checks and balances for the economical, efficient and effective use of resources. The essence of this Finance Policy Manual is that it is comprehensive, clear and unambiguous, as well as easy to assimilate and internalise.

Standard operating procedures were developed and training pertaining thereto was conducted. The Department will now be able to implement disciplinary measures without taking a risk of incurring legal disputes.

The Internal Control unit performs oversight and maintains adherence to governance and compliance prescripts. These controls are incorporated in the current Finance Policy Manual and Delegation Framework.

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

Name	Designation	Nature	Estimated Value (R)	Relationship with receiver
Tim Parle	Chief Director	RocketBook Everlast	619	None
Ilse van Schalkwyk	Chief Director	RocketBook Everlast	619	None
Gershon Oliver	Deputy Director	Flask, flash drive and pen	350	None
Tim Parle	Chief Director	Paperback copy of book: Chasing Black Unicorns (This book has been donated to the Department)	298	None

Name	Designation	Nature	Estimated Value (R)	Relationship with receiver
Ilse van Schalkwyk	Chief Director	Beach Towel in Draw String Bag	200	None
Solly Fourie	Accounting Officer	4.5kg Grapes and promotional book	400	None
Solly Fourie	Accounting Officer	2 small bean bag cushions (Wonderbags) and spices	200	Member of the board of CTICC
Solly Fourie	Accounting Officer	Bottle of Brandy	200	None
Rashid Toefy	Deputy Director General: Economic Operations	2 VIP suite tickets to the HSBC 7's Rugby as well as 1 Vehicle Access Pass	4 300	None

## Exemptions and deviations received from the National Treasury

The Department did not have any exemptions or deviations from National Treasury.

## Events after the reporting date

In February 2020 the world was hit by the unprecedented global crisis of dealing with the COVID-19 pandemic. It has had a wide ranging effect on every aspect of society, affecting everything we do as citizens, businesses and as government.

This event has required a fundamental re-think of our five year strategic plan, but it also needs a re-imagining of how we operate and deliver services as the Department of Economic Development and Tourism.

## Acknowledgements

I acknowledge and appreciate the support, leadership, guidance and encouragement provided by MEC Maynier and his office staff as well as the Cabinet of the Western Cape during the financial year. Thank you also to my hard-working and dedicated management team, and the DEDAT staff who have remained committed and focussed to ensure that we continue to progress in achieving our goals and objectives.

I would also like to take this opportunity to thank our support partners and agencies and also express my sincere appreciation for the businesses, small, medium and large, for their continued contributions to the realisation of a prosperous Western Cape economy. Now more than ever, all economic stakeholders will have to work together in bolstering the resilience of the Western Cape and responding to a "new normal".

## Conclusion

In concluding, the Department has again realised its mandate in the implementation of projects and programmes contributing to a growing Western Cape economy. Year-on-year the Western Cape economy has contributed to the largest number of employment opportunities compared to other provinces in the country. Now, given the challenges of the Covid-19 pandemic, the Department has to play a strategic leadership role in mitigating the potential job losses to the Western Cape economy. This represents the "new" context within which the Department will have to pivot its support programmes. Given resource constraints, economic advocacy objectives will be prioritised, as now more than ever, government and its associated agencies will need to work together with the corporate, small business and industrial sectors in order to chart an economic course in realising the goal of a vibrant, innovative and sustainable Western Cape economy, characterised by economic growth and employment.



**MR SOLLY FOURIE**  
**ACCOUNTING OFFICER**  
 28 October 2020



## 5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR 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 for the financial year ended 31 March 2020.

Yours faithfully



**MR SOLLY FOURIE**  
**ACCOUNTING OFFICER**

28 October 2020

## 6. STRATEGIC OVERVIEW

### 6.1 Vision

The Department's vision is a Western Cape that has a vibrant, innovative and sustainable economy, characterised by growth, employment and increasing equity, and built on the full potential of all.

### 6.2 Mission

To achieve the vision statement as noted above, the Department of Economic Development and Tourism will provide leadership to the Western Cape economy through the Department's understanding of the economy, its ability to identify economic opportunities and potential, and its contribution to government economic priorities.

The Department will also act as a catalyst for the transformation of the economy and respond to the challenges and opportunities of its economic citizens, in order to support the government's goal of creation of opportunities for business and citizens to grow the economy and employment.

Lastly, it will contribute to the provision of a predictable, competitive, equitable and responsible environment for investment, enterprise and trade.

### 6.3 Values

The core values which the Department espouses are:



CARING

To care for those we serve and work with



COMPETENCE

The ability and capacity to do the job we are appointed to do



ACCOUNTABILITY

We take responsibility



INTEGRITY

To be honest and to do the right thing



INNOVATION

To be open to new ideas and develop creative solutions to problems in a resourceful way



RESPONSIVENESS

To serve the needs of our citizens and employees

## 7. LEGISLATIVE MANDATE

Several acts play a role in the Department's work ambit. The more important acts and policies are mentioned:

### **Western Cape Tourism, Trade and Investment Promotion Agency Act, 1996 (Act 3 of 1996) (as amended)**

The Law established the Western Cape Investment and Trade Promotion Agency (Wesgro). It was amended by the Western Cape Investment and Trade Promotion Agency Amendment Act, 2013 (Act 6 of 2013), which amended the principal act so as to extend the objects, powers and functions of the Western Cape Investment and Trade Promotion Agency and the powers and duties of directors of the Board of the Agency (the Board) and the chief executive officer to include tourism promotion. This act provides for the establishment, appointment, powers and functions of the Western Cape Tourism, Trade and Investment Promotion Agency in order to promote and support the economic growth and development of the province and to provide for matters incidental thereto.

### **Businesses Act, 1991 (Act 71 of 1991)**

This act provides for the designation of licensing authorities and the issuing of licenses for certain types of businesses (including the sale or supply of meals or perishable foodstuffs and the provision of certain types of health facilities or entertainment).

### **Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003), as amended by the B-BBEE Amendment Act, 2013 (Act 45 of 2013)**

The B-BBEE Act establishes a legislative framework for the promotion of black economic empowerment; empowers the Minister to issue codes of good practice, and to publish transformation charters; establishes the Black Economic Empowerment Advisory Council; and provides for matters connected therewith.

The B-BBEE Amendment Act introduced a number of changes, of which the following are deemed to be the most significant:

- The establishment of a B-BBEE Commission that provides an oversight and advocacy role.
- The definition of "fronting practices" and the criminalisation of such practices.
- All organs of state to report on compliance with B-BBEE regulations in their annual reports.

The amendments to the B-BBEE Codes of Good Practice came into effect on 01 May 2015.

### **Consumer Protection Act, 2008 (Act 68 of 2008)**

The CPA promotes a fair, accessible and sustainable marketplace for consumer products and services and for that purpose establishes national norms and standards relating to consumer protection, provides for improved standards of consumer information, prohibits certain unfair marketing and business practices, promotes responsible consumer behaviour, promotes a consistent legislative and enforcement framework relating to consumer transactions and agreements; and establishes the National Consumer Commission.

### **National Small Enterprise Act, 1996 (Act 102 of 1996), as amended by the National Small Enterprise Amendment Act, 2004 (Act 29 of 2004)**

The amendment act repealed the provisions pertaining to the Ntsika Enterprise Promotion Agency (Ntsika); provides for the establishment of the Small Enterprise Development Agency (SEDA) and makes provision for the incorporation of Ntsika, NAMCA and any other designated institution into the agency.

### **Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)**

The Act provides core principles, mechanisms and processes to enable municipalities to move progressively towards social and economic upliftment of communities and to ensure access to essential and affordable services.

## **Western Cape Consumer Affairs (Unfair Business Practices) Act, 2002 (Act 10 of 2002)**

The Act provides for the investigation, prohibition and control of unfair business practices and establishes an Office of the Consumer Protector and Consumer Affairs Tribunals.

## **Tourism Act, 2014 (Act 3 of 2014)**

This Act makes provision for the development and promotion of sustainable tourism for the social, economic and environmental benefit of South African citizens. Its objectives include the promotion of responsible tourism practices; the effective marketing of South Africa, both domestically and internationally through South African Tourism (SAT); the promotion of quality tourism products and services; the promotion of economic growth and development of the sector, and the establishment of concrete intergovernmental relations to develop and manage tourism. It specifically makes provision for further training and registration of tourist guides, a code of conduct and ethics for tourist guides, procedures to lodging complaints and disciplinary measures.

## **The Co-operatives Act, 2005 (Act 14 of 2005), as amended by the Co-operatives Amendment Act, 2013 (Act 6 of 2013)**

The Act prescribes that the Department responsible for economic development within the provincial government ensures co-ordination on planning, budgeting, provisioning of services and support to and monitoring and evaluation of cooperatives.

## **The Western Cape Membership of the Western Cape Economic Development Partnership Act, 2013 (Act 12 of 2013)**

The purpose of the Act is to provide enabling legislation to regulate the relationship between the Western Cape Government and the EDP. The Act provides that the Western Cape Government may become a member of the EDP and establishes a formal relationship (inclusive of providing for transfer payments) between the two parties. The Act put forward conditions relating to the Western Cape Government's membership of the EDP and funding of the EDP through transfer payments. The Act does not regulate the governance and operations of the EDP as these are regulated by company laws. The Act was passed by Provincial Cabinet in December 2013.

## **The Cape Town International Convention Centre Company Act, 2000 (Act 8 of 2000)**

The purpose of the Act is to provide for the Province's shareholding in the Cape Town International Convention Centre Company, for the funding provided to the Company by the Province, and to provide for matters incidental thereto.

## **The Special Economic Zones Act, 2014 (Act 16 of 2014)**

The purpose of the Act is to provide for the designation, promotion, development, operation and management of Special Economic Zones (SEZ), which includes the establishment of a business enterprise (either provincial or municipal) to manage each SEZ. Furthermore, the Act provides for the establishment and functioning of the national Special Economic Zones Advisory Board and the establishment of the Special Economic Zones Fund. Finally, the Act seeks to regulate the process of applying for and issuing of Special Economic Zones operator permits; and to provide for functions of the Special Economic Zones operator.

## **Saldanha Bay Industrial Development Zone Licencing Company Act, 2016 (Act 1 of 2016)**

The purpose of the act is to regulate the operation of the Saldanha Bay IDZ Licencing Company SOC Ltd; to provide for the shareholding of the Western Cape government in the Saldanha Bay IDZ Licencing Company SOC Ltd; to provide for the objects, functions and governance of the Saldanha Bay IDZ Licencing Company SOC Ltd.

## The Western Cape Special Economic Development Infrastructure Company Act 16 of 2019

The Western Cape Government is responsible for driving a number of special economic development infrastructure projects in the Province to stimulate and promote economic growth and employment creation. This act enables the establishment and management of a juristic person to hold and safeguard the Western Cape Government's interests in these special economic development infrastructure projects.

## POLICY MANDATES

### Economic Procurement Policy

Though still in draft form, the aim of the policy is to maximise the economic impact of public procurement to support the growth and development of businesses located in the Province.

### Framework for Managing Programme Performance Information (FMPPI, 2007)

The FMPPI outlines key concepts in the design and implementation of management systems to define, collect, report and use performance information in the public sector. The FMPPI emphasises that performance information is essential to focus the attention of the public and oversight bodies on whether public institutions are delivering value for money, by comparing their performance against budgets and service delivery plans and to alert managers to areas where corrective measures are required.

### National Development Plan (NDP)

The key concepts of the NDP are:

- Uniting South Africans around a common programme;
- Citizens active in their own development;
- Faster and more inclusive economic growth;
- Building capabilities;
- A capable state; and
- Leadership and responsibility throughout society.

### National Evaluation Policy Framework, 2011

The National Evaluation Policy Framework (NEPF) provides both the basis for a minimum system of evaluation across government and a common language for evaluation in the public service. Its purpose is to ensure good quality evaluations that give information about what is working and what is not and, in this way, help to improve the effectiveness and impact of government's work. To improve performance, the framework underlines the need to use credible and objective evaluation-derived evidence in planning, budgeting, organisational improvement and policy review, and in programme and project management.

### OneCape2040

OneCape2040 is a deliberate attempt to stimulate a transition towards a more inclusive and resilient economic future for the Western Cape region. It is a vision and strategy for society, rather than a plan of government, although all three spheres of government are essential for implementation. It does not replace any existing statutory plans required of either province or municipalities. It is rather intended as a reference point and guide for all stakeholders in order to:

- Promote fresh thinking and critical engagement on the future;
- Provide a common agenda for private, public and civil society collaboration;
- Help align government action and investment decisions;
- Facilitate the necessary changes we need to make to adapt to our (rapidly) changing local and global context; and
- Address our development, sustainability, inclusion and competitiveness imperatives.

## Provincial Strategic Plan (PSP) 2014-2019

The PSP 2014–2019 is a five-year plan that set out the Western Cape Government's strategies and plans for the past five years. It consists of five Strategic Goals, namely

- Strategic Goal 1: Create opportunities for growth and jobs.
- Strategic Goal 2: Improve education outcomes and opportunities for youth development.
- Strategic Goal 3: Increase wellness, safety and tackle social ills.
- Strategic Goal 4: Build a quality living environment, resilient to climate change.
- Strategic Goal 5: Embed good governance and integrated service delivery through partnerships and spatial alignment.

## Western Cape Green Economy Strategy Framework

The aim of the framework is to position the Western Cape as the lowest carbon province in South Africa and the leading green economic hub of the African continent.

## Western Cape Broadband Strategic Framework (2012)

The framework sets out a holistic approach to address access (infrastructure), readiness and usage of government, citizens and businesses in order to improve government service delivery, strengthen citizens' access to opportunities and information and increasing economic competitiveness.

## SA Connect

The South African National Broadband Policy (adopted in Dec 2013) provides a framework for a robust telecommunications environment in the country. Aligned to the NDP, it asserts the economic beneficiation for broadband infrastructure can only be effected when the following conditions are met:

- Broadband must reach a critical mass of South Africans;
- Access to broadband must be affordable;
- Demand-side skills must be developed so broadband services can be used effectively; and
- Supply-side skills must be developed so that the economic and innovative potential of broadband can be exploited.

## Industrial Policy Action Plan (IPAP)

The Industrial Policy Action Plan (IPAP) is firmly entrenched in Government's overall policy and plans to address the key challenges of economic and industrial growth and race-based poverty, inequality and unemployment. IPAP 2018 is a product of the Economic Sectors, Employment and Infrastructure Development (ESEID) cluster. The responsibility for its implementation lies with Government as a whole and a wide range of entities, including SOCs.

IPAP2018 focuses on the following 10 key themes which inform the work of the dtic and act as a roadmap for the wider industrial effort:

- Grow the economy.
- Strengthen efforts to raise aggregate domestic demand – mainly through localisation of public procurement and intensified efforts to persuade the private sector to support localisation and local supplier development.
- Step up South Africa's export effort.
- Create and reinforce policy certainty and programme alignment.
- Strengthen ongoing efforts to build a less concentrated, more competitive economic and manufacturing environment in which barriers to entry for new entrants are lowered.
- Build a stronger system of industrial finance and incentives to support and secure higher levels of private sector investment in the productive sectors of the economy and grow exports.
- Press ahead with technology-intensive, value-adding beneficiation projects which fully leverage SA's comparative resource endowment advantage into a global competitive advantage.
- Optimise technology transfer and diffusion and, working closely with the Department of Science and Technology, further ramp up the effort to commercialise 'home-grown' R&D in key sectors.

- Support the further strengthening of energy-efficient production and carbon mitigation efforts and measures in a manner that allows for sustainable adaptation by all the energy-intensive sectors of the economy.
- Understand, grasp and prepare for the foreseeable effects of the Digital Industrial Revolution and emergent disruptive technologies, collaboratively adapting SA's productive and services sectors to meet the challenges, including those relating to employment displacement.

## National Tourism Sector Strategy (NTSS)

Research indicates that there are still numerous opportunities for tourism growth in the country that are not being fully exploited. This has led the new National Department of Tourism, under the direction of the Minister of Tourism, to initiate and manage an inclusive process to draft a National Tourism Sector Strategy to inspire and accelerate the responsible growth of the tourism industry from 2010 to 2020.

The NTSS proposes three core themes with specific focus areas which has a National, Provincial and local perspective.

### THEME 1: Tourism growth and the economy

- To grow the tourism sector's absolute contribution to the economy
- To provide excellent people development and decent work within the tourism sector
- To increase domestic tourism's contribution to the tourism economy
- To contribute to the regional tourism economy

### THEME 2: An enhanced visitor experience

- To deliver a world-class visitor experience
- To entrench a tourism culture among South Africans
- To position South Africa as a globally recognised tourism destination brand

### THEME 3: Sustainability and good governance

- To achieve transformation within the tourism sector
- To address the issue of geographic, seasonal and rural spread
- To promote 'responsible tourism' practices within the sector
- To unlock tourism economic development at a local government level

## The National Rural Tourism Strategy

The National Department of Tourism (NDT) developed a National Rural Tourism Strategy, a strategy meant to ensure a developmental approach upon packaging rural tourism products and opportunities in South Africa. This approach is also meant to prioritise spatial nodes which have a growth potential in order to stimulate growth of the tourism industry in South Africa.

## The Domestic Tourism Growth Strategy

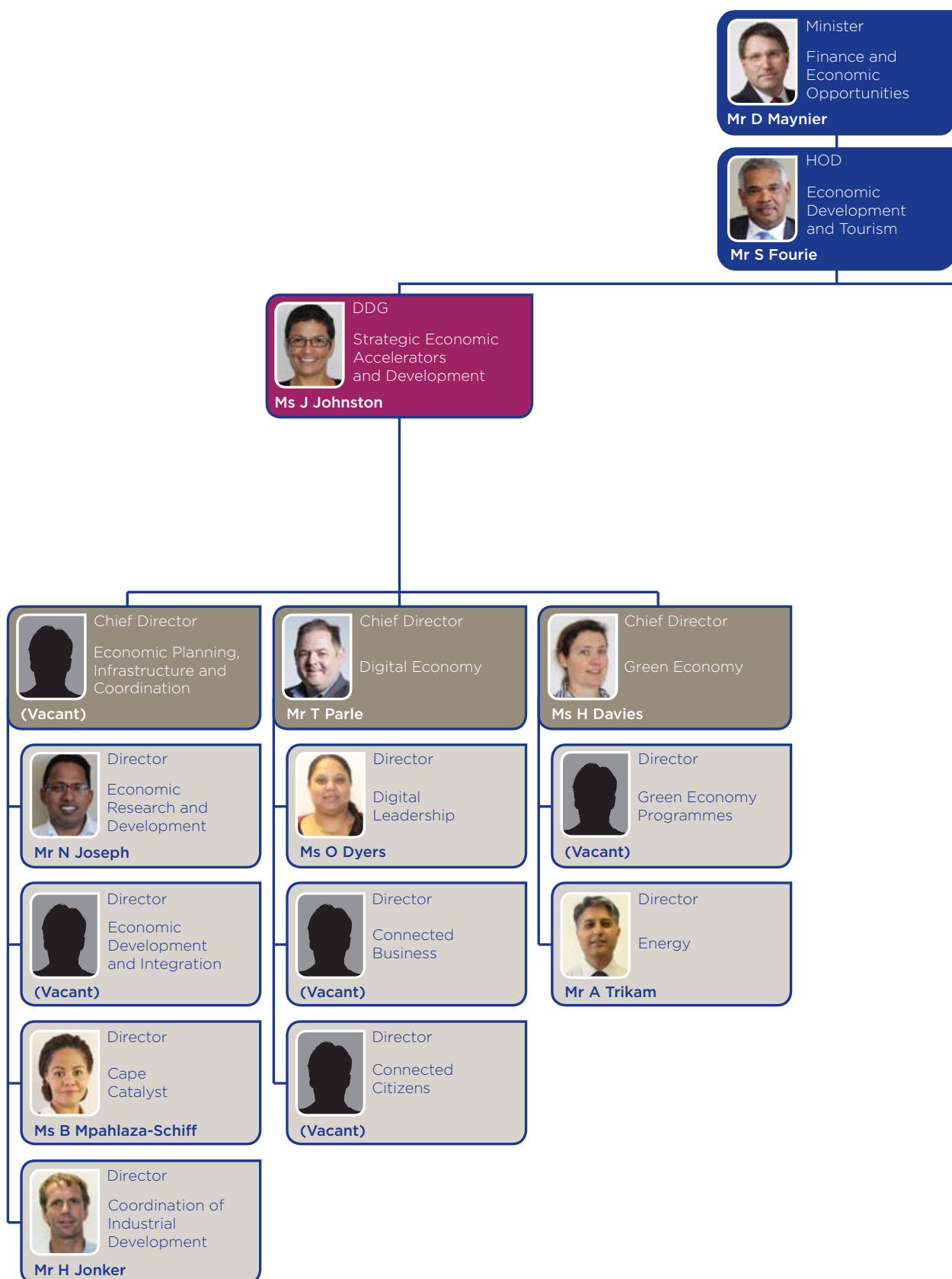
The aim of this strategy is to promote domestic tourism growth based on a culture of travel; innovation; stakeholder participation; offering authentic, affordable experiences and packages which meet the needs of all existing and potential local travellers.

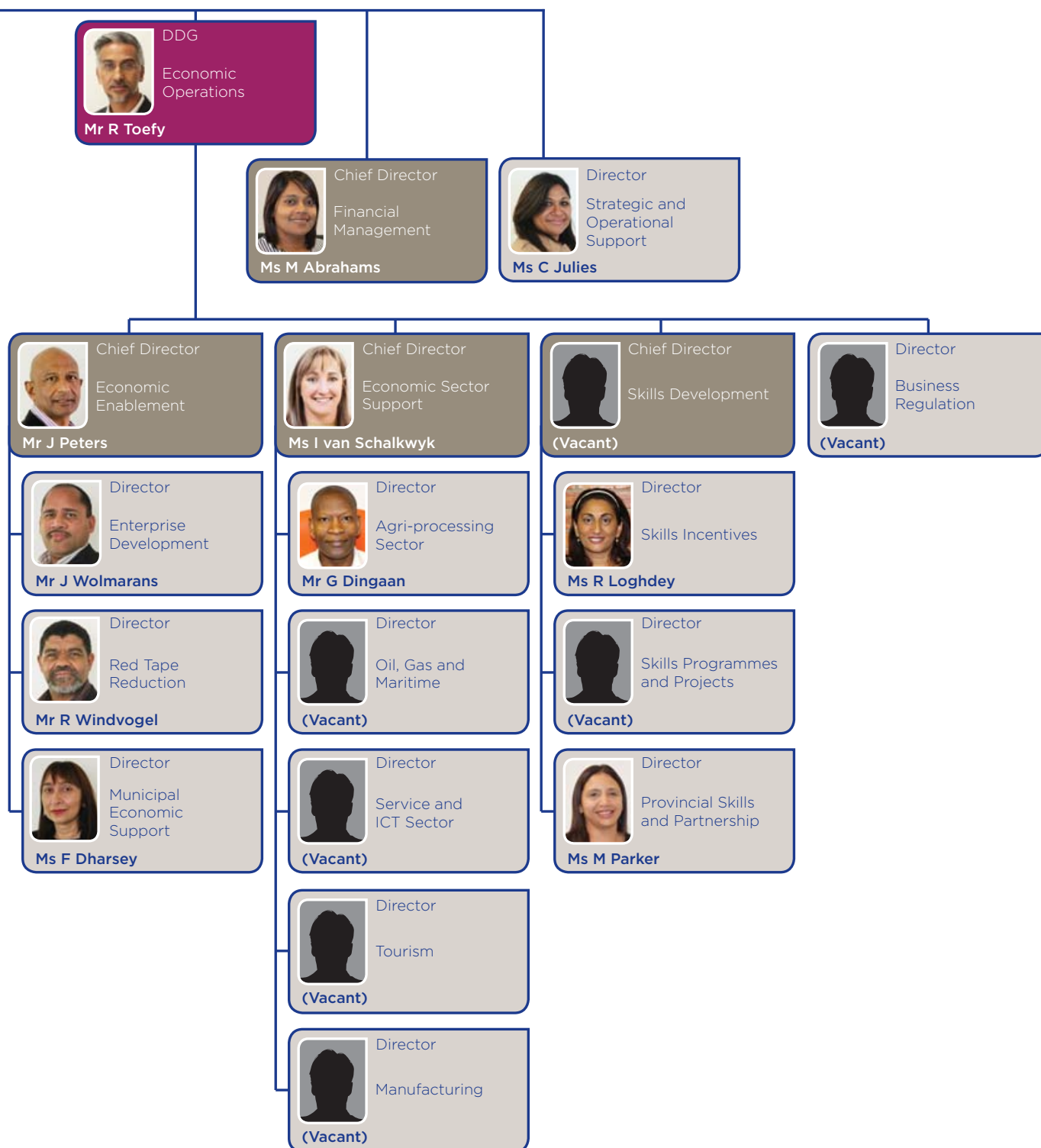
## The National Heritage and Cultural Tourism Strategy

This strategy aims to unlock the economic potential of heritage and cultural resources through responsible and sustainable tourism development; and to raise awareness of the ability of heritage and cultural tourism to contribute towards social cohesion.



## 8. ORGANISATIONAL STRUCTURE





## 9. ENTITIES REPORTING TO THE MINISTER

Name of entity	Legislative mandate	Financial Relationship	Nature of Operations
Western Cape Investment and Trade Promotion Agency (Wesgro)	Western Cape Investment and Trade Promotion Agency Law, 1996 (Act 3 of 1996)	Transfer payment recipient	Wesgro is the official Tourism, Trade and Investment Promotion Agency for the Western Cape
Saldanha Bay Industrial Development Zone Licensing Company (SBIDZ LiCo)	Saldanha Bay Industrial Development Zone Act Licensing Company Act, 2016 (Act 1 of 2016)	Transfer payment recipient	The SBIDZ LiCo is wholly owned by the WCG and is responsible for the promotion, management and marketing of the industrial development zone in the Saldanha Bay area as well as ancillary activities that are required for the establishment of the IDZ.



## PART B: PERFORMANCE INFORMATION



# 1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against pre-determined objectives is included in the report to management, with material findings being reported under the *Pre-determined Objectives* heading in the **Report on other legal and regulatory requirements** section of the auditor's report.

Refer to page 190 for the Report of the Auditor General, published as Part E: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service delivery environment

The global, national and provincial economy had an impact on the environment in which the Department operated.

#### Global economy

Global growth has weakened – world output registered 2,9% in 2019, falling slightly from 3,6% in 2018. The International Monetary Fund (IMF), in its WEF April 2020 update, indicated that the global economy is projected to contract sharply by -3% in 2020, much worse than during the 2008-09 financial crisis. The key risks include the Covid-19 pandemic, the ongoing US-China trade war, a 'greater than expected' Chinese slowdown and outstanding issues around Brexit, which could constrain the growth of other countries and adversely affect that of South Africa, given that South Africa and the Western Cape's export orientation, demand for locally produced goods such as agri-related commodities and other manufactured goods is directly related to the global economy.

#### National economy

The South African economy is expected to have worsening economic contraction forecasts ranging between 1%-8%, due to COVID-19, with the upper band seemingly being optimistic given the myriad of downside risks (Cannon Asset Managers: -0,8%, Old Mutual Investment Group: -2%, EIU: -3%, Fitch Ratings: -3,8%, NKC Economists: -4,9%, IRR: -5%, SARB: -6,1%, World bank: -7%, and OECD: -8,2%). Going forward, telecommunications, transport, agriculture and trade are expected to be the primary drivers of economic growth. The IMF asserts that the extent of economic recovery depends strongly on structural reform implementation and policy credibility.

Key risks to the South African economy include: COVID-19, load shedding; financial and operational stability of the SOEs, particularly Eskom; South Africa's sovereign debt rating; policy uncertainty on matters such as land expropriation; and drought conditions in parts of South Africa.

Despite the ongoing catastrophe of the pandemic, of concern is the financial and operational stability of Eskom and its impact on: the reliability of electricity supply; electricity pricing and South Africa's sovereign debt rating. These concerns also impact local and foreign investor sentiment, especially in mining and related industries. Energy security is now the single most significant threat to economic and employment creation at both national and provincial level.

Energy security together with policy uncertainty on matters such as land expropriation will restrain investment and growth. International and local investors may take a 'hold and see' approach to investment and growth until such matters have been finalised or improved upon.

## Provincial economy

At the regional level, the Western Cape economy has historically mirrored the performance of the South African economy – also falling but estimated to have contracted by a marked 0,3% in 2019. This is primarily as a result of the adverse impact of the drought on the agricultural value chain of the Province. On the provincial labour market front, the (narrow) unemployment rate increased slightly from 20,3% in 2018 to 20,6% in 2019. The Western Cape experienced a slight drop in employment changes year-on-year, while employment had improved quarter-on-quarter by 24 000. In the case of employment, when comparing Q4:2018 with Q4:2019 year-on-year, the Western Cape lost 3 000 jobs with the Finance (-21 000), Construction (-19 000), Trade (-29 000) and Manufacturing (-20 000) sectors being the hardest hit. Western Cape trade employment has dropped both quarter-on-quarter and year-on-year. This is highly concerning as the trade sector should have seen a boost in jobs in Q42019 with Black Friday, the Christmas spending spree and tourist holiday season providing some impetus. This highlights the depressed economic environment and the immense pressure that consumers are under. The decline in manufacturing employment in the Western Cape of 20 000 jobs year-on-year and 25 000 jobs quarter-on-quarter respectively is also concerning, highlighting a reduction in industrial capacity. Domestic demand remains stagnant given the cutbacks in investment (investment growth was -0,1% in 2018) and lower business confidence (manufacturing confidence was 24/100 in Q4 2019). Investment in manufacturing is vital to improve productivity, reduce costs and compete on a global level.

## The Department's performance in the economic environment

It is the fundamental belief of this Department that economic growth is at the heart of all successful development and that growth is driven primarily by the private sector operating in a market environment. The role of the state should, therefore, be to create and maintain an enabling business environment and provide demand-led private-sector driven support for tradable or propulsive sectors, industries and business.

In this regard, the Department has followed its consistent course of action, namely Project Khulisa, which enabled greater depth of intervention in specifically targeted sectors. This was the final year in the 5-year plan to implement Project Khulisa. This consistent and predictable strategic approach has led to numerous positives for the Province, most notably that the Western Cape has recorded the lowest unemployment rate in South Africa at 11,6 points lower than the national figure, a higher growth rate than the rest of South Africa and a business confidence rate which is 1 point higher than the national average.

In preparation of the 2020–2025 year cycle, the Department finalised the new 5-year strategy of the Department during 2019/20, drawing on the successes of previous work and charting the new priorities in line with the Provincial Strategic Plan and the Vision-Inspired Priorities. An evidence-based approach and consultations with relevant stakeholders marked the finalisation of the new 5-year plan, which focuses on increasing high-quality exports of the Western Cape products and a number of successful sector growth-orientated interventions.

## Ease of doing business

The PSP target of R1 billion in cost savings and economic benefits having been achieved in the previous financial year, the Department geared itself for the attainment of the next big target: R5 billion over the MTEF period 2020-2025. The Department's principal strategic thrusts remained the same: (i) assisting local governments to optimise their business-facing processes, and (ii) proactively working with all three spheres of government to reduce the systemic inhibitors to efficiency in the delivery of business-facing services in the province. Some of the initiatives engaged in towards achievement of the goal of improving the business environment in the province include: continuation of ones commenced last year: Lobbying for the re-assignment to the Western Cape Government of the tourism transport licensing function; the designation of Mossel Bay as a port of entry and exit; and changes to the heritage protection regime to facilitate property and infrastructure development and interventions to address debilitating inefficiency in the port of Cape Town. The port intervention, in particular, was driven at a high level, both due to its importance concerning the WCG's apex priority of increasing exports by 50% over the PSP period and to counter the perception, held by an increasing number of international trading partners, of Cape Town being an inefficient and unreliable trading port.

The Department's municipal support initiatives included the assessment of municipal business processes and proposed improvement opportunities to implement. The intent is to reduce the unnecessary cost of doing business

in local areas in terms of time, cost and complexity of the procedure. Assessments were done in 4 municipalities over the past year and conclude the process of having assessed 20 municipalities for efficiency gains over the last few five years. The municipal programme has also provided support in digitising the processing of building plan application and approvals in 23 local municipalities and digitising the film- and event-permitting process in the 5 municipalities that host the most significant amount of film shoots and tourism and entertainment events, outside the metro. The ability to measure the improvements (and impact) is dependent on the maturity of the implementation of the new processes by the municipality. Across the Province, improvements implemented demonstrate a reduction in timeframes in building plan applications and approval that have been tracked in 15 municipalities.

The Red Tape Reduction Business Helpline increased its resolution rate to 85,7% (from 76,7% last year), despite the increasing complexity of many of the issues the Unit is requested to deal with. A growing trend that emerges is of businesses (and often representative organisations for businesses) requesting assistance or intervention that lie beyond the generally agreed scope of red tape. It is being called upon increasingly to facilitate discussion between community pressure groups (especially where a business seeks to establish a branch in an area for the first time); manage political tension that could result in damage to or destruction of business or service/utility infrastructure, or facilitate the restoration of services, e.g. electricity or law enforcement. It is clear at business owners have become more sophisticated in this regard, no longer seeking assistance only with their own, individual issue, but rather a more holistic, overarching approach that would address the issue systemically and eliminate or reduce the extent of the problem for all stakeholders in future. For the first time in three years, the Ease of Doing Business Impact Assessment Tool (which is used to track and calculate the collective benefit of ease of doing business initiatives) was not subjected to further development, although further improvement and refinement in future are not excluded.

The Department's initiatives to support SMME development has also recorded numerous gains during the 2019/20 financial year. The Department undertook an initiative in partnership with organisations that provide business support to SMMEs by leveraging funding, thus scaling these projects.

A flagship project, the SMME Booster Fund delivered on the outcomes of job creation (and/or retention) and business expansion by supporting organisations in the areas of Enterprise and Supplier Development, Business Development Support, Infrastructure Development and Businesses in Distress. The Fund supported 17 organisations with the potential to assist over 400 SMMEs and create 400 jobs.

In collaboration with Pick 'n Pay, the Small Enterprise Finance Agency (SEFA), City of Cape Town, National Empowerment Fund, Masisizane Fund, Old Mutual, and Brimstone, the Department embarked on a Township Economy Revitalisation Initiative which involved the conversion of existing spaza shops within townships into independently owned mini-supermarkets. The initiative involves improving the infrastructure (building, machinery and equipment) in the township retail sector which will directly lead to an increase in employment opportunities and turnover. To date, four stores were opened resulting in 90 jobs being created.

The Western Cape Funding Fair (WCFF), a partnership between Deloitte Western Cape and the Department, is an exhibition and conference aimed at networking entrepreneurs and various funding institutions. The event attracted 21 exhibitors and over 1 000 delegates.

The Western Cape Entrepreneurship Expo, Summit and Awards (WCEESA), in its second year, enabled 50 entrepreneurs and business owners to showcase their products and services and connect with potential buyers and clients who could potentially open up new market opportunities, whilst recognising and celebrating our most inspiring, high-potential entrepreneurs in the province.

The Department through its long-standing relationship with the National Empowerment Fund (NEF), assisted Western Cape-based businesses with low-cost loan funding. The initiative entailed blended financing in a ratio range of between 40% and 60% by the DEDAT and the NEF, respectively. The cost of the loan funding has an interest rate of less than 6% (i.e. 40% of the loan will be charged at 0% interest and the balance will be charged at the prime rate or less). Also, it provides grant funding to township-based businesses.



The Economic Procurement Policy saw, in consultation with all other WCG departments, the development of a draft Economic Procurement Policy Implementation Plan. The plan was presented to the Provincial Top Management in February 2020. The plan is focused on the development of SMMEs and businesses located in townships, rural areas and secondary towns to maximise the economic impact of public procurement.

The Long Street Kiosks are formal trading spaces that enabled 10 Small and Micro Enterprises (SMEs) to access new market opportunities in the Central Business District (CBD) of the City of Cape Town. It provided access to new markets and transitioned township/informal businesses to the formal sector, thereby strengthening and capacitating these individual businesses. The Department procured equipment, marketing and branding material for seven businesses based on an assessment to improve their sustainability. Three (3) businesses were supported by partner organisations which include Productivity South Africa, Small Enterprise Development Agency (SEDA), Cape Peninsula University of Technology (Clothing Technology Station) and Clotex.

## Sector development

The programme, Sector Development was the custodian of Project Khulisa, a multi-year approach which focused on sectors that will maximise stated economic outcomes by 2020. It also phases in additional sectors that maximise employment and growth opportunities across a 15-year horizon.

The sectors which were part of the first horizon of Project Khulisa which concluded in 2019/20 are Tourism, Oil and Gas and Agri-Processing. These three productive sectors were identified as having the most potential to accelerate growth and job creation in the region by 2020.

The Programme aimed at supporting these three sectors through:

- The stimulation, facilitation and increase of economic growth and opportunities through export and investment promotion and developing a strong investment brand.
- Supporting and developing economic sectors as a key contributor towards maximising economic opportunities, sustainability and employment growth.
- Growing and developing the provincial economy and facilitating economic opportunities through the development of strategically competitive and/or infrastructural initiatives.

Project Khulisa is a transversal approach with several provincial government departments and other entities like Wesgro, Saldanha IDZ, SAOGA and WCFFI working together to reach the goal statement.

An intense focus at all levels of government on the need for growth and jobs has put the spotlight on sectoral programmes as a key mechanism of the country to achieve its economic potential. This is reflected in the National Development Plan, the Industrial Policy Action Plan (IPAP), and through PSG 1, and Project Khulisa. A sectoral approach provides the strategic framework for trade and investment, strategic initiatives, SMME development and skills development in these key sectors.

The performance in terms of targets met has been excellent, with 93% of the targets being achieved for trade and investment promotion KPI's and 100% for sector development KPI's with over-performance across several KPI targets. Through the Department's Trade and Investment Agency, Wesgro, more than R10.6 billion worth of investment has been attracted to the Western Cape resulting in the facilitation of 4 330 jobs since 2014. Further to this, Wesgro signed trade deals with an estimated economic impact of R16 854 278 347, resulting in the facilitation of 2 381 jobs. The Cape Investment Centre(CIC) in the Cape Town Central Business District which was launched in 2017 has been effective and played an investment facilitation role to close to half of the investment deals Wesgro is facilitating. The service of the CIC is essential in cutting red tape for investors and providing a central entry point of many Government-related service departments such as SARS, Home Affairs et cetera. to the investor. The focus going forward is to offer these services virtually and increase access across the Western Cape.

The following sub-section will provide a summary of activities of related interventions for the Agri-Processing, Marine Services (including Oil and Gas and Oceans Economy) and Tourism initiatives undertaken by the Programme during the financial year.

## Project Khulisa: Agri-processing interventions

The 2019/20 financial year was the final year in the 5-year period of Project Khulisa. In terms of Agri-processing, the Department primarily focussed on three strategic intents namely Halal Export Promotion, the Halal Investment Promotion, the Halal Certification Project and Wine Export Promotion. This programme was a successful link with new VIP apex priority related to increasing exports by 50% over the next five years within the Western Cape. The operating plans going forward will be innovative and the sector team will utilise lessons learnt in the design, implementation and governance of Project Khulisa with activities the Department knows that are working, alongside those that successfully leverage new international relationships resulting in increased activity. In the year ending March 2019, an impact assessment was carried out on Khulisa Agri-processing commissioned by the Department of Agriculture. The lessons learnt during Project Khulisa have shaped some of the thinking in the new five-year strategy of the Department aligned to tradable sectors. The sector support service offering will be extended to include Agri-processing industries such as food, beverages and natural products to support the industries and value chains in the next five years to realise the economic opportunities within the sector.

## Halal certification

The Department recognises the need to increase the competencies of the Halal Certification Bodies so that they may be accredited to certify Halal products for exports to all markets. The importance of world-class halal certification has been identified by the halal value chain analysis and the evaluation literature review as key to ensuring market access for Agri-processing companies. Should the halal certification initiative achieve its envisaged outcome, it is expected to have a valuable and lasting impact on the Halal sector in South Africa. Given the importance of the certification in facilitating market access and export promotion, it is expected that this initiative will extend beyond Project Khulisa. The Department continued to work with Halal certification bodies to assist in meeting globally competitive Halal certification standards which will allow Halal exporting companies to access the entire global Halal market.

## The Halal value chain cluster

The objective of this project was to identify Halal certified companies to assist to improve their competitiveness to increase their market share and export capability into global Halal markets. Companies were invited through an open process to submit applications for participation in the project. After the preliminary application review process, diagnostic assessments and due diligence were conducted on companies that responded to participate in the project. The needs identified range from assistance in certification standards, productive equipment and market development and access.

## Halal forums

The Western Cape Government continued to rely upon the spirit of harmonious cooperation among public and private sector stakeholders. During the past year, the Department consulted widely with stakeholders in the Halal industry, analysing the operating environment facing the industry and considering long-term trends likely to have an impact on the value, sustainability and adaptive capacity of this industry. Stakeholder consultation undertaken when developing plans confirmed that the Halal strategy is responding to the needs of stakeholders and is highly regarded by them. All the areas of focus for the Halal Plan in the 2019/2020 financial year were rated as very important by stakeholders participating in forum meetings.

## Africa Halal Week

Africa Halal Week 2019 was a truly successful showcase of the inspiring opportunities within the Halal industry in Cape Town, Western Cape and South Africa. Africa Halal Week was hosted in collaboration with Wesgro and the City of Cape Town for its second year and was positioned to foster business linkages and conversations, as well as highlight opportunities spanning across sectors including the Halal FMCG (including halal-certified food, beverages, spices and sauces), tourism, Islamic banking, modest fashion, investment and trade opportunities in South Africa, Africa and the rest of the Muslim world.

## Halal Export Promotion

This initiative focused on the advancement of the exportation of Western Cape Halal products to target seven (7) international markets including Cameroon, Ivory Coast, United Kingdom, Mozambique, Malaysia, Nigeria and the UAE. For the 2019/20 financial year, the project was implemented by facilitating trade missions to key markets by participating in prominent international trade shows. The overall objective was to ensure that the Western Cape Province generates opportunities for export promotion advantages for Western Cape companies to increase their knowledge, product growth and exposure to the global halal market.

## Halal Investment Promotion

This initiative was to further enhance the Western Cape as a destination synonymous with investments into Halal value chains and supply chains both domestically and internationally. While simultaneously marketing and promoting the destination to prospective international investors to unlock opportunities in the sector and drive economic growth and job creation. For the 2019/20 financial year, the project was implemented through activities such as identifying suitable foreign investors and hosting inward missions to show-case the Western Cape as a halal-friendly investment destination. Investment promotion missions were undertaken to Kuwait, Qatar and the USA, whereby inward missions' delegations were hosted from Mauritius, Qatar, United Kingdom, Dubai and Malaysia. Part of Investor targeting is having corporate engagements, some of the international companies such as the Al-Shaya Group and Al-Sharaka Holding of Kuwait were interacted with for the exploration of investment opportunities.

## Wine Export Promotion

The initiative entailed hosting inward buying missions, conducting outward selling missions, hosting in-market networking events, conducting in-market wine tastings, participating in strategic in-market shows, including the food-wine pairing events. For the financial year 2019/20, the target markets selected for wine promotion has been expanded from Angola and China to include Ghana, Mozambique and Uganda. The following activities were undertaken:

- The successful hosting of wine and food pairings in markets such as Angola, Ghana, Uganda and Mozambique with trade media and affluent consumers, who received exposure to several Western Cape wines. Wine Brands were showcased at these functions include, among others, Ses'fikile Wines, Laricmal, House of Mandela Wines, Rickety Bridge, Bayede Wines and Cape Dreams Wines
- Supported by a South African retailer, successful in-store wine tasting promotions were held in Angola and Ghana, whereby WC wines were sampled by customers
- South African introductory wine courses were held in Ghana and Mozambique whereby stakeholders from the hospitality industry and importer representatives attended the course
- An internal mission from Ghana and Mozambique was held from 8 to 14 March 2020 that included two importers/buyers and one blogger. This visit coincided with the harvest time in March 2020, and included various visits to the Winelands such as Stellenbosch, Elgin, Franschhoek and Wellington to source and explore South African wines and be able to market our wines in their respective countries through publishing a media report about the trip, as well as increase the wine list in their stores
- The positioning of SA Wines in China was boosted by using social media platforms, such as Nimbility, on blogging activities and videos of wine productions to more than two million people
- With the assistance of the South African Embassy in Beijing, wine events were held in China featuring 30 wineries and 800 representatives of trade, media and consumers in attendance.

## Project Khulisa: Oil and Gas Interventions

The five strategic intents identified to develop and grow the oil and gas industry includes infrastructure development, skills development, enterprise and supplier development, ease of doing business and investment promotion.

**Enterprise and Supplier Development:** The Economic Development Partnership (EDP) continued to oversee the transition of Grow-Net (GN) into the West Coast Business Development Centre (WCBDC) and support the turnaround specialist to align the WCBDC objectives with industry expectations. The DEDAT supported 15 businesses through the supplier development programme, where eight are located in the Saldanha Bay region.

The SBIDZ is in the process of converting its Infrastructure site offices into a local SMME Business Hub and shared services, fully equipped with ICT facilities, offices, a boardroom and related services close to the SBIDZ zone.

**Skills Development:** 253 artisanal candidates were placed as apprentices/learnerships in workplaces via DEDAT, who is planning to complete 80 ARPLs and 50 mentorships in 2019/20. SBIDZ secured funding for 11 CoS pipefitter apprenticeships from the LGSETA and is facilitating a skills programme for 187 trainees focusing on boilermakers, electricians, fitters, riggers and welders.

**Ease of doing business:** The DHA was requested to furnish specifications to the DPW to provide immigration services in Mossel Bay. The issue around the delays in the scanning of containers at the Port of Cape Town was addressed. The issue around seaworthiness testing and commissioning of yachts at the V&A Waterfront must still be addressed. Efforts to convince DoT to abandon the restriction on high cube containers or set it at a higher level continue. The Department is driving the initiative to establish a Marine Port Forum to address port issues.

**Marketing:** TOTAL completed 3D seismic data assessment by end of April 2019 and planned to do further tests and the drilling of two or more appraisal wells from December 2019. The Mossel Bay Municipality is in the process to establish an Oil and Gas Forum with strategic stakeholders in the Garden Route District.

### **Project Khulisa: Tourism Interventions**

The Western Cape's tourism sector continues to outperform the rest of South Africa. According to Wesgro (2020), the Western Cape accounted for 16.2% of all international tourist arrivals to South Africa and received 19,8% of South Africa's tourists' spend. Also, the Western Cape held 19,7% of South Africa's bed nights recorded during the period.

The average length of stay per tourist in the Western Cape (12,9 nights per tourist) was the highest amongst all provinces. International arrivals in the Western Cape increased by 0,2% to reach 1,7 million arrivals in 2018. Due to this, foreign spend increased to R27,7 billion in 2018. Estimated GVA rose by 3,5% in 2018.

After experiencing the worst drought in over 100 years the Western Cape has now positioned itself as one of the more water resilient regions globally. Climate change-related risks were found to be the top three global risks in terms of likelihood by the World Economic Forum in 2019. The climatic challenges the Western Cape faced recently are part of a wider global phenomenon.

The Western Cape Tourism Strategy, Tourism Blueprint 2030 developed in 2019/20, is the 10-year development plan for the Province which will set the foundation to start shaping the development needed to maintain and develop a sustainable and thriving tourist destination. Tourism is a major contributor to the economy and employment in the Western Cape. The growth of the Western Cape economy across all sectors need to be focused on creating jobs, increasing business sales as well as achieving overall developmental mandates ensuring SMME development and transformation of the tourism industry. The implementation of the strategy will lead to sustained and increased growth and job creation in the tourism industry. This will be done by supporting and investing in key tourism products as well as improving overall destination management to ensure visitor numbers increase and tourists stay longer and spend more in the Western Cape.

The final stage of developing the Western Cape Tourism Strategy will focus on the operational and investment requirements to implement the catalytic projects and promote the strategic focus areas contained in the strategy. The current issue concerning the implementation of tourism development in the Western Cape is understanding the role and function of all spheres of government as well as within each of the four core areas where the implementation is currently taking place and by whom and how will this status quo in future shift.

We recognise the importance of direct flights to the region, expressed by the establishment of a team dedicated to growing air access to Cape Town. Since its inception, this team has grown inbound international seats into the city by expanding existing routes (20 in total) as well as through the addition of new routes (19 in total) into Cape Town. The highlight of 2019/2020 is the launch of the North America Route from Newark to Cape Town which will increase inbound passengers by 24 000 passengers and impact GDP by an estimated R286 million. Air Access will continue to focus on route retention as well as a renewed focus on cargo in 2020/2021.

## Digital economy

In 2019/20, the Digital Economy Unit was built on the progress and good work achieved in the previous years. This resulted in several notable achievements plus furtherance of the foundation for growth expected in 2020/21. Access to digital skills remains a firm focus of the Unit. The I-CAN Centre in Elsies River continues to excel in providing cost-effective, relevant digital training services to various communities. The Unit's support allows the operator to maintain and grow the suite of services offered. The I-CAN Learn concept continues to develop with centres active in the Youth Cafés (operated by the Department of Social Development) and libraries (operated by the Department of Cultural Affairs and Sport) in the West Coast Municipal and Bergrivier Municipal regions. Development of the bespoke OMS (operations management system) and integration with the upgraded LMS (learner management system) has been completed. The development of bespoke train-the-facilitator content for site facilitators, and a digital competency assessment tool for learners to match their competencies to suggested learning pathways using I-CAN Learn content. These activities, along with the development of bespoke content and training material will mark the culmination of the groundwork to allow the I-CAN Learn concept to be extended widely in the coming years. Other initiatives included cementing the #skillsboost research and testing the findings with the six sectors in the study. The research also found resonance with the private sector, and initiatives to increase digital skills in school learners, leading to training opportunities post-school and job placements to bridge the divide between supply and demand for digitally skilled workers.

The global positioning project yielded a tactical marketing plan and consolidated marketing messages to firmly place the Western Cape as Africa's leading technology capital. Together with our stakeholders, this messaging will be championed much more assertively in 2020.

The JUMP for entrepreneurs digital business toolkit was enhanced and repackaged as an app, content added and the user base expanded. Functionality for other departments and applications is currently being integrated, plus the finalisation of private partner agreements to customise additional tools and secure funding, all of which will greatly increase the utility and reach of JUMP.

The local tech sector was further supported through the accelerators and incubators active in the region. Training material for early stage tech investors was produced and successfully made available to the general public. An extensive programme to foster collaboration – described as the 'secret sauce' for digital disruption – has been initiated. The Unit continued to support the township tech sector through the Khayelitsha Bandwidth Barn.

The Unit also supported the furtherance of using ICTs to improve the operations and efficiency within DEDAT. Four pilot projects have been identified, and associated staff training and change management is underway.

The Digital Economy Unit continued to support the roll out of public Wi-Fi providing input to the project owner (Centre for e-Innovation) on the preferred locations for new hotspots, and finalisation of the reporting system. The Unit helped the South African Radio Astronomy Observatory conclude a location for the SKA (Square Kilometre Array)'s data centre.

## Green economy

To improve the energy security of the Province – ensuring enough power for growth that is sustainable and low-carbon – the Energy Security Game Changer and Energy Directorate have focussed on creating an enabling environment for energy efficiency, solar PV and the diversification of energy sources. The uptake of small-scale embedded generation (SSEG) has continued to increase with the adoption of the necessary legal frameworks by 24 out of the 25 local and metro municipalities in the Province (which allow for grid-tied SSEG), 19 of these municipalities having a NERSA-approved feed-in tariff, with two municipalities developing approaches to wheeling. Supported by a communications campaign, there is now an estimated 167 MW of installed solar PV in the Province (against a target of 135MW from business and household installations by 2020). This equates to an estimated R2 billion investment and the creation of 418 jobs. Part of this success is due to direct engagements with CEOs of large businesses in the Western Cape over the last few years as well as the support provided to businesses through the energy services' sectors desks. The Western Cape Government continues to lead by example, with R53,3 million invested in 17 PV systems resulting in electricity consumption in Provincial buildings reduced to 145,2 kWh/m<sup>2</sup> – 38% below the industry benchmark.

The Economic Water Resilience Workstream led by the DEDAT continued to support businesses to help reduce their water consumption; help implement their own water supply augmentation; develop business continuity plans for water shortages; and strengthen water sector businesses. To address systemic issues, DEDAT drove three key projects during 2019/20: (1) phase two of the financial mechanisms and models towards improving economic water resilience project; (2) manufacturing sector and sub-sector economic water resilience project and (3) beginning the development of a Western Cape water innovation network.

The green economy clustering work, implemented through four sector desks run out of GreenCape – renewable energy, energy services, water and waste – had 225 direct engagements with 903 virtual engagements with businesses during the year. This work, together with that of Wesgro, resulted in green economy investments of R1,24 billion and the creation of 170 direct jobs and 75 indirect jobs. Multiple industry events were held and supported during the year on sector-based issues. In addition, five 2020 market intelligence reports were produced for the utility scale renewable energy, energy services, waste, water and electric vehicles sectors. The clustering work has also resulted in inputs being provided to key pieces of draft legislation at both a national and local government level, aimed at unlocking green economy related barriers. The green economy financing space has increasingly been engaged in, with financiers exploring project financing opportunities.

The 110% Green website, which serves as the main WCG communication platform of the green economy, continues to be used to provide information on how to improve business water and energy resilience, upcoming green economy related events (training) and green job opportunities. Promoted posts on Facebook and Twitter were also regularly publicised. This enabled an expanded audience reach and stimulated discussion and input through comments on the social media platforms.

### Infrastructure Investment

Within the context of economic development, infrastructure is used as a means to an end – to improve the competitiveness of the economy (and specific sectors) and create an enabling environment for businesses. Over the five-year cycle, the Department had not only reached its overall 5-year target of facilitating R4,65 million investment, but exceeded the overall target by reaching over R5,5 billion in investments. Of this, R1,276 million was attained in 2019/20, mainly because of private sector investments which were enabled by the Saldanha Bay Industrial Development Zone initiative. This amount is comprised on the one hand of R290 million secured from the national SEZ fund and will be invested into the infrastructure of the Zone and the investment from a private investor of over R900 million.

The industrialisation of the West Coast Region with the Saldanha Bay Industrial Development Zone is well on track, now with over 50 potential investors already signing Memorandums of Understanding or Rights of First Refusal. Infrastructure includes the bulk services and roads for the Port Land as well as the almost completed Access Complex (including commercial and government service offices) and the start of construction on top structures (workshops) for investors. Land transactions were completed for back-of-port and some portions of port land and the approval of the Customs Control Area (CCA) by SARS Customs allows the Saldanha Bay IDZ to implement one of their key value propositions – that of being South Africa's first Free Port. With these important building blocks in place, the IDZ also attracted their first major project onto their Project Leasing Facility.

Moreover, the Atlantis Special Economic Zone Company (ASEZ Co) was established in the 2019/20 financial year which will enable significant investment into the region. The Zone is already home to four investors that have created over 300 jobs.

### Innovation

Innovation remains key to ensuring significant growth in the economy, more so given the continued pressures on the national and regional economy. Not only will innovation assist government in working smarter with limited resources, but history has shown innovations have propelled nations forward in terms of economic growth and prosperity, specifically by encouraging the investment and competitiveness profile of a region.

The Department has continued to create partnerships around innovation to bolster the innovation culture in the Western Cape Government and to showcase the wealth of innovation talent, activity and solutions found in the region. The former has seen the Department partnering with the Centre for Public Sector Innovation; the National



Advisory Council on Innovation and the Human Sciences Research Council on a national level; and with Apolitical on an international level to continue to raise awareness of innovation and capacitate Western Cape Government officials to drive innovation in their fields.

In continuing to develop serious partnerships to further innovation, the Department partnered with the Western Cape Government Department of Human Settlements to pilot an innovative builder incubator toolkit and materials trading platform with the objective to capacitate small and informal builders within the region with design and business knowledge and skills, allowing for innovative incremental upgrading of informal settlements. Additionally, the Design and Innovation Seed Fund, which was launched in partnership with the Cape Craft and Design Institute, the Technology Innovation Agency and the Jobs Fund, continues to be a great success with the third iteration now underway. Disbursements totalling R6,3 million have previously been made and a further R2,2 million was made during the 2019/2020 financial year.

## Skills development

Economic and employment growth is one of the five strategic provincial priorities. Skills development has been identified by the Department as a necessary condition in support of economic and employment growth. This programme expresses skills development through skills projects.

Through programmatic interventions the Programme addresses systemic challenges such as to improve, career guidance, educational attainment in mathematics, and improve retention rates at educational institutions and workplaces; improve life and job readiness skills; improve the appropriateness and effective delivery of education and training curricula to address industry needs; and to improve co-ordination across a number of stakeholders related to policy, planning, implementation and the funding of skills development programmes and projects to achieve the desired outcomes.

To do all of these, the sub-programmes within the Skills Development and Innovation actively strive to foster relationships with all three spheres of government, civil society and business to promote the concept of apprenticeships.

The Apprenticeship Game Changer (AGC) ended as a stand-alone programme on 31 March 2020 and the various projects have been integrated into the work of the Programme: Skills Development and Innovation.

The AGC provided a renewed strategic focus to increase the alignment between the demand and supply of technical and vocational skills to meet the skills needs of prioritised economic growth areas in the Western Cape. The AGC efforts positively strengthened key partnerships between TVET colleges, industry and other key players in the skills development ecosystem that supports greater demand and supply of competent TVET workers.

In the 2019/20 financial year, a key success achieved by the Programme was to drive a demand-driven skills approach combining the efforts of the Game Changer focus and delivering the programmatic skills interventions focused on skills training and workplace learning that supports the semi-skilled, technical and vocational qualified persons.

This played a positive role in the concerted strategic efforts by the Programme to internally implement key skills training and work placement programmes, leverage financial support from various stakeholders to support the increase in reach and scale on these programmes as well as supporting the TVET colleges to increase the intake of learners to participate in vocational and technical learning with the aim of becoming competent TVET workers to meet the skills needs of the economy.

To support the AGC focus and an integrated skill planning approach, the first of its kind A21- based qualification pathways were collectively developed by these stakeholders to support TVET demand-led occupations. A SETA (Sector Education and Training Authorities) TVET (Technical, Vocational and Education and Training) Forum between Public Colleges, SETAs, National Skills Fund (NSF), and the Western Cape Government is also the first of its kind in the country established and continued support towards the Western Cape SETA Cluster during the financial year to enable a practical mechanism where skills supply meets the demand of the provincial sector skills priorities.



To support a demand-driven approach that aims to improve youth employability sector skills needs, the Programme has implemented demand-led Mentorship, ICT and digital skills-related initiatives and our flagship Work and Skills and Artisan Development work placement programmes responsive to industry needs. These interventions have positively yielded an increase in the number of appropriately qualified technical and vocational skilled persons to become employable, provide hope and a career path to participate in the economy.

The Programme has also implemented skills projects to systemically improve the skills pipeline with a focus on mathematics, work readiness and addressing key cross-cutting issues impacting the skills development to improve work placement, artisan development and economic sector skills needs.

The public private sector partnerships by the Programme in support of the skills interventions and collaborations, resulted in co-funding by partners towards additional training, increase in stipends paid to youth as well as increasing the number of opportunities that could be accessed by unemployed youth to increase their employability and firms being incentivised to support their human resource planning and productivity. The Programme continues the established partnership with Job Funds towards co-funding the work placements for the Work and Skills programme that has afforded more youth and companies to access the incentivised work placement and employment opportunities.

A proactive engagement approach was taken to drive collaborations with National, Provincial and Local Government Departments and entities across key priorities inclusive of Education, Digital, Tourism, Maritime and Green economy to integrate efforts to improve the skills ecosystem. In addition, the Programme partnered with the Youth Employment Services (YES) to drive skills collaborations across the Province.

## 2.2 Strategy to overcome areas of underperformance

The economic environment in which the Department operates is market-driven and demand-led. The process of setting targets is therefore extremely complex given the nature of economic conditions, specifically around investment promotion, trade, jobs and business confidence.

The Department adopts a rigorous process around performance management with several controls in place to ensure good financial and non-financial performance management practices including:

- Detailed explanations to guide how we define, measure and report on our non-financial performance. Significant attention is given by managers to develop clear, measurable and well-defined indicators against which performance is tracked and reported. If implemented projects are guided by clear performance standards from the outset, the chances are higher that performance targets will be reached.
- Indicator selection and targets are set using, inter alia, ministerial priorities and historical quantitative performance. In this way we seek to ensure that our selected performance measures are relevant and feasible for the economic delivery environment within which the Department operates.
- Funding Proposal documents were introduced and drafted for each project which would contribute towards the Department's objectives. This document allows the Programme to describe the environment in which it operates, identify a problem statement and subsequent sub-problem statement and articulate the strategies and projects that would mitigate or remedy these problems. Furthermore, this process also allowed the Department to budget for projects and programmes which directly impacts on the achievement of targets. It should, however, be noted that a primary criterion for the setting of targets is past performance. By examining the past, the Department can, to a certain extent, gauge target-setting given any amendments in budget allocation and concomitant changes in performance trends.
- Performance monitoring whereby the Accounting Officer, in the quarterly review of performance, emphasises the progress of projects made in the year to date, from both a financial and non-financial perspective. At the top management fora, performance discussions centre on cross-cutting challenges, public entity performance and corrective measures required within strategically important programmes or projects.
- In addition, monthly reports are provided to the Accounting Officer who, through one on one meetings with Programme Managers, evaluates the programmatic performance.

## 2.3 Service delivery improvement plan

The Department has completed a Service Delivery Improvement Plan (SDIP) for 1 April 2018 to 31 March 2021. The tables below highlight the service delivery plan and the achievements to date.

### Main Service and Standards

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
<b>Tourist Guide Registration and Monitoring</b>	<ul style="list-style-type: none"> <li>Tourist Guides</li> <li>Tourism Guide Association</li> <li>Tourism Industry</li> </ul>	<p>100% of new/renewal Tourist Guides registration applications were processed within 14 working days.</p> <p>The Unit achieved 100% (an over-achievement) adherence due to the efficient system of registration, the staff was competent in their work and the applications of tourist guides had all the required documents.</p> <p>Where the documents were outstanding, Tourist Guides were phoned and notified that they must bring required documentation on collection of their cards or badges.</p>	<p>90% of new/renewal Tourist Guide registration applications are processed within 14 working days.</p>	<p>107,2% of new/renewal Tourist Guide registration applications are processed within 14 working days.</p> <p>The Unit achieved 107,2% (an over-achievement) due to the efficient system of registration, the staff was competent in their work and the applications of tourist guides had all the required documents. The unit has no control of the number of tourist guides who come and register at their office. Furthermore, training service providers give training to learners as they come to enroll.</p> <p>Where the documents were outstanding, Tourist Guides were phoned and notified that they must bring required documentation on collection of their cards or badges.</p>
		<p>100% of Registered Tourist Guides were issued with renewal notices within 30 working days before the expiry of the Tourist Guide License.</p> <p>Although all (100%) fully registered Tourist Guides were notified within the 30 working days before expiry, some were unable to renew due to their First Aid (FA) certificates being expired and/or work permits/visa has not been extended by the Department of Home Affairs.</p>	<p>85% of registered Tourist Guides were issued with renewal notices within 30 working days before the expiry of the Tourist Guide License.</p>	<p>85% of registered Tourist Guides were issued with renewal notices within 30 working days before the expiry of the Tourist Guide License.</p>

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
<b>Tourist Guide Registration and Monitoring</b>	<ul style="list-style-type: none"> <li>• Tourist Guides</li> <li>• Tourism Guide Association</li> <li>• Tourism Industry</li> </ul>	<p>21 (42%) registered Tourist Guides were trained to ensure a professional and sustainable tourist guiding subsector that is highly competent.</p> <p>Tourist guides were trained and reported on in Q2. In December 2018 and January 2019 more tourist guides were reached. The planned roll out for March 2019 could not take place because of a procurement challenge with the successful service provider which necessitated a cancellation of the last training sessions.</p> <p>179 inspections were conducted to ensure compliance in terms of regulating a sustainable tourist guiding subsector.</p> <p>This is an over-achievement of 72% of the target. The number of tourist guides at sights and attractions is out of the Department's control, hence on the inspection day we can over-achieve or under-achieve our target.</p>	<p>60 registered Tourist Guides trained to ensure a professional and sustainable tourist guiding subsector that is highly competent.</p> <p>The Unit achieved 166.7%, which is an over-achievement of registered Tourist Guides. The unit has no control of the tourist guides who come and register at their office. Furthermore, training service providers give training to learners as they come to enroll.</p>	<p>160 registered Tourist Guides trained to ensure a professional and sustainable tourist guiding subsector that is highly competent.</p> <p>The Unit achieved 166.7%, which is an over-achievement of registered Tourist Guides. The unit has no control of the tourist guides who come and register at their office. Furthermore, training service providers give training to learners as they come to enroll.</p>
<b>Western Cape Consumer Protector by virtue of the Provision of Provincial and National Legislation</b>	<ul style="list-style-type: none"> <li>• Consumers</li> <li>• Small Businesses (with an annual turnover or asset value of less than R2 Million)</li> <li>• NGOs</li> <li>• Government Departments</li> <li>• Local Authorities</li> </ul>	<p>100% of complaints attended/responded to.</p>	<p>130 inspections conducted to ensure compliance in terms of regulating a sustainable tourist guiding subsector.</p> <p>This is an over-achievement of 47,7% in terms of the set target. The unit has no control of the number of tourist guides that it will inspect in a site on the day. It entirely depends on the numbers of tourist guides which visit that site.</p>	<p>192 inspections conducted to ensure compliance in terms of regulating a sustainable tourist guiding subsector.</p> <p>This is an over-achievement of 47,7% in terms of the set target. The unit has no control of the number of tourist guides that it will inspect in a site on the day. It entirely depends on the numbers of tourist guides which visit that site.</p> <p>76% of complaints received were attended/responded to.</p> <p>The under-achievement is due to the significant increase in the number of complaints received, coupled with an increase in the complexity of cases. It now takes longer to process complaints.</p>

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Western Cape Consumer Protector by virtue of the Provision of the Provincial and National Legislation	<ul style="list-style-type: none"> <li>Consumers</li> <li>Small Businesses (with an annual turnover or asset value of less than R2 Million)</li> <li>NGOs</li> <li>Government Departments</li> <li>Local Authorities</li> </ul>	<p>The internal evaluation could not be done due to budgetary constraints.</p> <p>No budget was made available for this project and it did not form part of the OCPs Outcome Indicator(s).</p>	70% of Consumers (based on internal evaluation) indicating change in financial behaviour due to OCP Consumer Financial Literacy Project.	The internal evaluation could not be completed due to budgetary constraints.
		<p>95 Consumer Education programmes were conducted.</p> <p>The demand for workshops and information sessions remains constant especially since many consumers are experiencing financial distress.</p>	100 Consumer Education programmes conducted.	152 Consumer Education were conducted.
		<p>117 Financial Literacy workshops were conducted due to the increased demand as consumers are experiencing financial distress.</p> <p>The additional interventions were accommodated from a service delivery perspective.</p>	120 Financial Literacy workshops were conducted.	<p>177 Financial Literacy workshops were conducted.</p> <p>The over-achievement is due to the increase in demand for Financial Literacy Workshops. This could be attributed to economic challenges and financial distress consumers find themselves in. The increase in demand was accommodated by accepting these interventions during weekends, public holidays and after hours.</p>
		<p>26 SMME engagements (workshops) were conducted.</p> <p>SMMEs have realised the need to comply with the provisions of the Consumer Protection Act, No. 68 of 2008 and subsequently the demand for these workshops has marginally increased.</p>	20 SMME engagements were conducted.	<p>41 SMME engagements were conducted.</p> <p>This is within the target range 35-50 as set out in Annual Performance Plan.</p>

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
<b>Red Tape Reduction Business Helpline Service</b>	<ul style="list-style-type: none"> <li>Businesses operating in the Western Cape, particularly Small Businesses</li> <li>Aspiring business-persons who consider establishing a business in the Province.</li> </ul>	<p>74.5% closure rate.</p> <p>A satisfaction rate of 72% was recorded.</p>	<p>85% closure rate.</p> <p>A satisfaction rate of 70% to be recorded.</p>	<p>85,7% closure rate.</p> <p>72% satisfaction rate was recorded.</p>

### Batho Pele arrangements with beneficiaries (Consultation, access, etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
<p><b>Tourist Guide Registration and Monitoring Consultation:</b></p> <p>a) Clients were consulted through:</p> <p>i. Discussion forums: Refer to under-achievement of information sessions above due to challenges appointing a Service Provider to conduct/ facilitate the information sessions.</p> <p>ii. Workshops: Refer to point (i) above.</p> <p>iii. Suggestion Box: Has not been implemented since tourist guides were notified that they can make their suggestions via: <a href="http://tourguide.westerncape.gov.za">http://tourguide.westerncape.gov.za</a> website. This website is available to the members of the public.</p>	<p><b>Tourist Guide Registration and Monitoring Consultation:</b></p> <p>a) Clients were consulted through:</p> <p>i. Discussion forums</p> <p>ii. Workshops</p> <p>iii. Suggestion Box</p>	<p><b>Tourist Guide Registration and Monitoring Consultation:</b></p> <p>a) Clients were consulted through:</p> <p>i. Discussion forums: 2 x information sessions were held where tourist guides raised issues of concern to them.</p> <p>ii. Workshops: Information sessions. Refer to point (i) above. Further, International Tourist Guide Day was held on 21 February 2020 and it was another forum where tourist guides raised issues of concern.</p> <p>iii. Suggestion Box: Tourist guides were notified that they can make their suggestions via: <a href="http://tourguide.westerncape.gov.za">http://tourguide.westerncape.gov.za</a> website. The website is available to members of the public and to tourist guides.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>iv. Bulk email service: The service is fully operational and used constantly whenever we need to dispatch an urgent communiqué to tourist guides.</p> <p>v. Meetings: <i>Ad-hoc</i> meetings are held with tourist guides who insist on meeting with the new Registrar or Assistant Director.</p>	<p>iv. Bulk email service</p> <p>v. Meetings</p> <p>vi. Investigate online complaints, feedback forms</p>	<p>iv. Bulk email service: This proved to be the most effective way to communicate with tourist guides whenever there is an important/urgent communiqué to tourist guides. The platform is used whenever the National Department of Tourism needs to meet with the tourist guides on provincial level</p> <p>v. Meetings: on ad-hoc basis, tourist guides are allowed to meet with the Registrar or Assistant Director without prior appointment</p> <p>vi. Investigate online complaints, feedback forms</p>
<p>b) The following Input was received and taken into account:</p> <p>i. Input from the tourist guides who came to report illegal guiding.</p> <p>ii. Department was notified by CATHSSETA (The Culture, Art, Tourism, Hospitality and Sport Sector Education and Training Authority) regarding changes in their Indidium Database Registration System.</p> <p>iii. Department had four meetings with Cape Tourist Guide Association, where input on matters relating to industry e.g. illegal guiding was discussed.</p>	<p>b) Input received from clients is forwarded (written report) and discussed with the relevant authorities and is taken into account when decisions are made.</p>	<p>b) Input received from clients is discussed with the relevant authorities and is taken into account when decisions are made:</p> <p>i. Tourist guides are always reporting the problem of illegal guiding.</p> <p>ii. There was a challenge with CATHSSETA changing their database in September 2019 to a new system. That resulted in CATHSSETA not being able to issue out up to date registration certificates. An interim measure has been put in place by Registrars Forum with CATHSSETA so that provinces can continue to register new tourist guides.</p>
<p><b>Access:</b> The service was accessible:</p> <p>a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town.</p> <p>b) Via the official departmental website: <a href="http://www.westerncape.gov.za/touristguide">www.westerncape.gov.za/touristguide</a></p> <p>Additional achievement:</p> <p>c) Via telephone: 021 483 9130</p> <p>d) Via fax: 021 483 2957</p> <p>e) Via e-mail: <a href="mailto:registrar@westerncape.gov.za">registrar@westerncape.gov.za</a></p>	<p><b>Access:</b> The service is accessible:</p> <p>a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town.</p> <p>b) Via the official departmental website: <a href="http://www.westerncape.gov.za/touristguide">www.westerncape.gov.za/touristguide</a>.</p>	<p><b>Access:</b> The service is accessible:</p> <p>a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town.</p> <p>b) Via the official departmental website: <a href="http://www.westerncape.gov.za/touristguide">www.westerncape.gov.za/touristguide</a>.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<b>Courtesy:</b> a) Courtesy was reported and measured through: i. Complaints Desk.  ii. Client Satisfaction Surveys: Survey was not conducted in 2018/19 financial year. However, it can be reported that in 2019/20 financial year it will be conducted. iii. Suggestions/feedback/complaints box to be investigated. Feedback and complaints box were not implemented; however, it was communicated to tourist guides via: <a href="http://tourguide.westerncape.gov.za">http://tourguide.westerncape.gov.za</a> website that complaints and any suggestions can be communicated directly to the Registrar.	<b>Courtesy:</b> a) Courtesy is reported and measured through: i. Complaints Desk.  ii. Clients Satisfaction Surveys.  iii. Online suggestion/complaints/feedback form to be investigated.	<b>Courtesy:</b> a) Courtesy is reported and measured through: i. Complaints Desk: Complaints received and investigated. Complaints Desk located in the Office of the Director. ii. Clients Satisfaction Surveys: No survey was conducted.  iii. Suggestions/feedback/complaints box to be investigated. Complaints and suggestion are made via: <a href="http://tour-guide.westerncape.gov.za">http://tour-guide.westerncape.gov.za</a>
b) The behaviour of officials was measured/monitored against the: i. Code of Conduct. ii. Service Standards set by the Department.	b) The behaviour of officials are measured/monitored against the: i. Code of Conduct. ii. Service Standards set by the Department.	b) The behaviour of officials was measured/monitored against the: i. Code of Conduct. ii. Service Standards set by the Department.
<b>Openness and transparency:</b> Openness and transparency was achieved through: a) The publication/distribution (in three official languages of the Province and obtainable via the WCG Walk-in Centre and the departmental website) of the Department's: i. Annual Citizen's Report. ii. Annual Report. iii. Service Charter. iv. Service Standard Schedule.	<b>Openness and transparency:</b> Openness and transparency is achieved through: a) The publication/distribution (in 3 official languages of the Province and obtainable via the WCG Walk-in Centre and the departmental website) of the Department's: i. Annual Citizen's Report. ii. Annual Report. iii. Service Charter. iv. Service Standard Schedule. b) Local media for the publication of extracts from the Department's Annual Report and other strategic documentation.	<b>Openness and transparency:</b> Openness and transparency was achieved through: a) The publication/distribution (in 3 official languages of the Province and obtainable via the WCG Walk-in Centre and the departmental website) of the Department's: i. Annual Citizen's Report. ii. Annual Report. iii. Service Charter. iv. Service Standard Schedule. b) Local media utilised for the publication of extracts from the Department's Annual Report and other strategic documentation.
<b>Value for Money:</b> a) The cost of registration was R240, renewable every three years. b) Clients obtained useful and useable information at no cost.	<b>Value for Money:</b> a) The cost of registration is R240, renewable every 3 years. b) Clients get useful and useable information at no cost.	<b>Value for Money:</b> a) The cost of registration is R240, renewable every 3 years. b) Clients obtained useful and useable information at no cost.



Current/actual arrangements	Desired arrangements	Actual achievements
<p>c) Registration cost was determined by National Legislation.</p> <p><b>Western Cape Consumer Protector by virtue of the Provision of Provincial and National Legislation</b></p> <p><b>Consultation:</b></p> <p>a) Clients were consulted through:</p> <p>i. Discussion forums included in our consumer education campaigns (workshops, information sessions etc.).</p> <p>ii. Workshops.</p> <p>iii. Telephone engagements.</p> <p>iv. A total of 234 Community Out-reach initiatives were conducted. This includes the 94 education campaigns, 117 Financial Literacy workshops and 23 SMME engagements.</p> <p>v. Media coverage:</p> <ul style="list-style-type: none"> <li>Media coverage - including print.</li> <li>Media and radio broadcasts.</li> </ul>	<p>c) Registration cost is determined by National Legislation.</p> <p><b>Western Cape Consumer Protector by virtue of the Provision of Provincial and National Legislation</b></p> <p><b>Consultation:</b></p> <p>a) Clients are consulted through:</p> <p>i. Discussion forums.</p> <p>ii. Workshops.</p> <p>iii. Telephone.</p> <p>iv. Community Outreach initiatives.</p> <p>v. Media engagements.</p>	<p>c) Registration cost was determined by National Legislation.</p> <p><b>Western Cape Consumer Protector by virtue of the Provision of Provincial and National Legislation</b></p> <p><b>Consultation:</b></p> <p>a) Clients were consulted through:</p> <p>i. Discussion forums included in the consumer education campaigns (workshops, information sessions, etc.).</p> <p>ii. Workshops.</p> <p>iii. Telephone.</p> <p>iv. A total of 370 Community Outreach initiatives were conducted. This includes 152 consumer education campaigns, 177 Financial Literacy workshops and 41 SMME engagements.</p> <p>v. Media engagements:</p> <ul style="list-style-type: none"> <li>Media coverage including print.</li> <li>Media and Radio Broadcast.</li> <li>Social media.</li> </ul>
<p>vi. In terms of the APP the Consumer Education activities of the Programme were divided into general consumer education programmes, Financial Literacy workshops and SMME engagements. The total target for all of these interventions was 180. However, each specific output as noted above had its own target. In the case of Consumer Education programmes the target as set in the APP was 60. The OCP achieved a total of 94 and this reflects an over-achievement of this specific output target as set in the APP. If all the Consumer Education activities are evaluated the OCP achieved a total of 234 engagements. The target as set in the APP for all activities was 180. The achievement of 234 is therefore an over-achievement. We conducted more engagements due to the number of <i>ad hoc</i> requests that were submitted.</p>	<p>vi. Consumer Education programmes (minimum of 240 programmes conducted)</p>	<p>vi. In terms of the APP the Consumer Education activities of the Programme were divided into general consumer education interventions, Financial Literacy workshops and SMME engagements. However, each specific output had its own target. In the case of the Consumer Education intervention, the target as set in the APP was 100-120. The OCP achieved a total of 152 reflecting an over-achievement of this specific output target. If all the consumer education activities are evaluated the OCP achieved a total of 370 engagements. The target set in the APP for all activities, was between the 255 and 320. The achievement of 270 is therefore an over-achievement. More engagements were conducted due to the number of <i>ad hoc</i> requests that were submitted and these had to be accommodated either after hours, weekends or public holidays.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>b) In terms of Financial Literacy, pre and post evaluation assessments were conducted at all of the Financial Literacy engagements held by the Office of the Consumer Protector. A total of 117 Financial Literacy engagements were held. The feedback from citizens was positive and indicated that citizens found value out of the engagement and wanted further engagements on a variety of matters.</p> <p>In terms of Complaints Management, every consumer received a closure report which detailed the findings in a particular matter. The report also provided consumers with an opportunity to reject a finding and request a re-evaluation by the Director.</p>	<p>b) Input received from clients is forwarded (written report) and discussed with the relevant authorities and is taken into account when decisions are made about what services are to be provided and at what level.</p>	<p>b) In terms of Financial Literacy, pre and post evaluation assessments were conducted at all of the Financial Literacy engagements held by the Office of the Consumer Protector. A total of 177 Financial Literacy engagements were held. The feedback from citizens was positive and indicated that citizens found value out of the engagement and wanted further engagements on a variety of matters.</p> <p>In terms of Complaints Management, every consumer received a closure report detailing the findings. A recommendation was made to those whose complaints were not resolved in their favour. The report also provided consumers with an opportunity to reject a finding and request a re-evaluation by the Director.</p>
<p><b>Additional achievement:</b></p> <p>Clients were also consulted through:</p> <ul style="list-style-type: none"> <li>a) Provincial Thusong Centre Community engagements.</li> <li>b) Information sessions.</li> <li>c) The Call Centre service.</li> <li>d) E-mail correspondence.</li> <li>e) Written correspondence.</li> </ul>		<p><b>Additional achievement:</b></p> <p>Clients were also consulted through:</p> <ul style="list-style-type: none"> <li>a) Provincial Thusong Centre Community engagements.</li> <li>b) Information sessions.</li> <li>c) The call centre service.</li> <li>d) E-mail correspondence.</li> <li>e) Written correspondence.</li> <li>f) Radio talk shows.</li> <li>g) Radio advertising.</li> <li>h) Social media (Facebook and twitter)</li> </ul>
<p><b>Access:</b></p> <p>Clients could access the service:</p> <ul style="list-style-type: none"> <li>a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town, operating hours: 07:30 – 16:00</li> <li>b) Via District Offices (Co-ordinators):</li> <li>i. Knysna, Shop number 8, Demar Centre, Main Street, Knysna</li> <li>c) Via Toll Free line: 0800 007 081</li> <li>d) Via the official departmental website: <a href="http://www.westerncape.gov.za/">www.westerncape.gov.za/</a></li> </ul>	<p><b>Access:</b></p> <p>The service is accessible:</p> <ul style="list-style-type: none"> <li>a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town, operating hours: 07:30 – 16:00</li> <li>b) Via District Coordinator:</li> <li>i. Knysna, Shop number 8, Demar Centre, Main Street, Knysna</li> <li>c) Via Toll Free line: 0800 007 081</li> <li>d) Via the official departmental website: <a href="http://www.westerncape.gov.za/">www.westerncape.gov.za/</a></li> </ul>	<p><b>Access:</b></p> <p>Clients could access the service:</p> <ul style="list-style-type: none"> <li>a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town, operating hours: 07:30 – 16:00</li> <li>b) Via District Offices (Co-ordinators):</li> <li>i. Knysna, Shop number 8, Demar Centre, Main Street, Knysna</li> <li>c) Via Toll Free line: 0800 007 081</li> <li>d) Via the official departmental website: <a href="http://www.westerncape.gov.za/">www.westerncape.gov.za/</a></li> </ul>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>The accessibility of the service is also improved through:</p> <p>e) Wheelchair accessibility at all physical locations</p> <p>f) Elevator floor numbers are available in braille</p> <p>Directional and signage boards are present, legible and in the three official languages of the Province.</p> <p><u>Additional achievement:</u></p> <p>e) Via the helpdesk at the various Thusong Centre Outreach Programmes that were attended by the OCP.</p> <p>f) Via post: P.O. Box 979, Cape Town, 8000</p> <p>g) Via e-mail: Consumer.protector@westerncape.gov.za</p> <p>h) Via fax: 021 483 5872</p> <p>The accessibility of the service is also improved through partnerships with both state organs and community organisations, faith-based institutions, higher learning institutions and schools.</p>	<p>The accessibility of the service is also improved through:</p> <p>e) Wheelchair accessibility at all physical locations</p> <p>f) Elevator floor numbers are available in braille</p> <p>Directional and signage boards are present, legible and in the three official languages of the Province.</p>	<p>e) Wheelchair accessibility at all physical locations</p> <p>f) Elevator floor numbers are available in braille</p> <p>Directional and signage boards are on display, legible and in the three official languages of the Province</p> <p><u>Additional achievement:</u></p> <p>e) Via the helpdesk at the various Thusong Centre Outreach Programmes that were attended by the OCP.</p> <p>f) Via post: P.O. Box 979, Cape Town, 8000</p> <p>g) Via e-mail: Consumer.protector@westerncape.gov.za</p> <p>h) Via fax: 021483 5872</p> <p>i) Please call number 079 769 1207</p> <p>j) SMS number 31022</p> <p>The accessibility of the service is also improved through partnerships with both state organs and community organisations, faith-based institutions, higher learning institutions and schools.</p>
<p><b>Courtesy:</b></p> <p>a) Courtesy was reported and measured through:</p> <p>i. Complaints desk</p> <p>ii. Written correspondence to management</p> <p>b) The behaviour of officials was measured/monitored against the:</p> <p>i. Code of Conduct</p> <p>ii. Business rules of the Department</p> <p><b>Openness and transparency:</b></p> <p>Openness and transparency was achieved through:</p> <p>a) Written correspondence as required</p> <p>b) One-on-one meetings held</p>	<p><b>Courtesy:</b></p> <p>a) Courtesy is reported and measured through:</p> <p>i. Complaints desk</p> <p>ii. Written correspondence to management</p> <p>b) The behaviour of officials is measured/monitored against the:</p> <p>i. Code of Conduct</p> <p>ii. Service Standards of the Department</p> <p>Customer Care training is provided to officials once per financial year</p> <p><b>Openness and transparency:</b></p> <p>Openness and transparency is achieved through:</p> <p>a) Written correspondence</p> <p>b) One-on-one meetings</p>	<p><b>Courtesy:</b></p> <p>a) Courtesy was reported and measured through:</p> <p>i. Complaints desk located in the Office of the Director</p> <p>ii. Written correspondence to management</p> <p>b) The behaviour of officials was measured/monitored against the:</p> <p>i. Code of Conduct</p> <p>ii. Business rules of the Department</p> <p><b>Openness and Transparency:</b></p> <p>Openness and transparency was achieved through:</p> <p>a) Written correspondence as required</p> <p>b) One-on-one meetings held</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>c) Round table consultations with Business and/or Consumer to ensure that the parties had an opportunity to engage with and experience the service levels associated with complaints resolution. This also made the parties feel part of the process so that any resolution reached was done in a fair and transparent manner.</p> <p>d) Site visits were often conducted during the complaints management process to ensure that parties felt that the process was fair and took into consideration specific factors which needed physical interaction. This contributed towards openness and transparency of the complaints management process.</p> <p>e) Toll free line: 0800 007 081</p> <p>f) The publication/distribution (in three official languages of the Province and obtainable via the WCG Walk-in Centre and the departmental website) of the Department's:</p> <ol style="list-style-type: none"> <li>Annual Citizen's Report</li> <li>Annual Report</li> <li>Service Charter</li> <li>Service Standard Schedule</li> </ol> <p>g) Standard Operating Procedure developed and obtainable via WCG Walk-in Centre and the departmental website</p>	<p>c) Round table consultations</p> <p>d) Site visits</p> <p>e) Toll free line: 0800 007 081</p> <p>f) The publication/distribution (in three official languages of the Province and obtainable via the WCG Walk-in Centre and the Departmental website) of the Department's:</p> <ol style="list-style-type: none"> <li>Annual Citizen's Report</li> <li>Annual Report</li> <li>Service Charter</li> <li>Service Standard Schedule</li> </ol> <p>Local media for the publication of extracts from the Department's Annual Report and other strategic documentation</p>	<p>c) Round table consultations with Business and/or Consumer to ensure that the parties had an opportunity to engage with and experience the service levels associated with complaints resolution. This also made the parties feel part of the process so that any resolution reached was done in a fair and transparent manner.</p> <p>d) Site visits were often conducted during the complaints management process to ensure that parties felt that the process was fair and took into consideration specific factors which needed physical interaction. This contributed towards openness and transparency of the complaints management process.</p> <p>e) Toll free line: 0800 007 081</p> <p>f) The publication/distribution (in three official languages of the Province and obtainable via the WCG Walk-in Centre and the Departmental website) of the Department's:</p> <ol style="list-style-type: none"> <li>Annual Citizen's Report</li> <li>Annual Report</li> <li>Service Charter</li> <li>Service Standard Schedule</li> </ol> <p>Additional Achievement:</p> <p>g) Standard Operating Procedure developed and obtainable via WCG Walk-in Centre and the departmental web-site.</p>
<p><b>Value for Money:</b></p> <p>a) The consumer education service is a free service offered to citizens across the Province.</p> <p>b) The consumer complaints redress service is a free service offered to consumers.</p>	<p><b>Value for Money:</b></p> <p>a) Clients get useful and useable information at no cost.</p> <p>b) Clients obtain free assistance with the resolution of disputes.</p>	<p><b>Value for Money:</b></p> <p>a) The consumer education service is a free service offered to citizens across the Province.</p> <p>b) The consumer complaints redress service is a free service offered to consumers.</p> <p>Additional achievement:</p> <p>c) Toll free, Please Call Me and SMS numbers were all billed back to the Department.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<b>Red Tape Reduction Business Helpline Service</b> <b>Consultation:</b> In addressing these requests: clients are responded to or consulted with through either of/or all of the following channels: a) E-mail: e-mail remained the primary mechanism for clients to log their red tape issues and also the method of response. This was achieved through ongoing maintenance of the redtape@westerncape.gov.za inbox, administrated originally by a WCG resource agent, but internalised to the Red Tape Reduction Unit entirely in March 2019, with existing resources (though more capacity is required per project plans approved). The Unit has similarly managed enquiries for the Apprenticeship Game Changer Programme,	<b>Red Tape Reduction Business Helpline Service</b> <b>Consultation:</b> Initial consultation is driven by demand driven requests by clients for accessing the service. In addressing these requests: Clients are responded or consulted with through either of/or all of the following channels: a) E-mail	<b>Red Tape Reduction Business Helpline Service</b> <b>Consultation:</b> Initial consultation is driven by demand driven requests by clients for accessing the service. In addressing these requests, clients are responded or consulted with through either of/or all of the following channels: a) Regular e-mail communication as required
b) Telephone: albeit a much less popular method of receiving client cases, the Business Helpline remained, on the 0861 888 126 number. Administrated originally by a WCG resource agent but internalised to the Red Tape Reduction Unit entirely in March 2019, with existing resources (though more capacity is required per project plans approved). This was the most popular method of contact for Apprenticeship Game Changer enquiries by students, c) Direct engagements: various platforms were utilised for direct enquiries to be lodged by businesses affected by red tape including: i. Representation at the Cape Chamber annual event ii. Presence at the One-stop-shop iii. Presence at the Minister's First Thursdays iv. Demand- driven requests for presentations	b) Telephone c) Direct engagements	b) Regular telephonic communication as required c) Direct engagements: Various platforms were utilised for direct enquiries to be lodged by businesses affected by red tape including: i. The Afrikaanse Handelsinstituut (AHI)'s annual conference in Durbanville ii. The Philippi Economic Development Initiative (PEDI); George Municipality's LED Forum and the WC Exporter's Club iii. The Unit is represented at every first Thursday meeting and takes the lead on the Department's management of queries and requests from those engagements

Current/actual arrangements	Desired arrangements	Actual achievements
<p>d) On a systemic level, issues or creating awareness of the service, potential clients and critical stakeholders were consulted to assist with resolutions through:</p> <p>i. Discussion forums: The Red Tape Reduction Unit presentations on a number of industry platforms where input is sought on critical systemic issues, including trading at ports and tourism operator accreditation and permits. In addition to discussions, recommendations were provided for improving the business environment in these areas. The Unit was also represented at the service interface meeting of the DotP</p>	<p>d) On systemic level issues or in creating awareness of the service, potential clients and critical stakeholders to resolution are consulted through:</p> <p>i. Discussion forums</p>	<p>d) On systemic level issues or in creating awareness of the service, potential clients and critical stakeholders are consulted through:</p> <p>i. Discussion forums, Port Liaison Forum, Property Development Forum, Red Tape Reduction Forum (DSDB), et cetera</p>
<p>ii. Workshops: multiple workshops were undertaken to discuss the importance of Red Tape Reduction as it relates to cost for the Western Cape Economy. A number of workshops have also been held with Departments of National Small Business, Monitoring and Evaluation and ongoing engagements with local municipalities</p> <p>iii. Industry level engagements and/or engagements with applicable stakeholder structures: The Red Tape Reduction Unit is represented on several industry platforms where input is sought on critical systemic issues including, (1) trading at ports and (2) tourism operator accreditation and permits. Where in addition to discussions, recommendations were provided for improving the business environment in these areas. These are outside of the strategic role in support of Khulisa-driven industry support committees to the priority sectors</p>	<p>ii. Workshops (x1 workshop undertaken)</p>	<p>ii. Workshops held with the Department of Small Business, Heritage Western Cape, George Municipality LED Division, et cetera</p>
	<p>e) Industry level engagements and/or engagements with applicable stakeholder structures (x2 engagements to be undertaken)</p>	<p>e) Industry engagements were held with the container transport industry (several), film industry and exporters value chain (table grapes, fruit growers, et cetera)</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p><b>Access:</b> The service was accessible:</p> <p>a) Head Office, 10th Floor, Waldorf Building, 80 St. George's Mall, Cape Town, operating hours: 07:30 – 16:00. The "Walk-ins", although not a preferred method of engagement, remain open to clients, where they are assisted by staff of Programme 2</p> <p>b) Via Share Call: 0861 888 126: The Business Helpline number was retained and as of 1 March 2019 managed internally within the RTRU</p> <p>c) Via e-mail: redtape@westerncape.gov.za The Red Tape inbox was retained and as of 1 March 2019 managed internally within the RTRU</p> <p>d) Via the website: www.westerncape.gov.za/red-tape-reduction: The website was retained and regularly updated by internal human resources</p> <p><b>Courtesy:</b></p> <p>a) Courtesy was reported and measured through:</p> <p>i. Complaints desk: No formal complaints desk was required as any complaints regarding the service are managed via the Deputy Director: Case Management and Communications as well as the Director: Red Tape Reduction and responded to on a case by case basis</p> <p>ii. Client Satisfaction Surveys: four feedback surveys were undertaken to inform planning and Red Tape Tracker System maintenance</p> <p>iii. Written correspondence to Management: this was dependent on the nature of the enquiry and whether formal escalation was required, e.g. High Cube container escalation to Ministers Grant and Winde. In such cases memos are drafted depending on the level of escalation sought and routed accordingly. (Number of formal escalations for higher intervention)</p>	<p><b>Access:</b> The service is to be accessible:</p> <p>a) At the Head Office, 10th Floor, Waldorf Building, 80 St. George's Mall, Cape Town, operating hours: 07:30 – 16:00</p> <p>b) Via Share Call: 0861 888 126</p> <p>c) Via e-mail: redtape@westerncape.gov.za</p> <p>d) Via the website: www.westerncape.gov.za/red-tape-reduction</p> <p><b>Courtesy:</b></p> <p>a) Courtesy is reported and measured through:</p> <p>i. Complaints desk</p> <p>ii. Clients Satisfaction Surveys with improved population size (1 survey quarterly = 4 surveys)</p> <p>iii. Written correspondence to Management</p>	<p><b>Access:</b> The service was accessible:</p> <p>a) At the Head Office, 10th Floor, Waldorf Building, 80 St. George's Mall, Cape Town, operating hours: 07:30 – 16:00</p> <p>b) Via Share Call: 0861 888 126</p> <p>c) Via e-mail: redtape@westerncape.gov.za</p> <p>d) Via the website: www.westerncape.gov.za/red-tape-reduction</p> <p><b>Courtesy:</b></p> <p>a) Courtesy was measured and reported as below:</p> <p>i. Complaints desk: there is no formal complaints desk. Complaints were managed by the responsible manager and escalated to the Director and Chief Director, as was required on a case-by-case basis</p> <p>ii. Surveys were conducted, indicating a 72% satisfaction rate</p> <p>iii. Done as and when required</p>



Current/actual arrangements	Desired arrangements	Actual achievements
<p>b) The behaviour of officials was measured/monitored against the:</p> <p>i. Code of Conduct: all business helpline- related staff have performance agreements and are subject to performance review</p> <p>ii. Service Standards of the Department: all business helpline related staff have performance agreements and are subject to performance review</p> <p>iii. Head: Communications (HOC): All external media campaigns (with the exception of website content) is submitted for the approval of the DEDAT HOC (this can be measured by the HOC approved RTR briefs)</p>	<p>b) The behaviour of officials is measured/monitored against the:</p> <p>i. Code of Conduct</p> <p>ii. Service Standards of the Department</p> <p>c) Customer Care training is provided to officials once per financial year</p> <p>d) Head: Communications</p>	<p>b) The behaviour of officials was measured/monitored against the:</p> <p>i. Code of Conduct</p> <p>ii. Service standards of the Department: the results of the satisfaction surveys and commendations and criticism by clients are considered in performance reviews</p> <p>c) Customer Care training was provided to relevant officials</p> <p>d) The guidelines complied by the Unit, as well news articles, were submitted for approval by the DEDAT HOC (Head of Communications)</p>
<p><b>Openness and transparency:</b></p> <p>Openness and transparency was achieved through:</p> <p>a) Written correspondence: this was dependent on the nature of the enquiry and whether formal escalation was required e.g. High Cube container escalation to Ministers Grant and Winde. In such cases memos were drafted depending on the level of escalation sought and routed accordingly. (Number of formal escalations for higher intervention)</p>	<p><b>Openness and transparency:</b></p> <p>Openness and transparency is achieved through:</p> <p>a) Written correspondence</p>	<p><b>Openness and transparency:</b></p> <p>Openness and transparency achieved through the means as provided for:</p> <p>a) Written correspondence to clients, respondent departments, public entities and municipalities, and to the Head of Department and Minister (via the HoD), for escalation of certain matters to other ministers, HoDs, DDGs, CEOs of public entities, mayors, municipal mayors, et cetera</p>
<p>b) One-on-one meetings: depending on the nature of the request, one-on-one meetings may be between the client and the Unit or the originator of the “blockage”. There may be requests for meetings with additional parties relevant to the particular issue. This often entails a degree of discretion given the sensitive nature of the information from all parties and is treated as such</p> <p>c) Round table consultations: these were often deployed as a method for resolving systemic nature issues, such as the High Cube freight container standard amendments that were proposed. However again, this depends heavily on the nature of the individual case</p>	<p>b) One-on-one meetings</p> <p>c) Round table consultations</p>	<p>b) Held regularly as and when required</p> <p>c) Round table conferences held with Department of Environmental Affairs and Development Planning, Heritage Western Cape, Property Development Forum, et cetera</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>d) Site visits: are undertaken when a visual sense of the problem is required such as infrastructural development bottlenecks (approval of roads et cetera.)</p> <p>e) Share Call: 0861 888 126: The Business Helpline (0861 888 126) was retained albeit a much less popular method of receiving client cases. The Business Helpline was administrated originally by a WCG resource agent but was entirely internalised to the Red Tape Reduction Unit in March 2019, with existing resources (though more capacity is required per project plans approved). It was, however, the most popular method of contact for Apprenticeship Game Changer enquiries by students</p>	<p>d) Site visits</p> <p>e) Share Call: 0861 888 126</p>	<p>d) Site visits: several site visits conducted, including Arniston Harbour (Department of Transport and Public Works [DTPW] renovation delays), Langebaan (the DTPW renovation delays), Mercedes/Fuso (civic unrest), Philippi (several times, re the attacks on businesses in the area) and Wingfield Motors (City of Cape Town) and DTPW stormwater maintenance backlogs and resultant flooding)</p> <p>e) Share Call: 0861 888 126</p>
<p>f) The publication/distribution (in three official languages of the Province and obtainable via the WCG Walk-in Centre and the Departmental website) of the Department:</p> <ol style="list-style-type: none"> <li>Annual Citizen's Report</li> <li>Annual Report</li> <li>Service Charter</li> <li>Service Standard Schedule</li> </ol> <p>The abovementioned documents were obtainable from the Departmental website and at the Walk-in Centre</p> <p><b>Value for Money:</b></p> <p>a) Clients obtained useful and useable information at no cost. The Business Helpline is a free service for citizens in the Western Cape. In addition, the website provides free and easily downloadable support information that is relevant for businesses</p>	<p>f) The publication/distribution (in three official languages of the Province and obtainable via the WCG Walk-in Centre and the Departmental website) of the Department's:</p> <ol style="list-style-type: none"> <li>Annual Citizen's Report</li> <li>Annual Report</li> <li>Service Charter</li> <li>Service Standard Schedule</li> </ol> <p><b>Value for money:</b></p> <p>a) Clients get useful and useable information at no cost</p>	<p>f) The publication/distribution (in three official languages of the Province and obtainable via the WCG Walk-in Centre and the Departmental website) of the Department's:</p> <ol style="list-style-type: none"> <li>Annual Citizen's Report</li> <li>Annual Report</li> <li>Service Charter</li> <li>Service Standard Schedule</li> </ol> <p><b>Value for money:</b></p> <p>a) Clients get useful and useable information at no cost</p>

Current/actual arrangements	Desired arrangements	Actual achievements
b) Clients obtain free assistance with the resolution of disputes. The Business Helpline is a free service for citizens in the Western Cape, with matters relevant to the Unit's areas of work. In addition, the website provides free and easily downloadable support information that is relevant for businesses	b) Clients obtain free assistance for the resolution of disputes.	b) Clients obtain free assistance with the resolution of disputes

### Service delivery information tool:

Current/actual information tools	Desired information tools	Actual achievements
<b>Tourist Guide Registration and Monitoring</b> Information was communicated through: a) Departmental website b) Annual Report: published in English and available in the other two official languages of the Province on request c) One-on-one meetings d) Information sessions conducted e) Brochure: Have You asked Your Tourist Guide for their Card and Badge? When the tourist guide inspections are conducted, badges and ID card licenses are inspected by the staff members. When any discrepancy is found, the office communicates directly with the tour operator concerned. This inspection is done on a quarterly basis f) Pamphlets g) Circulars h) Quarterly meetings i) Department's Service Charter The information (pamphlets/ posters/brochures/et cetera.) could be found at the Tourism Information Centres	<b>Tourist Guide Registration and Monitoring</b> Information is communicated through: a) Departmental website b) Annual Report (printed in the three official languages of the Province) c) One-on-one meetings d) Information sessions e) Brochure: Have You asked Your Tourist Guide for their Card and Badge? f) Pamphlets g) Circulars h) Quarterly meetings i) Department's Service Charter is displayed at reception j) The toll-free telephone helplines The information (pamphlets/ posters/brochures/et cetera.) can be found at Tourism Information Centres	<b>Tourist Guide Registration and Monitoring</b> Information is communicated through: a) Departmental website b) Annual Report: published in English and available in the other two official languages of the Province on request c) One-on-one meetings d) Information sessions e) Brochure: Have You asked Your Tourist Guide for their Card and Badge? f) Pamphlets g) Circulars h) Quarterly meetings i) Department's Service Charter The information (pamphlets/ posters/brochures/et cetera.) can be found at Tourism Information Centres

Current/actual information tools	Desired information tools	Actual achievements
<p><b>Western Cape Consumer Protector by virtue of the Provision of Provincial and National Legislation</b></p> <p>Information was communicated through:</p> <ul style="list-style-type: none"> <li>a) Departmental website</li> <li>b) Annual Report: published in English and available in the other two official languages of the Province on request</li> <li>c) One-on-one meetings</li> <li>d) Media reports: Three media reports were developed regarding Savings Month, the Spend Wisely Campaign and World Consumer Rights Day</li> <li>e) Publications: one Financial Literacy booklet was produced</li> <li>f) 94 information sessions in the form of consumer education programmes were held during the year</li> <li>g) Site visits: the method of operation as far as education and awareness campaigns is concerned is that these events are conducted on site within communities and/or business offices</li> </ul>	<p><b>Western Cape Consumer Protector by virtue of the Provision of Provincial and National Legislation</b></p> <p>Information was communicated through:</p> <ul style="list-style-type: none"> <li>a) Departmental website</li> <li>b) Annual Report (printed in the three official languages of the Province)</li> <li>c) One-on-one meetings</li> <li>d) Media reports</li> <li>e) Publications</li> <li>f) Information sessions</li> <li>g) Site visits</li> </ul>	<p><b>Western Cape Consumer Protector by virtue of the Provision of Provincial and National Legislation</b></p> <p>Information was communicated through:</p> <ul style="list-style-type: none"> <li>a) Departmental website</li> <li>b) Annual Report: published in English and available in the other two official languages of the Province on request</li> <li>c) One-on-one meetings held</li> <li>d) Media reports: Three media reports were developed regarding Savings Month, the Spend Wisely Campaign and World Consumer Rights Day</li> <li>e) Publications: contract, Consumer Protection Act and Financial Literacy booklets were reviewed and revised</li> <li>f) 370 information sessions in the form of consumer education programmes were held during the year</li> <li>g) Site visits</li> </ul>
<ul style="list-style-type: none"> <li>h) The following was achieved in relation to radio shows: <ul style="list-style-type: none"> <li>i. 30 radio talk shows with CCFM and 11 with Radio KC were conducted</li> <li>ii. Two radio awareness campaigns held</li> <li>iii. In December 2018 a radio campaign targeting all community radio stations was conducted</li> <li>iv. In March 2019, a World Consumer Rights Day Campaign was implemented through Umhlobo Wenene and KFM</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>h) Radio shows (catering for the three official languages of the Province)</li> </ul>	<ul style="list-style-type: none"> <li>h) The following was achieved in relation to radio shows: <ul style="list-style-type: none"> <li>i. 20 radio talk shows with CCFM, Cape Talk, Radio 2000, SA FM and Radio KC were conducted</li> <li>ii. Three radio awareness campaigns held. In July 2019 a radio campaign on Savings, targeting nine (9) community radios, was conducted. (Zibonele, Tygerberg, Eden, CCFM, Namakwaland, West Coast, Overberg, Heiderberg and Valley)</li> <li>iii. In December 2019 a radio campaign targeting two (2) commercial and six (6) community radio stations was conducted</li> <li>iv. In March 2020, a World Consumer Rights Day Campaign was implemented through Umhlobo Wenene and KFM</li> </ul> </li> </ul>

Current/actual information tools	Desired information tools	Actual achievements
<p>i) Quarterly meetings held</p> <p>j) Pamphlets: over 11 000 pamphlets were distributed to consumers, libraries, schools and NGOs</p> <p>k) Brochures</p> <p>l) Circulars</p> <p>m) Department's Service Charter</p> <p>The information (pamphlets/ posters/brochures/et cetera.) indicated that the above was available at certain schools, libraries, clinics, shops, et cetera</p>	<p>i) Quarterly meetings</p> <p>j) Pamphlets</p> <p>k) Brochures</p> <p>l) Circulars</p> <p>m) Department's Service Charter</p> <p>The information (pamphlets/ posters/brochures/et cetera.) indicated that the above was available at certain schools, libraries, clinics, shops, et cetera</p>	<p>i) Quarterly meetings held</p> <p>j) Pamphlets: 12 336 pamphlets were distributed to consumers, libraries, schools and NGOs. Pamphlets from the National Credit Regulator, Council Medical Schemes and Council for Debt Collectors were distributed</p> <p>k) Brochures</p> <p>l) Circulars</p> <p>m) Department's Service Charter</p> <p>The information (pamphlets/ posters/brochures/et cetera.) indicated that the above was available at certain schools, libraries, clinics, shops, et cetera</p>
<p><b>Red Tape Reduction Business Helpline Service</b></p> <p>Information was communicated through:</p> <p>a) Red Tape Reduction Website: <a href="https://www.westerncape.gov.za/red-tape-reduction/">https://www.westerncape.gov.za/red-tape-reduction/</a> remains a strategic tool for communicating with citizens as well as formal campaigns undertaken</p> <p>b) Annual Report: published in English and available in the other two official languages of the Province on request</p> <p>c) Site visits: These occur as a result of demand-driven requests for information on the services of the Unit (e.g. Cape Chamber, Services SETA). The Unit, however, aligns itself to platforms of its sister units in the Department where relevant and proactive engagements similar to those are held during entrepreneurship month</p> <p>d) Department's Service Charter</p>	<p><b>Red Tape Reduction Business Helpline Service</b></p> <p>Information is communicated through:</p> <p>a) Red Tape Reduction Website</p> <p>b) Annual Report (printed in the three official languages of the Province)</p> <p>c) Site visits</p> <p>d) Department's Service Charter</p>	<p><b>Red Tape Reduction Business Helpline Service</b></p> <p>Information is communicated through all means as indicated</p> <p>a) The website is maintained and updated</p> <p>b) Performance information inserted in annual report (printed in English, made available in three official languages of the Province)</p> <p>c) Site visits: regularly conducted as and when required</p> <p>d) Service stated in the Department's Service Charter</p>

Current/actual information tools	Desired information tools	Actual achievements
<p>e) On systemic level issues or in creating awareness of the service, potential clients and critical stakeholders to resolution were consulted through:</p> <p>i. Discussion forums: The Red Tape Reduction Unit is represented on a number of industry platforms where input is sought on critical systemic issues including, trading at ports and tourism operator accreditation and permits. Where in addition to discussions, recommendations were provided for improving the business environment in these areas</p> <p>ii. Workshops: multiple workshops were undertaken to discuss the importance of Red Tape Reduction as it relates to the cost for the Western Cape Economy. A number of workshops have also been held with the Departments of National Small Business, Monitoring and Evaluation and ongoing engagements with local municipalities</p>	<p>e) On systemic level issues or in creating awareness of the service, potential clients and critical stakeholders to resolution are consulted through:</p> <p>i. Discussion forums</p> <p>ii. Workshops (x2 workshops to be undertaken)</p> <p>iii. Industry level engagements and/or engagements with applicable stakeholder structures (x3 engagements to be undertaken)</p> <p>iv. Print and/or electronic media (x2 information-related campaigns to be undertaken)</p> <p>v. Improved utilisation of the RTR website as enabling channel for provision of information</p>	<p>e) On systemic level issues or in creating awareness of the service, potential clients and critical stakeholders to resolution were consulted through:</p> <p>i. Discussion forums: Port Liaison Forum, Property Development Forum, Red Tape Reduction Forum (DSDB), et cetera</p> <p>ii. Workshops held with Department of Small Business, Heritage Western Cape, George Municipality LED division, et cetera</p> <p>iii. Industry engagements were held with the container transport industry (several), film industry and exporters value chain (table grapes, fruit growers, et cetera)</p> <p>iv. Compiled two guidelines, regarding regulatory impact assessments and green waste management (printing is to be done by departments, according to their needs)</p> <p>v. The RTR website revised as an enabling channel for provision of information and updated with most recent cases</p>



## Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
<b>Tourist Guide Registration and Monitoring</b> Complaints/Suggestions/ Compliments/Queries: a) Submitted to the relevant Business Unit via the dedicated Call Centre/ Walk-in Centre: see point (c) below b) Submitted directly to the relevant Business Unit: contact details are obtainable in the Service Access Booklet: see point (c) below c) Responded in writing (formal letter via post, email or fax) or verbally via telephone or face-to-face, depending on customer request: letters containing the details of the complaint against the Tourist Guide were dispatched so as to give an opportunity to the tourist guide to respond in writing. In terms of complaints (11 cases) that have been investigated, tourist guides responded timeously to those complaints, as stipulated in the Tourism Act, No. 3 of 2014. These matters were amicably resolved without issuing of penalties as stipulated in the Act. Matters turned out not be a serious contravention of the Act, Code of Conduct or Ethics of Tourist Guides d) No appeals against the decision of the Registrar were made during 2018/19	<b>Tourist Guide Registration and Monitoring</b> Complaints/Suggestions/ Compliments/Queries: a) Submitted to the relevant Business Unit via the dedicated Call Centre/Walk-in Centre b) Submitted directly to the relevant Business Unit: contact details are obtainable in the Service Access Booklet c) Responded in writing (formal letter via post, email or fax) or verbally via telephone or face-to-face, depending on customer request	<b>Tourist Guide Registration and Monitoring</b> Complaints/Suggestions/ Compliments/Queries: a) Submitted to the relevant Business Unit via the dedicated Call Centre/Walk-in Centre b) Submitted directly to the relevant Business Unit: contact details are obtainable in the Service Access Booklet c) Responded in writing (formal letter via post, email or fax) or verbally via telephone or face-to-face, depending on customer request d) Acknowledgement within 48 hours of receipt e) The Provincial Tourism Registrar received one appeal which was sent to the National Registrar
<b>Western Cape Consumer Protector by virtue of the Provision of Provincial and National Legislation</b> Complaints/ Suggestions/ Compliments/Queries: a) Submitted to the relevant Business Unit via the dedicated Call Centre/ Walk-in Centre b) Submitted directly to the relevant Business Unit c) Responded in writing (formal letter via post, e-mail or fax) or verbally via telephone or face-to-face, depending on customer request d) Digitalisation will be implemented in the 2019/20 financial year via the Western Cape Government Contact Centre	<b>Western Cape Consumer Protector by virtue of the Provision of Provincial and National Legislation</b> Complaints/ Suggestions/ Compliments/Queries: a) Submitted to the relevant Business Unit via the dedicated Call Centre/Walk-in Centre b) Submitted directly to the relevant Business Unit c) Responded in writing (formal letter via post, e-mail or fax) or verbally via telephone or face-to-face, depending on customer request d) Acknowledged within 48 hours of receipt	<b>Western Cape Consumer Protector by virtue of the Provision of Provincial and National Legislation</b> Complaints/ Suggestions/ Compliments/Queries: a) Submitted to the relevant Business Unit via the dedicated Call Centre/Walk-in Centre b) Submitted directly to the relevant Business Unit c) Responded in writing (formal letter via post, e-mail or fax) or verbally via telephone or face-to-face, depending on customer request d) Acknowledged within 48 hours of receipt

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
<p><u>Additional achievement:</u></p> <p>e) Acknowledgement within 48 hours of receipt</p>	<p><u>Additional achievement:</u></p> <p>e) Implement digitisation of the processes</p>	<p><u>Additional achievement:</u></p> <p>e) Still exploring digitalisation of some elements of the feedback</p>
<p><b>Red Tape Reduction Business Helpline Service</b></p> <p>Cases were:</p> <p>a) Submitted to the RTRU via the dedicated Contact Centre: email correspondence remained the primary mechanism for clients to log their red tape issues and was also the method of response</p> <p>This was achieved through ongoing maintenance of the eight inbox, administrated originally by a WCG resource agent, but internalised to the Red Tape Reduction Unit entirely in March 2019, with existing resources (though more capacity is required per project plans approved). The Unit has also managed enquiries for the Apprenticeship Game Changer Programme</p> <p>Albeit much less often, the Business Helpline remained a popular method of dealing with client cases, via the 0861 888 126 number. The Business Helpline was administrated originally by a WCG resource agent but it was entirely internalised to the Red Tape Reduction Unit in March 2019, with existing resources (though more capacity is required according to the project plans approved). This was the most popular method of contact for Apprenticeship Game Changer enquiries by students though</p>	<p><b>Red Tape Reduction Business Helpline Service</b></p> <p>Cases are:</p> <p>a) Submitted to the RTRU via the dedicated Contact Centre</p>	<p><b>Red Tape Reduction Business Helpline Service</b></p> <p>Cases were:</p> <p>a) Submitted to the RTRU via (1) the redtape@westerncape.gov.za inbox (administrated internally by the RTRU staff members), (2) the 0861 888 126 number (administrated internally by the RTRU staff members), (3) Premier/Minister/HoD/DDG, (4) and internal referrals by staff members</p>
<p>b) Responded to in writing (generally e-mail, occasionally formally) or verbally via telephone or face-to-face, depending on circumstances and or customer preference</p> <p>Generally responded to similarly to the nature of entry into the RTR Unit. Depending on the nature of the request one-on-one meetings may be between the client and the Unit or the originator of the "blockage"</p> <p>There may be requests for meetings with additional parties relevant to the particular issue. This often entails a degree of discretion given the sensitive nature of the information from all parties and is treated as such</p>		<p>b) Responded to in writing (generally, e-mail, occasionally formally) or verbally via telephone or face-to-face, depending on circumstances and customer preference</p>

## 2.4 Organisational environment

The Department's strategy has been developed within the context and in accordance with the National Development Plan (NDP), the Medium-term Strategic Framework (MSTF) and the Western Cape Government's vision for the province as espoused in OneCape 2040. With the aim of consolidating and streamlining the Province's strategic agenda for more effective service delivery, the Provincial Strategic Plan (PSP) was developed in 2014.

The Department, under the leadership of the Minister of Economic Opportunities, continued to express its commitment through maintaining a leading role in driving the Western Cape Government's agenda for Provincial Strategic Goal 1(PSG1), namely to create opportunities for growth and jobs. PSG1 is delivered in collaboration with sister departments: Agriculture, Transport and Public Works and Environmental Affairs and Development Planning.

Despite water and energy challenges in the province as well as nationwide economic uncertainty, during the reporting period, the Department of Economic Development and Tourism, has remained resilient in its strategic approach, which is aimed at:

- Growing, attracting and retaining the skills required by our economy;
- Making it easier to do business by reducing red tape;
- Investing in high quality, efficient and competitive infrastructure;
- Rebranding the region to increase internal and external investment;
- Opening new and supporting existing markets for Western Cape businesses as well as identifying key enterprises wanting to enter the export market;
- Ensuring our economic, social and environmental sustainability; and
- Demonstrating leadership which promotes an improved regional economic eco-system (governance) and embraces innovation.

Given the broad and transversal nature of the aforementioned strategies, the current fiscal framework as well as the setting of an upper limit for Compensation of Employees (COE), the Department has aligned its Workforce Plan to ensure congruence between the needs and priorities of the Department with those of its legislative, regulatory, service and its strategic mandate. These include the South African Employment Equity Act and the transversal National Youth Policy (NYP), prioritising socio-economic youth empowerment.

In addition, the re-skilling and up-skilling of staff, with key factors to be considered such as competency improvement, performance, transformation, diversification and mentorship remained a priority for the Department. This plan has and will continue to be the vehicle to ensure that the Department utilises and develops its human capital optimally.

In compliance with budget austerity measures and the COE guidelines, a committee was established to ensure that posts crucial for service delivery, are filled. Thus, the Department continues to prioritise a strategic, talent-driven, vision-led senior management cadre, labour force and organisational culture.

## 2.5 Key policy developments and legislative changes

A key policy change in the energy sector was the finalisation of the Integrated Resource Plan 2019 (IRP2019). The plan outlines new electricity sector generation capacity requirements up to 2030. The plan promotes a larger share of renewable energy in the country's supply mix as well as opportunities for the development of gas to power, both areas that the Energy Unit has been actively pursuing through its work on utility scale energy market intelligence and service desks and the LNG project.

In line with the IRP2019, the Minister of Mineral Resources and Energy also issued revised licencing regulations in March 2020 that provide certain exemptions on registration and licencing requirements to enable further self- and distributed energy generation.

### 3. STRATEGIC OUTCOME-ORIENTATED GOALS

The Strategic Outcome Orientated Goal of the Department is aligned to the objectives as articulated in Provincial Strategic Goal 1: Creation of opportunities for growth and jobs. This was set out to be achieved by facilitating the **acceleration of economic growth through increased jobs and increased Gross Value Added (GVA)** of R25 billion by 2020. Over the past five years, the WC's GVA has increased by R26 billion and 347 000 jobs added to the economy. This aligns to the National Development Plan (NDP) outcomes of 'Inclusive economic growth' and 'Creating more decent jobs'.

The Department, through Project Khulisa, identified a set of key, competitive sectors through which we believe we can unlock accelerated growth and job creation. These are: Tourism, Oil and Gas and Agri-processing. They were identified in an extensive exercise to prioritise those sectors that offered both high employment and strong growth potential. While we continued supporting building an enabling environment for the entire economy, these sectors received accentuated focus as we believe that they hold promise of maximising direct and indirect employment and GVA growth.

In creating an economic enabling environment, the Department embarked on a 7-point action plan toward building a resilient, inclusive and competitive Western Cape. These seven strategic interventions can be summarised as follows:

- Provide economic growth leadership;
- Reduce the cost and improve the ease of doing business;
- Establish and promote an innovative and competitive business environment;
- Develop key skills programmes to match the demand for appropriate skills for the economy and thereby to enhance regional competitiveness;
- Invest in key economic catalytic infrastructure;
- Promote the global profile of Cape Town and the Western Cape within the tourism industry; and
- Promote trade and investment for Africa's growth and development.

See *2.1 Service delivery environment* for a view of the Department's performance in the global, national and provincial economy environment.

In the case of the National Development Plan 2030 and supporting Medium-term Strategic Framework (MTSF) (2014-2019), the alignment of the Department's strategic plan with the national strategic imperatives can be found in the following outcomes:

1. Outcome 4: Employment through inclusive economic growth;
2. Outcome 5: A skilled and capable workforce to support an inclusive growth path; and
3. Outcome 6: An efficient, competitive and responsive economic infrastructure network.

Critical to achievement of the National Development Plan goals is the building of a capable state. In this regard, the Department has made tremendous strides in contributing towards a capable state by achieving clean audits for the past five years. This achievement could only be achieved by maintaining excellent **financial governance** and significantly investing in the staff of the Department and increasing their knowledge and understanding of processes as well as understanding the impacts of their decisions and action.

Sound financial management is complimented by an active **Monitoring and Evaluation (M&E)** system to support programmes to achieve desired outcomes. By March 2020, the Department can report achievements of a strong, consistent and growing demand and use of M&E products. Non-financial performance management has over the years consistently achieved a Level 4 rating, indicating best practices in performance reporting. Clean audits have included no qualified findings for how we manage and report our programmatic performance. Evaluations, also externally assessed through the MPAT methodology, averaged at Level 3, indicating that the fundamentals for building a departmental evaluation system are in place. For the new medium term, programmes will be encouraged to build on the strong evaluative practices in the Department with ongoing strategic support, through developing indicators, measuring performance against five year outcomes and using data-driven reporting to inform annual project and programme planning and implementation strategies.

The **Integrated Economic Development Service** (IEDS) Programme continued to promote and support an enabling business environment and ecosystem that enables businesses to grow and develop which is critical for economic growth and job creation.

The activities of the Enterprise Development Unit focussed on access to finance, access to markets, capacity building, promoting a culture of entrepreneurship with the associated pipeline of potential entrants drawn from various initiatives; business development support and sustainable procurement. These initiatives contributed towards job creation and the expansion of businesses by enabling them to, inter alia, move up the value chains within sectors such as agri-processing. The partnerships developed by the Department enabled it to scale projects in terms of magnitude and reach. Our on-going partnership with organisations such as Pick 'n Pay and Deloitte once again added much value to the service offerings of the Department to entrepreneurs and small businesses.

The Regional and Local Economic Development Unit supported municipalities in providing business with more enabled and conducive local business environments and services. Business-facing services were assessed to determine where efficiency gains may lie in terms of time and processing steps that can translate to cost savings for business and the municipality, when suitable improvement measures are introduced.

Over this past five-year cycle the Unit assessed 20 municipalities and made 365 recommendations around efficiency improvements at local level. By March 2020, more than 75% of all recommendations were either fully or partially implemented by municipalities. To optimise the building plan application and approval process faced by the construction sector, and to optimise the permitting required in the film and event sectors for the benefit of the tourism sector, the Department supported 23 municipalities to adopt web-based portals for online application and digitised back-office processing across the Province. Red tape reduction is a necessary objective, but the longer-term goal is the ability to offer service delivery to business that stimulates and unlocks economic potential of all regions.

The work of the Red Tape Reduction Unit has seen a decided shift from a focus on resolving individual cases to seeking systemic solutions. Addressing individual complaints and requests for assistance create goodwill and confidence that the WCG is responsive, but do not provide long-term, cross-sectoral benefit. In pursuing such longer-term benefit, the Unit spent considerably more resources on co-ordinating role-players' involvement in and contribution towards solution-seeking. This approach has been evidenced in the stakeholder platform it set up to address operational inefficiency in the port of Cape Town, which included role-players along the entire value chain (producers, road freight operators, depot and cold-storage operators, the port operator, port owner (Transnet), forwarding agents, et cetera.); its work in the Construction War Room; setting up a business-government platform in Philippi to address service delivery failures affecting business in the area, and facilitating government-business-community liaison in Kraaifontein to avert the threat of vandalism and disruption at a new business in the area.

The departmental five-year strategy set a target of contributing towards cost savings and benefits (to government and business) of R1 billion in the provincial economy by 2020. This objective was also captured in the Provincial Strategic Plan 2014-2019. It resonates with chapter three of the NDP on the economy and employment and specifically with the required action to reduce the cost of doing business through micro-economic reforms, as well as with chapter 13 of the NDP that is aimed at building a capable state.

The R1 billion target was reached in March 2019. It was quantified by way of a custom-designed impact assessment model based on the social cost benefit methodology that is used by the European Union. The cost savings and benefits were achieved from 28 provincial and municipal interventions over a period of five years. These interventions include digitising City and municipal building plan approval processes; removing red tape associated with permit applications for film shoots and abnormal loads; the synchronisation of environmental impact assessment processes and an ambitious spaza shop formalisation project.

The area of consumer protection is one which in terms of the **Business Regulation and Governance** Programme's strategic objectives aligns acutely with the development of a customer centric public service which is aimed at creating an empowered citizenry. As such, many of the Programme's projects are aligned with the provincial and national outcomes which are aimed at the development of a public service which is focussed on protection

of consumer rights of citizens. Accordingly, the Programme aligns closely with National Outcome 12 and the Provincial Strategic Goals which are aimed at the creation of an efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship. Therefore, it is unambiguous that the work of the Programme is customer-focussed given that there is a direct interface with the citizens of the province and direct services are being provided on consumer protection and consumer education issues. Numerous strides were made during the last five years. The programme resolved 24 937 of the 25 694 complaints it received against a set target of 20 000. The resolution rate against what was received equates to 97%, resulting in a saving of R16,6 million accruing to consumers against a set target of R15 million. Thus, the percentage five-year target achieved is 110%. This demonstrates that the Office of the Consumer Protector (OCP) provides a level of service which is comparable or better than other Provinces. This specific outcome indicator was adopted and endorsed by consumer protection agencies across the country and has been a permanent feature of the programme since the 2011/12 financial year. Some of the factors contributing to this overachievement relate to extra hours that staff within the Complaints Management Division had to work in order to cope with influx of complaints. This was experienced during the first three years and thereafter yearly decline followed and it coincided with the decline in staff numbers. This decline, however, did not affect the five-year target. The Consumer Education and Awareness Unit continues to make a positive impact on communities and organisations. The increase in the number of complaints received could be attributed to the outreach programmes. A total of 1 382 interventions were conducted during the last five years against a combined target of 1 115. This is 267 above the set five-year target. These were made up of 457 financial literacy workshops, 128 SMME engagements and 797 public campaigns. Furthermore, 177 partnerships were created and maintained during the last five years. The key partnerships were established within the NGO, NPO, business, and regulatory sectors. Furthermore, 49 130 information materials were distributed against a set target of 29 000. These achievements were made possible by strategic partnerships forged during the last five years. The rationale behind the establishment and maintenance of effective and strong working relationships with regulators enhance the service offerings of the OCP as citizens. In terms of achieving the goals set as per the departmental five-year strategy the Programme made positive strides in this regard and exceeded its outcome targets.

The **Economic Planning** Programme has continued to review, develop and support key policy; drive the Green Economy; Digital Economy and roll out of Catalytic Infrastructure initiatives towards achieving growths and job creation in the Western Cape Economy.

To this end, the Economic Planning Unit has ensured that 12 strategies, policies or frameworks were signed off and 24 that were reviewed and supported. Five research agendas were developed and implemented; with 58 economic research reports developed. The Programme continued to provide support to the Western Cape Economic Development Partnership (EDP) which resulted in over 85 partnerships established across government, private sector, academia and communities with a view to growing the economy through partnerships that leverage resources and remove silos in addressing challenges.

The Cape Catalyst Unit has supported 11 infrastructure projects aimed at recruitment of investment valued at R4,65 billion. DEDAT has successfully recruited R5,57 billion over the last five years having exceeded the target by R9,28 million due to an investor landing sooner than expected.

During the five-year strategic plan period, the Western Cape has seen a big growth in green economy investments. Green economy investments in which the Department played a role amounted to over R4,8 billion within this period. The investments were made in utility scale wind power projects; energy services; waste to energy and biogas; rooftop, ground mounted and floating solar PV; indoor hydroponics; a green economy SME fund; water use efficiency products; nonwoven fabrics; organic waste treatment; acetylene gas production (used in making wind towers); waste recycling; and medicinal cannabis production (part of the biodiversity economy). Through the Department's projects and resources, prospective investors, developers, businesses and citizens have been assisted with unblocking red tape and regulatory issues; facilitating grant funding; connecting investors with networks; providing technical, market, incentive, regulatory and other assistance, knowledge and insights; identifying site locations; evaluation of technical solutions and determining resource requirements amongst others.

The Department, in its execution of the Broadband for the Economy programme, sought to bring to fruition the socio-economic objectives of the Western Cape Broadband Strategic Framework endorsed by Cabinet in 2012.



A cumulative total of 45 aligned projects were delivered over the five-year period. An adaptive and iterative approach was used in the project design to respond to the emerging needs and opportunities of businesses and citizens of the Western Cape. As can be seen in each annual report over the term, many of these projects spanned over multiple years.

The Western Cape Broadband Strategic Framework Stream II was developed and implemented in response to the strategic outcome-orientated goal to grow and develop the provincial economy through the support of broadband usage, infrastructure and readiness by businesses and citizens to stimulate broadband uptake to improve competitiveness.

The projects specifically addressed broadband access, digital skills and digital usage by citizens and businesses within the Province under the themes Connected Citizens, Connected Leadership and Connected Business. During this period the focus was on development, testing and implementation of these projects, and by the end of 2018/19 most of these projects were sufficiently mature to support achieving the outcome stated below.

The initial target of 70% internet uptake by 2020 was based on a benchmarking study commissioned by the Department in 2014. However, due to budgetary constraints, the Department was not able to conduct a follow-up study to measure the realisation of targets set within the Objective Statement of the five-year strategic plan. As a result, the outcome indicator was revised and the Stats SA's General Household Survey indicator, "Percentage of households with access to the internet", has now been adopted as the performance measure.

Notwithstanding this change, the 2018 General Household Survey conducted by StatsSA shows the Western Cape at the second highest level of household internet access in South Africa at 72,4%, compared to the national average of 64,7%. This is testament to the strength of consistency and longevity in policy execution of the Western Cape's Broadband Strategy, and a positive enabling environment in the province. The 2019 iteration of the report is yet to be published.

During this period the WCG also introduced two new frameworks underpinning the focus of the WC Broadband Initiative: (1) the Digital Government Strategy, driven by the Department of the Premier: Centre for e-Innovation and (2) Digital Opportunities Implementation Framework, which is led by DEDAT.

The Digital Opportunities Implementation Framework is the Digital Economy Units' response to the fast-paced acceleration of digital disruption and the Fourth Industrial Revolution. It aims to support the economy as it gears for the opportunities and challenges brought on by a hyper-connected digital economy and society.

In parallel, the Department of the Premier is driving the Digital Government strategy and taking fuller responsibility for driving the provision of citizen access and infrastructure, which allows for synchronisation and optimisation of provincial programmes within this space.

**Project Khulisa** was developed using an intensive design process to ensure that the Project was constructed in a way that provided the best opportunities to achieve economic growth and job creation. Khulisa Agri-processing was developed in response to clearly defined challenges of inadequate economic growth and rapidly increasing levels of unemployment. Over the last five years, Khulisa **Agri-processing** was implemented through three strategic intents which had specific outputs and outcomes as well as activities for delivery by 2020. These activities and outputs contributed to the outcomes of an increased GVA and direct jobs for the Agri-processing sector. The three strategic intents were:

- Grow the Western Cape's share of the global Halal market from <1% to 2% by 2025 (as finalised by Khulisa).
- Double the value of wine and brandy exports to China and Angola by 2025.
- Increase local capacity to process agricultural goods for the domestic and international market.

The focus of Khulisa **Oil and Gas** was to establish a fully functional world class upstream Oil and Gas hub in Saldanha through the implementation of key initiatives to increase the GVA contribution from R1 billion to R3 billion and create employment opportunities in the sector. The challenges that the sector faced to achieve its targets include the volatility of the Brent crude oil price and delays in upgrading and refurbishment of port infrastructure.

During the five-year period the oil, gas and marine services sector focussed on the establishment of port infrastructure, skills development, enterprise and supplier development, ease of doing business as well as trade and investment initiatives to accelerate growth and development in the industry. The completion of the back-of-port infrastructure, upgrading of the Offshore Supply Base, construction on the port land in Saldanha as well as critical repair works done to the dry docks in Cape Town is some of the achievements in the development of suitable port infrastructure. The skills development programmes implemented by the DEDAT and Saldanha Bay IDZ focused on the training and placement of artisans for different occupations that include welding, mechanics, electricians and boilermakers. The enterprise and supplier development portal (GrowNet) was established to enable local enterprises to access business opportunities from big corporates.

The ease of doing business programme improved the process on building plans and access to municipal land in Saldanha and the DEDAT addressed the issue around the delays in the scanning of containers at the Port of Cape Town. Other achievements include the signing of agreements to occupy space in the IDZ by local, national and international investors.

The importance of **tourism** as a vital economic sector was underscored by the National Development Plan 2030 (2011) and further reinforced by the National Tourism Sector Strategy (2011). Aligned to this national vision, Project Khulisa identified tourism as one of the key sectors that offers the province the greatest potential return in terms of jobs and growth. Through the tourism levers, tourism initiatives have been identified to increase the GVA from R17 billion to R28 billion. During the reporting period, tourism contributed an additional R8 billion to the GVA. This fell slightly short of the R10 billion target that had been set. The underperformance was in large part due to the negative impacts of the drought on tourist arrivals.

For the destination to be globally competitive, it is important that the product offering is varied and of good quality; and able to provide world class tourism experiences. Project Khulisa (Tourism) identified cycle tourism and the development of culture and heritage routes in Western Cape as niche markets that will boost the attractiveness of the destination and increase the visitor numbers together with the associated economic benefits that these visitors bring to the Western Cape. The Cradle of Human Culture Route, the Cape Cycle Routes, the Madiba Legacy Project and the establishment of the Air Access Task Team were noteworthy achievements. The tourism directorate also implemented programmes to foster a customer service culture through the Journey to Service Excellence and continued with meeting its regulatory functions in terms of the registration and regulation of tourist guides.

The **Skills Development and Innovation** Programme has facilitated the provision of human capital skills through experiential learning interventions, work readiness augmentation, closing the gaps between industry demand and supply-side projects and the roll out of technical skills development in support of a capable and skilled workforce aligned to the outcomes of the NDP.

The Programme focused on addressing systemic challenges such as the improvement of career guidance, educational attainment in mathematics and improve retention rates at educational institutions and workplaces; improve life and job readiness skills; improve the appropriateness and effective delivery of education and training curricula to address industry needs; and to improve coordination across a number of stakeholders related to policy, planning, implementation and the funding of skills development programmes and projects to achieve the desired outcomes.

The combined efforts of the Apprenticeship Game Changer to promote the concept of apprenticeships coupled with the implementation of the flagship demand-led skills interventions addressing sector needs like the Work and Skills, Artisan Development Programme, technical and ICT skills interventions have positively supported the increase in the number and quality supply of appropriate technical and vocational skilled workers responsive to industry needs.

The Programme has managed to actively foster relationships with all the spheres of government, business and civil society to drive integrated planning and coordination that has leveraged key partnerships like the Jobs Fund and SETAs that has provided financial and non-financial support towards the implementation of our skills interventions resulting in greater reach, scale and impact.

## 4. PERFORMANCE INFORMATION BY PROGRAMME

### 4.1 PROGRAMME 1: ADMINISTRATION

#### Purpose

To provide strong, innovative leadership, and to deliver clean, efficient, cost-effective, transparent and responsive corporate services to the Department.

#### Programme structure

The Programme is structured as follows:

##### Sub-programme 1.1: Office of the Head of Department

- To manage and direct the Departmental transversal administrative programmes that give leadership to the Department; and
- To effectively maintain an oversight function of the whole Department's mandate and function.

##### Sub-programme 1.2: Financial Management

- To provide an effective financial management function;
- To ensure implementation of the PFMA and other related financial regulations and policies;
- To provide planning and budgeting support to the Department; and
- To make provision for the maintenance of assets.

##### Sub-programme 1.3: Corporate Services

- To provide a strategic support function to the Department;
- To ensure the rendering of ICT, human capital, corporate assurance, legal and communication support services to the Department;
- To render communication services to the Department;
- To monitor and evaluate Departmental performance; and
- To develop and manage knowledge and information systems, records and co-ordinate the ICT.

## Sub-programme 1.2 Financial Management

### Strategic objectives, performance indicators, planned targets and actual achievements

#### Strategic objectives

Sub-programme 1.2 Financial management					
To achieve the highest level of financial governance and to maximise service delivery through excellence.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
1.1 Audit opinion obtained from the AGSA in respect of the previous financial year	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report	-	-

#### Performance indicators

Sub-programme 1.2 Financial management							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 The processing of payments to creditors within 30 day	Payment to creditors within 17,26 days	Payment to creditors within 18,31 days	Payment of creditors within 15,79 days	Payment of creditors within 30 days	Payment of creditors within 15,88 days	14.12	Systems and controls are in place to ensure sound management of payments resulting in payments being processed in less than 30 days.
1.2 Percentage of bids processed within 60 days (No of bids processed within 60 days/ total number of bids)	-	100%	100% (N=8)	80%	100% (N=6)	20%	Sound SCM process regarding bids, thus exceeding the turnaround time of processing bids.
1.3 Cumulative expenditure as a percentage of the budget (Actual expenditure/ Adjusted budget).	97,58%	98,51%	98,95% (R424 396 000)	98%	98% (R498 783 000)	None	None required
1.4 Number of financial efficiency interventions implemented	4	12	5	4	7	3	Exceeded target as the Unit continuously strives to enhance service delivery.
1.5 Number of financial manual training sessions conducted	21	18	19	12	12	-	-

## Sub-programme achievements

In the constant pursuit of building efficiency and cost effectiveness, while enriching our service offerings to our clients both internal and external to the Department, Finance reviewed its current procedures and implemented various efficiency measures, which contributed to financial management exceeding its target regarding the implementation of efficiency measures. Examples of these include:

- The automation of booking GG-vehicles, to enhance the process when applying for the utilisation of a GG-vehicle
- Strengthening the compliance environment with the development of an Ethics Policy and Strategy for the Department
- To integrate the procurement plan and cash flow document to better assist project managers with the planning of their projects from both a SCM and Management Accounting perspective.

Financial management understands the frustrations and plight of suppliers, especially the small business owners (SMMs), as they are key contributors to the fight against the triple evils of unemployment, poverty and inequality. Therefore, this Office will continuously drive the achievement of the less than 30-day turnaround time for the payment of goods and services. With proper systems and monitoring in place, payments to beneficiaries are processed within an average of 15.88 days from the date of receipt of invoice to the date of payment into the beneficiaries' bank account.

Finance has further set a target to process 80% of all bids within 60 days and has for the period under review exceeded that target in that 100% of all bids were processed within 60 days. These turnaround times was achieved without any governance standards being sacrificed.

As one of the Financial Management's services to the Department, training and its benefits has always been prioritised. Financial Management achieved its target of training programmes for the year based on the demand for such interventions by Programmes as well as result of legislative changes and revisions of processes.

Informed by the audit cycle of 2018/19, Provincial departments were tasked with the implementation of B-BBEE compliance. With due consideration that the initiative was led primarily by Programme 2: Integrated Economic Development Services, the Financial Accounting Unit together with the Internal Control Unit developed a methodology that has since augmented the manner in which counterpart departments would achieve B-BBEE compliance status. Through the units' direct efforts, a blueprint has emerged that has been rolled out by Programme 2 accompanied by the Financial Accounting Unit guiding other Departments to achieve similar status in part to serve the current audit cycle but more importantly to reciprocate service delivery demanded from our stakeholders, the public.

## Strategy to overcome areas of under performance

Not applicable

## Changes to planned targets

Not applicable

## Sub-programme 1.3: Corporate Services

### Departmental Communications

#### Strategic objectives, performance indicators, planned targets and actual achievements

##### Strategic objectives

Departmental Communications					
To adequately inform and empower stakeholders of the Department by providing access and connectivity to Departmental activities through communication activities which are aligned to Western Cape Government Communication strategic imperatives.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Departmental Communication Plan in place to ensure effective communication	1	1	1	-	-

##### Performance indicators

Departmental Communications							
Performance indicator (Output indicator)	Actual achieve- ment 2016/17	Actual achieve- ment 2017/18	Actual achieve- ment 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achieve- ment 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of Departmental events calendar developed and updated	-	1	1	1	1	-	-
1.2 Number of official documents translated	14	23	11	8 - 29	12	-	-
1.3 Number of communication interventions implemented	21	36	24	8 - 36	24	-	-



## Sub-programme achievements

During the financial year the Departmental Communications Unit continued to render communication support services to Programmes within the Department.

To support the objectives of departmental projects, the Unit implemented several communication campaigns in support of the Department's economic advocacy role.

The Unit played a central role in facilitating the relationship with the contracted media agency, Corporate Communications and eG4C, ensuring communication campaigns were properly briefed, and implemented. Notable projects included the development of a brand identity for Cape Town and the Western Cape's tech ecosystem – "Cape Town – Africa's Tech Capital. Ongoing work was undertaken in raising awareness about offerings such as Jump for entrepreneurs and I-CAN services and training resources which could be accessed.

Other vital projects included raising awareness of tourism safety initiatives, the Journey to Service Excellence awards as well as support offerings to businesses regarding general support as well as specific areas such as preparing for load shedding. This while also ensuring that consumers were aware of issues such as savings and their consumer rights when accessing business goods and services, building on consumer confidence. Career resilience awareness was also generated through the development of material related to dealing with unexpected job loss.

In conjunction with the line functions, the Communications Unit has the task of ensuring that the Department's website remains updated. Website updates were generally project specific. The Departmental website was often used as a tool to draw applications for departmental projects, provide stakeholders with more in-depth information and to create awareness of programmes being run in the Department.

## Strategy to overcome areas of under performance

Not applicable

## Changes to planned targets

Not applicable

## Departmental Performance Monitoring

### Strategic objectives, performance indicators, planned targets and actual achievements

#### Strategic objectives

Departmental Performance Monitoring					
Outcomes-based monitoring, evaluation and measurement of the Department's implementation of strategies, programmes and projects to determine the effectiveness and impact of economic development policies and priorities.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Functional "M&E system" as assessed through the annual MPAT ratings	MPAT: Monitoring – Level 4 & Evaluation – Level 3	MPAT discontinued as from 1 April 2019, awaiting guidance from national government for alternatives.	MPAT remained discontinued and hence nil was required.	None	No deviation

## Performance indicators

Departmental Performance Monitoring							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of monitoring reports	1	2	2	2	2	None	No deviation
1.2 Manage the Department's Non-Financial Performance Reporting function	-	4 Quarterly Performance Reports	4 Quarterly Performance Reports	4 Quarterly Performance Reports	4 Quarterly Performance Reports	None	No deviation
1.3 Department publishes approved Technical Indicator Descriptions	-	Consolidated DEDAT Indicator Reports submitted	On 31 March 2021	On 31 March 2020	On 4 March 2020	27 days	The national Framework for Strategic Plans & APPS (revised 2019) prescribed new guidelines for Technical Indicators and completion dates. To ensure compliance with regulations the DEDAT delivered the TIDs earlier than planned.

### Sub-programme achievements

With 2019/20 as the final delivery year of the previous five-year strategic cycle, a key focus for Monitoring and Evaluation was to support managers to review historic performance and use performance and lessons learnt to inform the development of the new medium-term Strategic Plan for the Department.

Over and above core deliverables for managing the non-financial performance reporting and indicator development processes, noteworthy results also produced including:

- Technical guidance to managers to develop and refine five-year outcomes aligned to the Province's PSP, 2019-20 priorities and new Strategic Plan, 2020-2025
- Produced aggregated performance figures to inform the DEDAT's Handover Report to the incoming Executive, focusing on 2015/16 - 2017/18 programmatic performance
- Developed reports to update DEDAT's performance against its Strategic Plan 2015-20 and PSP 2014-2019 priorities
- Developed the Department's Transversal Indicators, a list of key-cross-cutting indicators to guide and keep track of department-wide measurement and reporting
- Presenting performance and considerations when formulating indicators at the Department's multiple five-year strategic planning sessions.

### Changes to planned targets

Not applicable.

## Knowledge Management

### Strategic objectives, performance indicators, planned targets and actual achievements

#### Strategic objectives

Knowledge Management					
To strengthen institutional governance for improved service delivery.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Maintenance of the centralised knowledge management system (ECM) to achieve electronic data governance and institutional memory	ECM System maintained	Maintenance of the ECM	Maintenance of the ECM	None	None

#### Performance indicators

Knowledge Management							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
% of Departmental records stored on ECM out of the total records received	93% content stored and disseminated of all programmes (N = 1 434)	88% content stored and disseminated of all programmes (N = 2 000)	98,82% (N = 3 397)	90% of content stored and disseminated (N = 2 000)	82,3% of content stored and disseminated (N=3 104) (3104/3769) = 82.3%	7,7%	Not all records could be scanned due to the quality of the paper and the sensitivity of the scanner.
Number of Learning networks facilitated	4	4	3	4	4	None	None

#### Sub-programme achievements

The Department incorporates a dual document registry system that entails both electronic and paper-based methods of storing vital information. The Knowledge and Information Management (KIM) Unit is the key driver towards the effective and efficient use of the Electronic Content Management (ECM) system throughout the Department. This resourceful tool is a fundamental aspect of the Department and assists the Unit to identify risk outlooks and maturing ways to manage the information that we work with on a daily basis. Over the past year, the emphasis has focused on how we should be building trust in the safekeeping of records and improving the practices of knowledge and information management services. Under the year of review and against the backdrop of innovation and technology, the Unit has successfully accomplished its target of four learning networks for the Department. The learning networks focused on the promotion of technology advances for the Department such as MyTrack and Microsoft Office 365. Despite the drop in the storage of content and dissemination, the Unit has successfully maintained the ECM system for the Department which consisted of the integration of functions

across the ECM that connects business processes and information sources. Open Text Suite 16 has been made available to the Department during February/ March 2020 and will be rolled out in the next financial year via a MyContent Revitalisation Project. With this in focus to effectively plan for a faster enterprise file sync and sharing capabilities, the Department will be rolling out the Smart User Interface within the new financial year. In future, the strategic performance areas will continue to aim for technological innovation to reduce the cost of doing business and improve business efficiency through programmes aimed at growing the governance of information and technology including organisational learning.

Continued emphasis will be placed on the maturing of service delivery standards to enhance the security of informational assets.

### Strategy to overcome areas of under performance

Not all records could be scanned due to the quality of the paper and the sensitivity of the scanner. A new Records Manager commenced duty within the financial year, whereby new records and information management processes were put in place to safeguard records.

### Changes to planned targets

Not applicable

### Linking performance with budgets

During the 2019/20 financial year, Programme 1: Administration was allocated a financial resource envelope of R59,477 million. Of this, R38,651 million was allocated to Compensation of Employees, R15,571 million to Goods and Services and R4,124 million to payments for Capital Assets. During the Financial year, 95,70% of the allocated budget was expended. The primary drivers of this expenditure was Compensation of Employees amounting to R37,089 million and Goods and Services amounting to R14,584 million. Other notable expenditures were allocated to Audit costs amounting to R3,119 million as well as the upskilling of staff (R1,633 million) of which bursaries for staff members of the Department amounted to R387 000.

### Sub-programme Expenditure

Sub-programme Name	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over)/Under expenditure	Final appropriation	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the HoD	8 853	7 464	1 389	10 652	10 644	8
Financial Management	35 832	34 829	1 003	35 065	34 713	352
Corporate Services	14 792	14 621	171	12 729	12 296	433
<b>Total</b>	<b>59 477</b>	<b>56 914</b>	<b>2 563</b>	<b>58 446</b>	<b>57 653</b>	<b>793</b>

## 4.2 PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

### Purpose

To promote and support an enabling business environment for the creation of opportunities for growth and jobs.

### Programme structure

The programme is structured as follows:

#### Sub-programme 2.1: Enterprise Development

- To contribute to the creation of an enabling business environment that empowers small business and entrepreneurs to develop and grow.

#### Sub-programme 2.2: Regional and Local Economic Development

- To provide support in the improvement of local business-facing services that contributes to the creation of enabling business environments at municipal level.

#### Sub-programme 2.3: Economic Empowerment

- To facilitate the process of empowerment and creation of an enabling business environment for PDIs. This sub-programme has been taken up in sub-programme 2.1.

#### Sub-programme 2.4: Red Tape Reduction

- To improve the business environment by reducing the regulatory burden on businesses through improved legislation, processes and communication.

#### Sub-programme 2.5: Management: Integrated Economic Development Services

- To conduct the overall management and administrative support to the programme.

### Sub-programme 2.1: Enterprise Development

#### Strategic objectives, performance indicators, planned targets and actual achievements

##### Strategic objectives

Sub-programme 2.1: Enterprise Development					
To increase the sustainability and growth of SMMEs.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Number of businesses expanded	63	269	234	(35)	The Unit's attempts to gather the information was hampered by the closure of businesses during the economic lockdown. In addition, changes to the project focus and associated implementation resulted in the target not being achieved.

## Performance indicators

Sub-programme 2.1: Enterprise Development							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of entrepreneurship promotion and business support interventions	5	5	6	10	10	-	-

### Sub-programme achievements

#### Access to financial and non-financial support

The Department supported seventeen organisations, three of which were municipalities through the SMME Booster Fund. The initiative aimed at enhancing projects and interventions focused on developing Small Medium and Micro Enterprises (SMMEs). Through this initiative the Department provided support to over 400 SMMEs across the province. The type of support that filtered down to the SMMEs range from entrepreneurial training, technical training, mentoring, coaching, the provision of equipment, funding and trading spaces. To date, 87 of these businesses expanded their operations which resulted in the creation of 215 job opportunities.

The Entrepreneurship Support Fund provided financial assistance to enable businesses to deliver on contracts and tenders from both the public and private sector. A total of 74 loans, to the value of R4,3 million were approved. This enabled the beneficiaries of this financial product to access market opportunities to the value of R17,6 million.

The Western Cape Funding Fair in partnership with Deloitte, provided a platform for face-to-face contact between SMMEs, entrepreneurs and various funding institutions. It also educated and empowered entrepreneurs regarding the approach and processes to be followed in turning ideas into bankable business plans and viable businesses. The 2019 Funding Fair hosted 1,159 delegates and 21 exhibitors.

The Township Economic Revitalisation Project supported entrepreneurs in accessing the Pick n Pay Market Store Project which introduces the Pick n Pay Market Store concept into townships and surrounding areas. The department provided financial assistance to entrepreneurs to upgrade and renovate sites to ultimately create a store that offers a world class shopping experience in the township. In August 2019 this intervention saw the opening of the Mbekweni Market Store in Mbekweni which resulted in the creation of 35 jobs, mostly from the Mbekweni township. Due to the economic lockdown on 26 March 2020, three store activations planned for April and May 2020 were postponed.

The Department, in partnership with the National Empowerment Fund (NEF) continued its effort to provide low cost funding to qualifying entrepreneurs through the WCDEDAT/ NEF ED Fund Initiative. The Department's R10 million allocation to this fund saw a total of five businesses being assisted to the value of R31 million. The Department's agreement with the NEF, which leveraged a funding contribution, continues to benefit Western Cape-based entrepreneurs.

The Long Street Kiosk initiative which aimed to provide township and micro businesses an opportunity to trade in the Central Business District in Cape Town. Seven (7) businesses were supported through the procurement of equipment, marketing and branding material to enhance their businesses and improve their sustainability. Three (3) businesses were supported by partner organisations which include Productivity South Africa, Small Enterprise Development Agency (Seda), Cape Peninsula University of Technology (Clothing Technology Station) and Clotex. The ten businesses were surveyed of which nine responded positively showing expansion in terms of turnover/sales and employment.



The Department, in partnership with Provincial Department of Health (DoH), implemented a strategic sourcing intervention for nineteen (19) SMMEs operating as cleaning service providers in the public health sector. The Department provided the businesses with a bespoke training intervention to assist them to become compliant and business ready to take up opportunities presented in the health sector.

### Entrepreneurship

The Western Cape Entrepreneurship Expo, Summit and Awards (WCEESA) was successfully hosted on 28 November 2019. The theme of the event focused on local content and production (LC&P) and the objective of the summit and expo was to create a platform for thought leaders, entrepreneurs, corporates/parastatals, SMMEs, buyers, national and provincial departments, municipalities, policy makers, practitioners, industry bodies, LED & SCM managers, to explore, discuss, debate and identify issues which impacts on the implementation of LC&P. The LC&P Summit was attended by 150 delegates.

The Western Cape Entrepreneurship Recognition Awards provided a platform to recognise and support the province's most deserving and inspiring, high-potential entrepreneurs. It contributed towards increased entrepreneurship awareness and inculcates a culture of entrepreneurship. The 12 winning businesses were matched to appropriate business support (e.g. business diagnostics, mentorship, access to markets et cetera.).

### Strategy to overcome areas of under performance

The unforeseen economic lockdown hampered the Unit's efforts to collect the required information. The Unit commenced the gathering of the information in December 2019 and intensified its efforts between January and March 2020. The challenging economic conditions (pre COVID-19), exacerbated by the economic lockdown and the subsequent closing of many businesses resulted in a loss of revenue, which is a key indicator in recognising business expansion. The Unit will in future conduct this type of measuring exercise earlier.

### Changes to planned targets

Not applicable

## Sub-programme 2.2: Regional and Local Economic Development

### Strategic objectives, performance indicators, planned targets and actual achievements

#### Strategic objectives

Sub-programme 2.2: Regional and Local Economic Development					
To improve local business environments by improving municipal business-facing services that will contribute towards a cost saving or benefit (to government and business) of R1bn by 2019 in the provincial economy.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Number of municipal business-facing services improved (in terms of either time, complexity and/or cost)	6	5	5	-	-

## Performance indicators

Sub-programme 2.2: Regional and Local Economic Development							
Performance indicator (Output indicator)	Actual achieve- ment 2016/17	Actual achieve- ment 2017/18	Actual achieve- ment 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achieve- ment 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of local government specific business processes and/ or legislation improvements developed and proposed	79	53	55	55	76	21	The Unit was able to identify an additional 21 improvement measures at no additional cost to the Department.

### Sub-programme achievements

The municipal support programme concluded in March 2020 with business process assessments done in Beaufort West, Prince Albert, Laingsburg and Kannaland municipalities. Seventy-six (76) improvement measures were recommended that surpassed our target as the Department was able to identify more possibilities within the same budget allocation. Improvement measures were recommended in areas like supply chain management (stores and workshops), fleet management, building planning approval, procurement, et cetera.

Ten (10) more municipalities having gained access to electronic portals where businesses can lodge building plan applications online. Digitising the workflow processes means that improved timeframes can be achieved when processing approvals for economic development. Mossel Bay and Stellenbosch municipalities also collaborated with the Department to improve its ability to process permitting needed for film and event applications through a digitised process that was implemented.

We can report the positive impact of streamlining processing where Overstrand and Witzenberg municipalities were able to reduce the average processing time by a minimum of 24 days and 23 days, respectively. The approval process in a smaller municipality like Kannaland has managed an average reduction of a minimum of 13 days.

The first impact area of note is that 15 municipalities have demonstrated an improvement in this business-facing service, with four days being a minimum time-saved period. The second impact area is that with systems in 16 municipalities fully operational, business plans accepted via the portal for processing is certainly contributing to our resilience and recovery plans post lockdown and social distancing in this year of the pandemic. Creating efficiencies through the operationalised electronic processes, underpins the commitment by the Department to see two key sectors, construction and tourism, supported with a more conducive business environment that promotes investor confidence and stimulates economic activity in the regions.

The municipal support function also assisted with the Oudtshoorn Aerodrome infrastructure upgrade project. This project intends to catalyse the local airport into a functional and well-managed precinct that caters for tourism, transport and as well as training within the aviation industry. Oudtshoorn airport is not only a key finder airfield for ambulance operations, but it is also one of the training bases for AVIC International Flight Training Academy (AIFA). With the current expansion, AIFA is to undertake a longer-term arrangement with Oudtshoorn Municipality with regards to their flight training and aircraft maintenance.

### Strategy to overcome areas of under performance

Not applicable

### Changes to planned targets

Not applicable

## Sub-programme 2.4: Red Tape Reduction

### Strategic objectives, performance indicators, planned targets and actual achievements

#### Strategic objectives

Sub-programme 2.4: Red Tape Reduction					
To facilitate improvement of the business environment in the Western Cape through ease of doing business interventions in the national, provincial and/or local government sphere, in order to contribute towards cost savings and benefits (to government and business) of R1 billion in the provincial economy by 2020					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Monetary value of savings by, and benefits to, government and business resulting from ease of doing business initiatives	R294,479 306m	R500m	R621,024 806m	R121,024 806m	The target cannot be set with total accuracy, as it is dependent on the interventions undertaken, the benefit of which is largely beyond the control of the Department.

#### Performance indicators

Sub-programme 2.4: Red Tape Reduction							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of ease of doing business initiatives supported	-	15	15	7	7	-	-

#### Sub-programme achievements

The Unit dealt with 623 cases (requests for information and assistance/intervention) through its Red Tape Reduction Business Helpline, resolving 534 cases (85.7%) within the year.

Combined with the management of cases, the Unit's other interventions, such as reviews of acts and regulations that impact on businesses, dealing with specific sector interventions such as in the construction sector (environmental and heritage approvals and processes), enterprise development, municipal support (in conjunction with other units in the department), and generally dealing with several binding constraints in the economy, resulted in cost savings and economic benefits to the tune of approximately R67 million.

The Unit assessed and quantified ease of doing business interventions across several other WCG departments (using the Impact Assessment Tool), in order to record these achievements as contributors towards the achievement of the target of R500m in red tape cost savings and economic benefits for the year. (That target represents 50% of the R1 billion collective target for the preceding five years of the PSP 2014-2019.)

The Unit facilitated the approval of several film shoots, which had either been refused or had been granted with conditions that rendered the approval meaningless for the purpose.

The Unit also facilitated a wide range of other approvals required by a wide range of businesses, e.g. animal feed production registration; road work construction; abnormal load permits, and import/export approvals or import duty rebates.

The Unit further intervened in a number of high-value heritage approvals, ranging from a high-end boutique hotel development to a multi-billion-dollar wind farm development, with major foreign capital investment and job creation benefits.

The Unit created a high-level stakeholder platform for a major port efficiency intervention, with ministerial oversight and national office representation of the national government entities involved.

Lastly, the Unit facilitated several community-business-government dialogues, which prevented losses or removed risk to capital assets of more than an estimated R150m (based on previous events), due to protest action, vandalism (often connected to illegal electricity connections), other criminal acts and long-neglected maintenance backlogs.

### Strategy to overcome areas of under performance

Not applicable

### Changes to planned targets

Not applicable

### Linking performance with budgets

During the 2019/20 financial year, an amount of R67,040 million was appropriated to the Programme of which the actual expenditure amounted to R66,271 million. This translates to actual expenditure of 98.9% of the Programme's total budget. An overview of the funds spent per economic classification is as follows:

- Compensation of Employees accounted for R19,954 million or 30.11% of total expenditure;
- Goods and Services accounted for R8,817 million or 13.30% of total expenditure;
- Transfers and Subsidies accounted for R37,230 million or 56.18% of total expenditure; and
- Payments for Capital Expenditure amounted to R261,000 or 0.39% of total expenditure
- Payment for Financial Assets Expenditure amounted to R9 000 or 0.01% of total Expenditure.

### Sub-programme Expenditure

Sub-programme	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over)/Under expenditure	Final appropriation	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Enterprise Development	45 172	44 995	177	28 784	28 735	49
Regional and Local Economic Development	10 983	10 979	4	7 914	7 906	8
Red Tape Reduction	10 885	10 297	588	9 510	9 509	1
<b>Total</b>	<b>67 040</b>	<b>66 271</b>	<b>769</b>	<b>46 208</b>	<b>46 150</b>	<b>58</b>

## 4.3 PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

### Purpose

To stimulate economic growth in targeted sectors through industry development, trade and investment promotion.

### Programme structure

The Programme is structured as follows:

#### Sub-programme 3.1: Trade and Investment Promotion

- To provide resources to the tourism, trade and investment promotion public entity to enable it to deliver on its mandate, as defined in the Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996), as amended.

#### Sub-programme 3.2: Sector Development

- To implement key initiatives in the Khulisa-targeted sectors and provide support to priority sectors to stimulate growth and job creation in the Western Cape economy as well as to provide management and administrative support to the programme.

### Sub-programme 3.1: Trade and Investment Promotion

#### Strategic objectives, performance indicators, planned targets and actual achievements

##### Strategic objectives

Sub-programme 3.1: Trade and Investment Promotion					
To provide resources to the trade and investment promotion public entity to enable it to deliver on its legislative and strategic mandate for trade and investment promotion.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Rand value of committed investments to the Province	R2.222 bn	R1.62bn - R2.5bn	R2.245bn	-	-
Number of jobs facilitated from committed investments to the Province	752	640 - 1 370	1 485	115	The committed investments to the Province were labour intensive which led to the over achievement in jobs.
Estimated rand value of business agreements signed	R4.975bn	R2.15bn - R2.8bn	R3.084bn	R284m	The business agreements signed were capital intensive which led to over performance.

## Performance indicators

Sub-programme 3.1: Trade and Investment Promotion							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of investment projects realized	12	12	15	17	18	1	The additional investment projects were realised due to expediting facilitation of services.
1.2 Number of business agreements signed	41	53	79	40	37	(3)	While outward missions have been undertaken by the team, securing business declaration and export deals require time. The outbreak and uncertainty of COVID-19 that hit the Asian and European markets first has caused disruptions in the global supply chain.

### Sub-programme achievements

Wesgro realised a total of 18 investment projects to the value of R2,245 billion against a target of R1,6 billion-R2,5 billion. This has assisted in the facilitation of 1,485 jobs and growing the Western Cape's industrial base. Investment performance has also contributed to the objectives outlined in Project Khulisa through the commercialisation of investments in the priority sectors identified. Wesgro secured a total of 37 business agreements, with an estimated economic value of R3,084 billion, resulting in the facilitation of 973 jobs. The adoption of a more proactive approach concerning client engagements and expediting the facilitating of services such as matching companies and investors, taking companies on outward buying and selling missions and offering specialised advisory services. While outward missions have been undertaken by the team, securing of business declarations and export deals require time. The outbreak and uncertainty of COVID-19 that hit the Asian and European markets first have caused disruptions in global supply chains. This uncertainty has severely impacted securing trade deals and a strategy is being developed to overcome areas of underperformance concerning an export strategy and an investment strategy.

### Strategy to overcome areas of under performance

Not applicable

### Changes to planned targets

Not applicable



## Sub-programme 3.2: Sector Development

### Strategic objectives, performance indicators, planned targets and actual achievements

#### Strategic objectives

Sub-programme 3.2: Sector Development					
<i>Oil and Gas:</i> To provide strategic leadership and the necessary resources to deliver on the key initiatives needed to grow the Oil and Gas and Maritime sector.					
<i>Agri-processing:</i> To provide strategic leadership and the necessary resources to deliver on the key initiatives needed to grow the Agri-processing sector.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
The outcome target for “Khulisa Initiatives Supported” is linked to WESGRO’s outcome targets that will be captured concerning:					
<ul style="list-style-type: none"><li>• Rand value of committed investments to the Province; and</li><li>• Estimated rand value of business agreements signed.</li></ul>					
This outcome is achieved in partnership with Wesgro’s targets concerning trade and investment and will be highlighted in terms of the priority Khulisa sectors as part of their reporting.					

#### Performance indicators

Sub-programme 3.2: Sector Development							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of Khulisa initiatives supported	2	2	3	4	6	2	Further engagements with industry stakeholders, shifts in priorities and the availability of adequate resources led to more initiatives being identified and implemented in the financial year under review.

#### Sub-programme achievements

During the 2019/20 financial year, the Programme had set itself a target of four sector development initiatives to be implemented, but six initiatives were subsequently executed. The reason for this over-achievement was that when the stakeholder engagement activities were being carried out, new sector development opportunities during the financial year in the marine manufacturing and engineering services sector, as well as in the oceans economy sectors, were identified. The six initiatives that were implemented by the Programme during the 2019/20 financial year are:

- Halal Export Promotion Project
- Africa Halal Week Project
- Halal Investment Promotion Project
- Wine Export Promotion Project
- Upstream Oil and Gas and Marine manufacturing and engineering services research project
- Identification of the Western Cape Catalytic Oceans Economy projects and programmes project.

## Maritime Sector

The Unit developed the Oceans Economy Strategic Framework document, which identified several programmes and projects that must be implemented to unlock the full economic potential of the various Oceans Economy subsectors. Workshops in each of the four coastal district municipalities were hosted, which ensured that the private sector is involved during the process of compiling the strategic framework. Among many subsectors represented at the workshops, there were stakeholders from the Marine Transport and Manufacturing (MTM); Aquaculture; Fishing; Coastal and Marine Tourism; Small fishing Harbours; Maritime Education and others.

The identified initiatives will increase exports, create job opportunities for the youth and implement training programmes for the youth and local entrepreneurs. Partnerships with the district and coastal municipalities will ensure that the implementation of identified opportunities is driven at a local level through collaborative partnerships.

The Western Cape Oceans Economy Working Group continued to meet bi-monthly, with great participation by its core members who come from National Government Department of Tourism (NDT); Department of Environment, Fisheries and Forestry (DEFF); Department of Public Works and Infrastructure (DPWI); Agencies – South African International Maritime Institute (SAIMI); Transnet National Ports Authority (TNPA); Provincial Government – Department of Agriculture (DoA); Department of Environmental Affairs and Development Planning (DEADP); Provincial Agencies: Wesgro; Saldanha Industrial Development Zone; and, the four coastal district municipalities and the local coastal municipalities.

The Unit continued with participation in various platforms such as the national Lab Coordinating Committee (LCC) which meets in Pretoria monthly, the West Coast Business Development Forum and OceanHub Africa events. OceanHub Africa is a Cape Town-based organisation which has strategic international relationships, and this organisation incubates over thirty Ocean-minded businesses. The monthly LCC meetings are coordinated by the DEFF and the National Department of Performance, Monitoring and Evaluation (DPME) in The Presidency.

Informed by the strategic framework, the working group and other engagement platforms, the Unit has identified a need to, in the immediate future, focus on partnering with the private sector to: build capacity to strengthen strategic value chains; develop new markets and expand the existing ones; strengthen the existing or create new industry platforms.

## Oil and Gas

The Department conducted a Marine Manufacturing and Engineering Services industry study to assess the current state of the three (3) commercial ports in the Western Cape i.e. Port of Cape Town, Port of Mossel Bay and Port of Saldanha as well as recommendations to improve the effectiveness of these ports and opportunities for growing the industry. TOTAL conducted 3D seismic data assessments on the Brulpadda project in April 2019 and conducted further assessments during the end of 2019. They indicated that more exploration wells will be drilled in the second and third quarter of 2020. The Department, in collaboration with strategic stakeholders (Petroleum Agency of SA, Petroleum Oil and Gas Corporation of SA, Business Chambers, TOTAL, District Municipality and other municipalities, et cetera.), are in the process of establishing an Oil and Gas Forum for the Garden Route District. The Department participated in an outward mission to Mozambique that was organised by the South African Oil and Gas Alliance (SAOGA) to explore potential business opportunities for the oil and gas industry enterprises of South Africa and the Western Cape.

The Department provided comments on the Draft Upstream Petroleum Development Bill that focused on the sustainable development of the petroleum resources of the country and will be finalised by the Department of Mineral Resources and Energy and tabled to Parliament by the end of 2020 or early 2021.

The Department engaged with various stakeholders during the financial year to discuss opportunities for collaboration and partnering on the development and implementation of sector development initiatives. We facilitated and participated in engagement with the following programmes and organisations:

- The Transnet National Ports Authority (TNPA) in discussions on the revision of the timeframes for Operation Phakisa 3 feet plans, developments with the strategic operational plans for the commercial ports in the province

- The Netherlands Consulate General and his office on the establishment of a Western Cape Maritime Cluster
- WESGRO on the marketing and promotion of the Marine Manufacturing and Engineering Services industry
- Department of Home Affairs on immigration issues with crew changes, the port of entry status for Mossel Bay and Saldanha Bay ports as well as office space at Mossel Bay Port
- Other directorates in the Department to address red tape issues, skills development and enterprise and supplier development interventions for the industry.

Others include the Port Liaison Forum – Cape Chamber of Commerce; Port Cluster Leadership Team - SAOGA and the Port Consultative Committee – National Department of Transport to discuss developments with infrastructure projects, operations and performance of the respective commercial ports.

### Strategy to overcome areas of underperformance

Not applicable

### Changes to planned targets

Not applicable

### Linking performance with budgets

During the 2019/20 financial year, an amount of R63,718 million was appropriated to the Programme of which the actual expenditure amounted to R61,530 million. This translates to actual expenditure of 96,6% of the Programme's total budget. An overview of the funds spent per economic classification is as follows:

- Compensation of Employees accounted for R10,835 million or 17,61% of total expenditure;
- Goods and Services accounted for R1,994 million or 3,24% of total expenditure;
- Transfers and Subsidies accounted for R48,547 million or 78,90% of total expenditure; and
- Payments for Capital Expenditure amounted to R149 000 or 0,24% of total expenditure
- Payment for Financial Assets Expenditure amounted to R5 000 or 0,01% of total expenditure.

### Sub-programme Expenditure

Sub-programme	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over)/Under expenditure	Final appropriation	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Trade and Investment Promotion	48 539	48 539	-	36 200	36 200	-
Sector Development	15 179	12 991	2 188	11 459	11 004	455
Management: Trade and Sector Development						
<b>Total</b>	<b>63 718</b>	<b>61 530</b>	<b>2 188</b>	<b>47 659</b>	<b>47 204</b>	<b>455</b>

## 4.4 PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

### Purpose

To ensure an equitable, socially responsible business environment in the Western Cape – through general interventions within the trading environment and specific interventions mandated by the Constitution and national and provincial legislation and policies.

### Programme structure

The programme is structured as follows:

#### Sub-programme 4.1: Consumer Protection

- To develop, implement, and promote measures that ensure the rights and interests of all consumers.

### Sub-programme 4.1: Consumer Protection

#### Strategic objectives, performance indicators, planned targets and actual achievements

##### Strategic objectives

Sub-programme 4.1: Consumer Protection					
To provide an effective and efficient consumer protection service within the province that is aligned to the objectives and functions as prescribed by provincial and national consumer protection legislation.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Number of strategic consumer NGOs and other relevant partnerships established and/or maintained	30	40	44	4	Many organisations wanted to be part of the CP to ensure easy resolution of complaints as well as benefitting from the OCP's educational programmes. The OCP could not turn down partnerships as they assist in creating awareness and organising workshops.
Monetary value saving to consumers	R1.27m	R1m	R997 802.42	(R2 197.58)	The reduction in human resources coupled with the complications in the type of complaints has had an impact on the ability to reach the target that was set.

##### Performance indicators

Sub-programme 4.1: Consumer Protection							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of consumer education programmes conducted	173	142	95	100 -120	152	32	Request for OCP educational interventions continue to increase. This could be a reflection of challenges in the economy. The OCP cannot turn down adhoc requests from consumers and organisations

Sub-programme 4.1: Consumer Protection							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
1.2 Percentage of complaints resolved within 60 days (Total complaints resolved within 60 days/total complaints)	-		100%	100%	76%	24%	Increase in the number of complaints received during the year coupled with the increase in the complexity of cases means that it takes longer to resolve the complaints. Furthermore, lack of resources also hampers expediting processing of complaints
1.3 Number of consumer education booklets and/ or information material distributed to citizens and business	1 765	3 810	11 872	10 000 - 11 000	12 326	1 326	The increase in the number of information material distributed is in line with the demand for OCP services.
1.4 Number of financial literacy workshops and/or theatre productions conducted	37	57	117	120 - 150	177	27	Request for financial literacy is fuelled by poor economic growth which has seen consumers struggling to service their credit accounts
1.5 Number of SMME engagements conducted	17	19	26	35 - 50	41	-	The achieved target is within the set target range.

## Sub-programme achievements

### Consumer redress

The financial year under review has seen the OCP continuing to work towards its objective of becoming an identifiable and trusted consumer dispute resolution authority for consumers within the province. The strategies implemented are all geared towards the provision of a customer/citizen-centric friendly service aimed at assisting consumers in the resolution of their disputes. The services include the provision of

- a toll-free number, email address
- please call me number, SMS number
- a front desk service for walk-in clients.

The service has seen numerous consumer complaints recorded at the office for inquiry and investigation. During the year under review, 3,561 complaints were received and 2,724 of these were resolved within the prescribed 60 days turnaround time. This is 76.46 % of the set target of 100%. The shortfall had a negative influence on the outcome indicator of R1 million savings accruing to consumers due to the OCP interventions. In terms of this specific outcome indicator, the intervention by the OCP in complaints lodged at its office, has directly saved the affected consumers a total of R997,802.42. This is R2,197.58 less than the projected figure of R1 million. Some of the factors contributing to this deviation relate to:

- reduction in human resources within the Complaints Management Unit
- increase in the complexity of complaints.

This means more time was spent investigating a single complaint than was previously the case. During the year under consideration, the Complaints Management Unit operated at less than 50% of staff capacity. Six Consumer Advisors were employed in the previous years to process complaints and four have since left the Unit. Therefore,

during the financial year under review, only two staff members remained within the Unit. This reduction in capacity hindered the programme from reaching its target. To ensure that consumers were not prejudiced by lack of capacity some of the complaints were referred to other institutions for processing. Therefore, savings that could have accrued to the consumer due to the OCP interventions were realised by other agencies. This saving excludes the cost of legal or other fees that consumers would have incurred had they taken their complaints via the formal legal process. If these additional costs were to be factored into the equation, the actual financial saving to the consumer would be far higher than the one depicted above. It is undeniable that the impact made by the OCP in the lives of ordinary consumers in the Province is visible by way of this specific indicator.

### Consumer education and awareness

The targets set for the education units have been met and, in some instances, exceeded. In this regard, it must be noted that the targets for educational programmes, financial literacy, SMME's engagements and information material distributed is largely based on the available resources (human and financial) within the Unit. During the period under review, a total of 370 educational interventions were conducted. Of these were 152 educational programmes, 177 financial literacy workshops, and 41 were engagements conducted. To support the interventions, 12,326 consumer educational information materials were distributed to consumers, NGOs, and other organisations. It should be noted that targets related to the distribution of information material, the number of educational programmes conducted, and the number of financial literacy workshops conducted have been exceeded. This even though the Unit has four staff members who are responsible for the entire province. Often the Unit would receive ad hoc requests for sessions whilst conducting planned engagements within a community. The decision has been made that from a citizen-centric perspective the Unit would accommodate the ad hoc requests as far as possible rather than declining or postponing to a future date.

### Strategy to overcome areas of underperformance

#### Consumer redress

The challenges regarding financial savings accruing to consumers and the percentage of complaints resolved must be noted. The two are linked and some of the reasons for underperformance are outside of the programme's control, for example, the rand value and the number of cases received. In this instance, the rand value will be adjusted. On the other hand, where the issue of human resources is concerned, the process to recruit additional staff members will be implemented. Also, the training of employees to equip them with extra skills to understand complex cases will be implemented. The working relationship with other regulators and consumer protection agencies will be enhanced and ensure that skills are transferred to the OCP staff members.

### Changes to planned targets

Not applicable

### Linking performance with budgets

During the 2019/20 financial year, an amount of R9,223 million was appropriated to the Programme of which the actual expenditure amounted to R9,058 million. This translates to actual expenditure of 98,2% of the Programme's total budget. An overview of the funds spent per economic classification is as follows:

- Compensation of Employees accounted for R6,791 million or 74,98% of total expenditure
- Goods and Services accounted for R2,267 million or 25,02% of total expenditure.

### Sub-programme Expenditure

Sub-programme	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over)/Under expenditure	Final appropriation	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Consumer Protection	9 223	9 058	165	9 731	9 684	47
Liquor Regulation				-	-	-
<b>Total</b>	<b>9 223</b>	<b>9 058</b>	<b>165</b>	<b>9 731</b>	<b>9 684</b>	<b>47</b>



## 4.5 PROGRAMME 5: ECONOMIC PLANNING

### Purpose

The purpose of this Programme is to provide support to the leadership of the department – the Minister, the Head of Department and the Departmental Top Management – in undertaking planning processes that provide a coherent vision and strategic outcomes around which policies and strategies are developed, enhanced or applied to attain their intended objectives.

### Programme structure

The programme is structured as follows:

#### Sub-programme 5.1: Economic Policy and Planning

- To support and develop provincial economic policies and strategies.

#### Sub-Programme 5.2: Research and Development

- To conduct economic research.

#### Sub-programme 5.3: Knowledge Management

- To contribute to the creation of a knowledge economy.

#### Sub-programme: 5.4: Monitoring and Evaluation

- To determine the effectiveness and impact of provincial policy objectives and strategies.

#### Sub-programme 5.5: Enabling Growth Infrastructure and Initiatives

- To develop and /or stimulate an enabling economic environment through catalytic interventions and infrastructure.

#### Sub-programme 5.6: Broadband for the Economy

- To support and stimulate the usage, readiness and accessibility of broadband in the region for citizens and businesses.

#### Sub-programme 5.7: Green Economy

- To stimulate the development of green industries and to facilitate resource-efficiency and sustainability to improve the competitiveness and resilience of the whole economy.

### Sub-programme 5.1: Economic Policy and Planning

To assist the Department to achieve its objective of facilitating and creating an enabling environment for economic growth and job creation, the Unit alongside Research and Development provides the inputs to inform evidence-based decision making and the development of Policy and Strategy, which supports the Department's economic leadership role.

### Strategic objectives, performance indicators, planned targets and actual achievements

#### Strategic objectives

Sub-programme 5.1: Economic Policy and Planning					
To provide economic strategy and policy leadership in the Province.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Number of economic strategies or policies or frameworks signed off	1	4	4	-	-

## Performance indicators

Sub-programme 5.1: Economic Policy and Planning							
Performance indicator (Output indicator)	Actual achieve- ment 2016/17	Actual achieve- ment 2017/18	Actual achieve- ment 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achieve- ment 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of strategies, policies or frameworks reviewed and/or supported	3	3	2	12	12	-	-

## Sub-programme achievements

For the development of the 2020 – 2025 Strategy Planning processes, the Sub-programme led an intensive strategic planning process which involved numerous workshops, consultations and resulted in the development of strategic frameworks, where support was provided to the Strategic Framework Working Groups in order to strengthen and align the themes to the overall Departmental strategy and approach. The strategic planning process culminated in the finalisation and tabling of the Departmental five-year strategy plan for 2020-2025.

## Sub-programme 5.2: Research and Development

The Research and Development Unit conducted rigorous economic research and analysis and distributed key economic data and information, to support economic strategy and policy development within the Department's strategic framework. The Unit also continued to play its role in support role of the Department and executive management of the WCG.

## Strategic objectives, performance indicators, planned targets and actual achievements

### Strategic objectives

Sub-programme 5.2: Research and Development					
To provide economic strategy and policy leadership in the Province.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Develop an economic research agenda	An implemented research agenda:1	An implemented research agenda:1	An implemented research agenda:1	-	-

## Performance indicators

Sub-programme 5.2: Research and Development							
Performance indicator (Output indicator)	Actual achieve- ment 2016/17	Actual achieve- ment 2017/18	Actual achieve- ment 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achieve- ment 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of Economic research reports developed	16	10	10	10	10	-	-

## Sub-programme achievements

In 2019/20, the Sub-programme continued providing research support, dissemination of economic intelligence and developing credible provincial economic data to the Department, executive management and the rest of the WCG. In 2019/20, Research and Development produced a number of research reports, which included:

- Strategic analysis of the Quarterly Labour Force Survey (QLFS) – 2019Q1
- Strategic analysis of the Quarterly Labour Force Survey (QLFS) – 2019Q2
- Brexit briefing Document
- Strategic analysis of the Quarterly Labour Force Survey (QLFS) – 2019Q3
- Strategic analysis of the Medium-term Budget Speech 2019
- Guidance for Businesses in Distress Booklet
- Africa Continental Free Trade Agreement (AfCFTA)
- Analysis of the National Budget Speech 2020
- Strategic analysis of the Quarterly Labour Force Survey (QLFS) – 2019Q4
- State of the Nation (SONA) Analysis Report.

Furthermore, in the spirit of collaboration, the DEDAT furnished inputs into the Provincial Treasury's annual publications, namely the PERO, the MTBPS and the OPRE.

## Strategy to overcome areas of under performance

Not applicable

## Changes to planned targets

Not applicable

## Sub-programme 5.3: Knowledge Management

### Strategic objectives, performance indicators, planned targets and actual achievements

#### Strategic objectives

Sub-programme 5.3: Knowledge Management					
To strengthen the understanding and practice of partnering for service delivery impact and integrated planning amongst public sector stakeholders.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Reports on percentage improvement in partnering maturity	5	5	5	-	-

#### Performance indicators

Sub-programme 5.3: Knowledge Management							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
Number of joint plans/projects between the Economic Development Partnership and its partners	10	13	31	30	30	-	-

## Sub-programme achievements

Eco-systems are co-evolving and dynamic communities of diverse stakeholders and actors who create and capture new value through sharing information and collaborating to realise opportunities and overcome challenges. Partnerships can be powerful mechanisms to overcome information and network market failures and to build trust, boost business confidence and improve competitiveness. The Economic Development Partnerships (EDP) organisation has supported at least eight WCG departments, the City of Cape Town and the Municipalities of Stellenbosch, Drakenstein, Saldanha Bay, Garden Route District Municipality and Overstrand in building and strengthening partnerships. These partnerships informed by the 'Whole of Society Approach' (WOSA) seek to leverage resources and find solutions to the regional challenges brought about by varying issues such as the water and energy crisis, to safety and security.

Significant achievements for the EDP in 2019/20 include:

- Facilitating partnering solutions in the Southern Cape, and managing the Southern Cape Economic Partnership (SCEP) towards integrated economic delivery
- Supporting the implementation of the WCG Provincial Strategic Plan (PSP) by providing partnering solutions for a broad range of transversal and inter-governmental partnering challenges, via the Integrated Service Delivery Working Group. This programme includes providing support for the Joint District Approach (JDA)
- Partnering for water security – water strategy support, water security and water catchment management for the Breede River catchment area and the City of Cape Town, and supporting other water security programmes such as that of the National Treasury Cities Support Programme
- Supporting the City of Cape Town's Resilience Strategy Implementation
- Support to township development through partnerships.

The impact of the EDP programmes at a strategic, longer-term level is a key indicator of the EDP's success, and shows that their effort has, on average, increased the Western Cape's partnering capacity (ability to leverage resources and enhance delivery) for all these programmes from 46.6% to an average score of 63.36%.

## Strategy to overcome areas of under performance

Not applicable

## Changes to planned targets

Not applicable

## Sub-programme 5.4: Monitoring and Evaluation

The activities for Sub-programme 5.4: Monitoring and Evaluation were incorporated into Sub-programme 5.2: Research and Development.

## Sub-programme 5.5: Enabling Growth Infrastructure and Initiatives

### Strategic objectives, performance indicators, planned targets and actual achievements

#### Strategic objectives

Sub-programme 5.5: Enabling Growth Infrastructure and Initiatives					
Grow and develop the provincial economy through the development of catalytic interventions and economic drivers.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Value of investment	-	R350m	R1.27bn	R926m	Overachievement due to investment landing sooner than anticipated in the SBIDZ.

#### Performance indicators

Sub-programme 5.5: Enabling Growth Infrastructure and Initiatives							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of infrastructure projects supported	7	4	4	6	6	-	-
1.2 Number of design and innovation projects supported	4	2	5	3	4	1	Mandate for the WCG transversal innovation comms moved to the DoTP in the PSP process but the DEDAT was required to assist during transition.

#### Sub-programme achievements

**Cape Health Technology Hub (CHTH):** This health infrastructure and business development programme is driven by a partnership between the DEDAT, City of Cape Town and Wesgro together with various industry and public organisations. This partnership has resulted in Wesgro securing investment valued at R700 million with the potential to create 300 jobs. Twelve companies in health technology industries were assisted with export promotion. The CHTH has also been included as a priority project in Two Rivers Urban Park's (TRUP) local spatial development framework (LSDF) and land transaction discussions have been initiated with the City of Cape Town that can enable the property development required.

**Airports network:** In the 2019/20 financial year DEDAT supported the Oudtshoorn Municipality through the development of draft principles for the terms of reference for the appointment of an operator to manage the Oudtshoorn Municipality Aerodrome. The DEDAT continues to support Airports Company South Africa (ACSA) in its implementation of the runway re-alignment at Cape Town International Airport (CTIA).

The **Big Data** project refers to the establishment of the Big Data High-Performance Computing (BDHPC) facility that will meet the requirements of the Square Kilometre Array (SKA) and support other entities, organisation and businesses that require similar services. In the 2019/20 financial year, the DEDAT developed a property analysis report that provided a brief overview of the SKA and the Centre for High Performance Computing (CHPC) requirements. An analysis of the identified sites and recommendations on the preferred site was completed. The SKA has identified suitable property and the DEDAT further supported them in scoping options that will enable them to establish cost-effective and energy-efficient facilities.

The **Atlantis Special Economic Zone Company (ASEZ Co)** was established in 2019/20, with the company registered at the CIPC and the National Treasury application for scheduling which will enable it to be fully operational was initiated. In the 2019/20 financial year, the ASEZ Company completed its infrastructure master-plan and received approval in-principle for land transfer from the City of Cape Town. Sixteen investors have entered the investment pipeline, with one investor secured for development in the latter half of 2020. The ASEZ's skills development programme has created a greentech career-awareness programme that has reached: 1,500 learners; 14 teachers that have benefited from a greentech support programme; and 85 learners have benefited from a coding programme. Forty companies have been provided with supplier development information; and 30 SMMEs have been assessed by the City for development readiness.

The **Saldanha Bay Industrial Development Zone's** transition, from the first phase of its major infrastructure roll out to the commercial implementation phase, is well on track. Bulk infrastructure for the Back-of-Port land and some external (municipal) infrastructure upgrades were completed in the previous financial year. With leveraged funding from outside the provincial fiscus, the latest infrastructure includes the bulk services and roads for the Port Land as well as the almost complete Access Complex (including commercial and government service offices) and the start of construction on top structures (workshops) for investors. Land transactions were completed for back-of-port and some portions of port land and the approval of the CCA by the SARS Customs allows the Saldanha Bay IDZ to implement one of their key value propositions – that of being South Africa's first free port. With these important building blocks in place, the IDZ also attracted their first major project onto the Project Leasing Facility. This kick-started the company's revenue generation and provides the first step towards commercial sustainability. Further testimony to the value proposition of the SBIDZ is the investor pipeline, which now includes over 50 potential investors who have signed Memorandums of Understanding or Rights of First Refusal. It also reached its target of nine signed tenants by the end of the financial year and funding to the total of R290 million has been secured for top-structures of three of these investments.

**Community and Township development:** DEDAT has partnered with the Department of Human Settlements to implement a Design + Build Incubator for 15 small-scale and emergent builders who build informal and low-cost dwellings within the Delft and Khayelitsha communities. Skills learnt during the incubator course include business management; basic engineering and architecture; and improved usage of upcycled materials. A second iteration of the Design + Build Incubator is being planned for the 2020/2021 financial year and aligns to the DoH's Integrated Sustainable Settlements Programme (ISSP).

**Design and Innovation: In 2019/20 the following three projects were undertaken:**

- a. The DEDAT has initiated transition of the WCG Innovation Forum to the DoTP in alignment with the PSP; but continued to play a co-ordinating and communications function. The Forum seeks to collaborate and share information around innovation for government purposes and its objective is to enable peer-to-peer learnings that can improve service delivery, thereby positioning the Western Cape as a leading regional government for innovation. The WCG Innovation Forum awareness campaign was launched in 2019/20 and has reached over 10,000 WCG employees. The DEDAT continues to grow the regional innovation network by partnering with private sector; tech-transfer offices; national organisations like the CPSI for policy development purposes; as well as national organisations like Apolitical for good-practice sharing on innovation.
- b. The Western Cape Innovation Seed Fund is implemented by the Craft and Design Institute (CDI); is funded by the Jobfund and Technology Innovation Agency; and co-initiated and chaired by the DEDAT. The fund continues to support regional innovations in the fields of health and agri-processing amongst others, with a total of R6,5million disbursements made in 2019/20.



- c. In 2019/20, the DEDAT initiated a scoping exercise for a design and innovation-led infrastructure development initiative in the Overstrand Municipality to develop the township economies of Zwelihle and Mount Pleasant. The objective of the project was to stimulate these economies and offer new opportunities for entrepreneurs and jobseekers in light of the harbour development and anticipated broadband roll out. The project has been subsumed under the DEDAT Oceans' Economy Workgroup initiative for further development.

### Strategy to overcome areas of under performance

Not applicable

### Changes to planned targets

Not applicable

## Sub-programme 5.6: Broadband for the Economy

### Strategic objectives, performance indicators, planned targets and actual achievements

#### Strategic objectives

Sub-programme 5.6: Broadband for the Economy					
Grow and develop the provincial economy through the support of broadband usage, infrastructure and readiness by businesses and citizens to stimulate the broadband uptake in order to improve competitiveness.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Percentage of households with access to the internet in the Western Cape	72,4%	77%	72,4% This is the 2018 value (per the StatsSA General Household Survey 2018). The 2019 report was due to be published in May 2020 but is still to be published.	(4,6%)	This report is still not available as of 20 October 2020

#### Performance indicators

Sub-programme 5.6: Broadband for the Economy							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of broadband projects supported	7	9	8	7	7	-	-

## Sub-programme achievements

The Digital Economy Unit supported seven projects over the course of the 2019/20 financial year. The outcomes of these projects specifically addressed broadband access, digital skills and digital usage of citizens and businesses within the Province.

The 2018 General Household Survey conducted by StatsSA shows the Western Cape at the second highest level of household internet access in South Africa at 72.4%, compared to the national average of 64.7%. This is testament to the strength of consistency and longevity in policy execution of the Western Cape's Broadband Strategy, and a positive enabling environment in the province. It also bodes well for the Western Cape's digital economy strategic planning as more people in the region are online.

**I-CAN Learn:** There was continued support for our digital skill imperatives through the further development of the I-CAN Learn digital skills project, underpinned by the continued partnerships with IBM and Google for online digital skills training content, and the Department of Cultural Affairs and Sport and the Department of Social Development as site partners.

During the 2019/2020 financial year project activities focused on operationalising the existing library and Youth Café sites in the Bergrivier, Cape Agulhas and Saldanha Bay municipalities. Chrysalis Academy and the Atlantis Special Economic Zone are in the scoping phase as potential future sites.

Key achievements in 2019/20 were:

- The development of bespoke train-the-facilitator content for site facilitators, and a digital competency assessment tool for learners to match their competencies to suggested learning pathways using I-CAN Learn content
- Development and delivery of web-based technical solutions (Learner Management and Operations Management Systems) to effectively deliver, manage, track and report on the skills training delivered through the various I-CAN sites. These systems have illustrated its broader value and applicability across the WCG. The LMS was extended to hosting the Early Stage Investment Course (detailed below) and provided the standard for the centralisation of different learner management systems of the WCG.

Through this initiative, we will be able to continue broadening its reach beyond the metro and facilitate the delivery of digital skills training to citizens across the province.

The **I-CAN Centre Elsies River** continued to be the flagship model informing the development of new sites for the delivery of the I-CAN Learn digital literacy programme. During 2019/20, I-CAN Centre Elsies River recorded 15,613 visits, 339 new registered members of which 124 also registered for the limited free Wi-Fi, 231 free digital literacy opportunities and provided a total of 2,227 total training opportunities.

In 2019/20 the **Jump for entrepreneurs platform** (JUMP) was transformed to a free downloadable app. In addition to an improved user interface the content engine was enhanced with additional financial and non-financial features, such as the i-Groups, Funding Assist, and the Google mapping process.

A Jump administration panel was developed to house the content management system (CMS) and the reporting dashboard. The data derived from it will enhance the platform's value proposition and future development.

At the end of the 2018/19 financial year, 2,941 entrepreneurs had signed up on the platform, this increased to 3,245 registered users at the end of October 2019 and following the app conversion and active social media and communications campaign, increased to 4,067 as at 20 March 2020. User and support partnerships with FinFind, Santam and Google's Digi Cloud were developed to various stages of maturity during 2019/20.

Through the **DashTech Angel Investing**, the sub-programme focussed on increasing and diversifying early-stage start-up investment in the Western Cape.

In 2019/20 the Department developed and delivered a free three-hour online early-stage investment training course consisting of seven modules. The course content was delivered through the Moodle LMS developed for

the ICAN Learn project. Launched in March 2020, it secured 560 registrations and 52 course completions as at the end of March 2020. As the course is available on-line, it is expected that going-forward, the number of course completions will increase.

**The DashTech Ecosystem Development Project** was developed from the findings of an RFI sent to incubators and accelerators active in the technology sector in the province to ascertain how government could be of support.

The plan to appoint six technology ecosystem co-ordinators for the FinTech, EdTech, ScreenTech, 4IRTech, SafetyTech and TownshipTech sectors was activated and the terms of reference, advertising and receipt of bids concluded between December 2019 and February 2020. The conclusion of the process and the appointment of service providers remain work in progress.

The partnership with the WCED in respect of EdTech continued through the assistance provided to the Skills Development Unit in arranging their North-South TVET conference in September 2019.

Further engagements with the key stakeholders during 2019/20 include the TechXit project initiated by SiMODiSA. They have developed a three-phased project focused on digital skills development resulting in employment from school level, post school and into the workplace. The Department assisted in knowledge transfer and workshop facilitation.

During this period the regulatory issues of visas and intellectual property rights as it relates to the technology ecosystems were regularly taken up and advanced. This will continue in the 2020/21 financial year.

**Khayelitsha Barn:** During 2019/20, the township tech hub at The Khayelitsha Bandwidth Barn (K-BwB) suffered a number of setbacks in delivering its enterprise and skills development programmes. These centred on problems related to building and infrastructure maintenance leading to cancellations of programmes towards the end of the financial year due to the COVID-19 pandemic.

Notwithstanding these, the CITI continued to support 17 tenants, trained 31 in their Women in Business programme, delivered coding skills training to two schools reaching 53 learners in grade 9 and continued to provide a business space for meetings, events and workshops.

**Global Positioning:** During 2019/20, the DEDAT continued the co-ordination of the Global Positioning Forum. Through these engagements the Forum agreed on the positioning strategy, implementation of the marketing tactical approach and ultimately the name, brand and logo for positioning and promoting the Western Cape tech sector, both internationally and locally: **Cape Town, Africa's Tech Capital.**

Three major events at Cape Town tech week including Africa Arena and the Africa Early Stage Investor Summit were targeted with the #CapeTownTechWeek campaign to showcase the Western Cape tech ecosystem. The campaign was run with great success.

A "Pioneers in Cape Tech Industry Magazine" was published by Wesgro in March 2020 following engagements with over 90 successful tech companies of which 16 companies were profiled. The magazine generated great excitement within the industry. The high-profile event planned for later March 2020 was cancelled due to the pandemic but will form part of the Province's economic recovery strategy.

## Sub-programme 5.7: Green Economy

### Strategic objectives, performance indicators, planned targets and actual achievements

#### Strategic objectives

Sub-programme 5.7: Green Economy					
To stimulate the development of green industries and facilitate resource-efficiency and sustainability to improve the competitiveness and resilience of the whole economy.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Value of investment	R191m	R550m	R621,25m	R71,25m	The value of investments realised are dependent on the companies investing.

#### Performance indicators

Sub-programme 5.7: Green Economy							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of Green Economy projects supported	10	6	6	6	6	-	-

### Sub-programme achievements

#### Sub-programme 5.7: Green Economy

With the aim of realising the Western Cape Green Economy Strategy Framework's vision of the Western Cape being a leading green economic hub and the lead in low carbon economic growth, the Green Economy sub-programme supported six projects over the 2019/20 financial year.

Through the support of GreenCape and Wesgro, green economy investments of R1,24 billion that will lead to the creation of 170 direct jobs and 75 indirect jobs, were made in the Western Cape. Additionally, the 167 MW of solar PV systems implemented in the Western Cape equates to an estimated R2 billion investment and the creation of 418 jobs.

**Liquefied Natural Gas (LNG).** A key success in the 2019/20 financial year has been the final release of the USTDA study in November 2019 which coincided with Africa Oil Week. The release of the feasibility study has enabled positive engagements with multiple parties across the spectrum of the LNG market ranging from State Owned Companies (SOC) to small-scale developers. A key achievement has been the development of a follow-up study (securing further funding from the USTDA and participation by Eskom) seeking to provide the Eskom Ankerlig power plant with LNG through a scalable solution.

**Financial mechanisms and models toward Improving economic water resilience.** Building on from phase 1 completed in the 2018/19 financial year, the Water Unit within the Green Economy Sub-Programme undertook phase 2 of the financial mechanisms and models toward improving the economic water resilience project. This phase consisted of two components. The first component aimed to explore and update models for the structuring

of hybrid centralised-decentralised water-supply systems and the knock-on impacts to municipal revenue and economic sustainability. The second component considered the impacts of varied tariff rates and structures on business.

This research aimed to support our understanding of what an increase in decentralised water supplies could look like and how this could impact on municipal revenue models in order to have informed conversations with municipalities and businesses moving forward. The case study municipalities in phase 2 (2019/20 financial year) covered Beaufort West; Berg River; Cederberg; Kannaland; Matzikama; Oudtshoorn; Prince Albert; Swartland; Stellenbosch and Theewaterskloof. Positive engagements were held with the majority of the case-study municipalities as they saw the benefit of participating in the project. This was largely due to engagements with the municipalities in phase 1, as well as introducing this project to local municipal CFOs and financial colleagues at the Revenue Management Master Class hosted by the Provincial Treasury in both the 2018/19 and 2019/20 financial years. The model was updated for the phase 2 municipalities to take into account each municipality's inputs, supply mixed scenarios, and water availability to produce a user-friendly and adaptable evaluation matrix. This matrix is easy to navigate and makes allowances for municipalities (with assistance from the DEDAT where required), to assess the possible outcomes under different scenarios and the time periods by adjusting inputs, assumptions et cetera.

**Manufacturing sector and sub-sector economic water resilience.** In the 2019/20 financial year the Water Unit within the Green Economy commissioned the manufacturing sector and sub-sector economic water resilience project. This project aimed to understand and reduce water-related risks (i.e. improve water resilience) to the manufacturing sector and beverages and clothing, textiles, footwear and leather (CTFL) sub-sectors – for both existing businesses and new investments; and develop and design appropriate interventions towards ensuring the medium- to long-term resilience of the Western Cape economy.

The project forms part of the overall economic water resilience workstream within the DEDAT. The outcomes of this project will support the Department in promoting economic growth in the manufacturing sector (and sub-sectors) in a manner that is aligned with resource availability. The high level of efficiency in small-, medium- and large-sized enterprises show that the manufacturing sector is highly aware of the value of water to their industries. Feedback from manufacturing industries is generally in agreement that further planning and implementation must be done, in both the public and private sectors, to mitigate the impacts of water shortages in anticipated future longer drought periods.

**Water innovation network.** The recent drought in the Western Cape highlighted the vulnerability of the local economy to water-related shocks and stresses, with several businesses reporting impacts such as reduced profits, job losses, or even closure. It is critical that municipalities, businesses, households, and other public and private sector entities, build resilience to these water-related risks, and investment in innovative water solutions is an important mechanism to do so. The two key outcomes of the proposed network are to a) improve the water resource productivity and resilience of the public and private sector, and b) help create green jobs by supporting water sector innovators (typically SMEs). The project identified gaps/barriers in the existing water sector ecosystem and proposed a business model to unlock some of these barriers, with a specific focus on the Western Cape. The project highlighted eight key challenges in the water innovation ecosystem. The challenges linked to market access and readiness, test beds and ecosystem linkages were identified as the top priorities. In order to develop the WC water innovation network that helps address these three prioritised challenges, it was proposed that two platforms be established, which will be further developed in the 2020/21 financial year:

**Demand-side innovation platform (DIP):** This platform aims to support WC-based municipalities and companies (“buyers”) in identifying, trialling and adopting innovative water technologies to enable them to become resilient and efficient. The platform will facilitate access to the market and promote the development of live site test beds at municipal and corporate facilities within the province.

**Supply-side innovation platform (SIP):** This platform will offer direct support to innovators (technology and service suppliers) and to ecosystem entities (e.g. funders and investors, incubators, accelerators, research institutions, et cetera) by addressing the poor linkages and co-operation between these entities. The platform will co-ordinate engagements and collaboration between the different ecosystem entities, with the aim that they

will become partners within a water innovation network. The platform will also supply innovators with information on where to go within the network for the support services they need and may also provide additional services to innovators.

Green communications. The focus for the 110% Green website during 2019/20 has been on building the presence of the website through continuing to update the relevant pages and, driving the Energy Security Game Changer stakeholder activation and communication campaign and social media posts on water, energy and waste matters.

- *Energy Water Waste Forum*: the DEDAT partnered with the City of Cape Town on their Energy Water Waste (EWW) Forum event. The theme was “The Journey towards a carbon neutral Cape Town” and included a presentation from the DEDAT on “Decarbonising the Western Cape Economy”. Following the forum meeting there was a short workshop on Cape Town’s climate action and how businesses can thrive in a carbon neutral future. It unpacked the challenges and opportunities as well as addressed how companies can be part of this journey.
- *The Green Economy Reference Group* (GERG) includes government (local and provincial), NGOs, academia and the private sector (incl. industry associations). The theme of the GERG event for 2019/20 was Green Economy Financial Opportunities, covering water, energy, waste and finance.
- *The Energy Security Game Changer* communication campaign provided specific tips on energy and water saving, promoted the investment case of rooftop PV for business and provided tips on how to prepare for load shedding.

**Green economy ecosystem development and clustering.** The Green Economy Ecosystem Support project provided support to businesses both on the demand and supply side through active engagement of sector desks on water, waste and energy. This work included the publishing of five Market Intelligence Reports for utility scale renewable energy, energy services, waste, water and electric vehicles sectors. The sector desks also undertook 225 direct and 903 virtual support engagements exceeding targets despite the short time-frame for implementation. Through all of the above GreenCape’s work has, together with the support of Wesgro, led to green economy investments of R1,24 billion in the Western Cape. These investments have been made in acetylene gas production, used for welding equipment and gasses required to weld wind towers; solar PV generation; waste recycling; and medicinal cannabis production (part of the biodiversity economy).

**Waste economy sector desk.** The 2020 Waste Economy Market Intelligence Report provides positive indications that the expected regulatory changes in the waste sector will provide market certainty that will ultimately unlock opportunities in, amongst others, the plastic, organics, electronic, construction, and demolition waste sectors. Technical inputs were provided to various legislative and waste economy structuring processes, industry briefs were developed and waste economy events held.

**Water sector desk.** The 2020 Water Market Intelligence Report (MIR) indicates very exciting trends across the water and sanitation sector, with the financial investments in water and sanitation across both the public and private sectors continuing to increase. The sector desk also developed an industry brief and case studies and undertook the water innovation network project mentioned earlier.

**Energy sector desk.** Due to load shedding the Renewable Energy and Energy Services sector desks recorded higher instances of support to green economy businesses/trade officials/WCG departments. Additionally, the market intelligence obtained by the sector desks was published in three Market Intelligence Reports: utility scale renewable energy, energy services and electric vehicles. The installed capacity of solar PV in the province is estimated to be 167MW exceeding the targeted 135MW by 2020. This equates to an estimated R2 billion in investment and the creation of 418 jobs. A critical aspect to stimulating the demand for solar PV has been CEO engagements, with a component pricing report compiled to investigate the current contribution each of the various components have in a rooftop solar installation. Together with market intelligence, this was used as a basis of engagement with nine new businesses towards encouraging their take up of the SSEG support. Advice to municipalities around solar PV was also provided resulting in 24 Western Cape municipalities now allowing SSEG, with 20 having completed policies and 19 with NERSA-approved tariffs.

Additionally, progress has been made on the development of wheeling frameworks at Stellenbosch and Drakenstein municipalities and high-level renewable energy policy developed for George and Stellenbosch municipalities.



Technical advisory support provided included work on concepts for load-shedding response (including solar PV) in a working group led by Minister Maynier and inputs for the Premier for the President's Coordinating Council meeting.

Significant inroads have been made in the green financing landscape. GreenCape has been supporting the development of the Green Outcomes Fund, which incentivises local South African fund managers to increase investment in green SMEs by paying for outcomes, such as green job creation, climate mitigation, and improved water and waste management. Other project partners include the World Bank, WWF South Africa and the University of Cape Town Graduate School of Business Bertha Institute.

As part of creating an enabling environment for green economy, GreenCape updated the Green Finance database, which now includes 112 financing institutions that fund green economy related projects.

### Strategy to overcome areas of under performance

Not applicable

### Changes to planned targets

Not applicable

### Linking performance with budgets

During the 2019/20 financial year, an amount of R185,496 million was appropriated to the Programme of which the actual expenditure amounted to R181,807 million. This translates to actual expenditure of 98.0% of the Programme's total budget.

An overview of the funds spent per economic classification is as follows:

- Compensation of Employees accounted for R33,752 million or 18.56% of total expenditure.
- Goods and Services accounted for R24,247 million or 13.33% of total expenditure.
- Transfers and Subsidies accounted for R123,697 million or 68.03% of total expenditure.
- Payments for Capital Expenditure amounted to R91,000 of the total programme expenditure.

### Sub-programme Expenditure

Sub-programme	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over)/Under expenditure	Final appropriation	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Economic Policy and Planning	6 357	5 676	681	1 824	1 327	497
Research and Development	9 653	9 630	23	6 552	6 465	87
Knowledge Management	11 326	11 325	1	10 925	10 924	1
Monitoring and Evaluation	-	-	-	-	-	-
Enabling Growth Infrastructure and Initiatives	119 037	118 508	529	63 913	63 660	253
Broadband for the Economy	19 597	18 836	761	16 091	15 575	516
Green Economy	19 526	17 832	1 694	36 879	36 293	586
<b>Total</b>	<b>185 496</b>	<b>181 807</b>	<b>3 689</b>	<b>136 184</b>	<b>134 244</b>	<b>1 940</b>

## 4.6 PROGRAMME 6: TOURISM, ARTS AND ENTERTAINMENT

### Purpose

To facilitate the implementation of an integrated tourism strategy that will lead to sustained and increased growth and job creation in the tourism industry.

### Programme structure

The Programme is structured as follows:

#### Sub-programme 6.1: Tourism Planning

- To develop and coordinate the strategic agenda.

#### Sub-programme 6.2: Tourism Growth and Development

To facilitate the growth and development of the tourism industry.

- To enhance the quality of the visitor experience to the destination through the provision of quality tourism support services.

#### Sub-programme 6.3: Tourism Sector Transformation

- To provide for the registration and regulation of tourist guides.

#### Sub-programme 6.4: Tourism Destination Marketing

- To provide resources to the tourism, trade and investment promotion public entity to enable it to deliver on its mandate as defined in the Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996) as amended relating to destination marketing.

## Sub-programme 6.1: Tourism Planning

### Strategic objectives, performance indicators, planned targets and actual achievements

#### Strategic objectives

Sub-programme 6.1: Tourism Planning					
To co-ordinate a single tourism destination strategy, which ensures effective and integrated destination management and marketing.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
A single tourism destination strategy developed by 2020	-	1	1	-	-

#### Performance indicators

Sub-programme 6.1: Tourism Planning							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of tourism strategies developed	-	1	1	1	1	-	-

#### Sub-programme achievements

The Western Cape tourism strategy, Tourism Blueprint 2030, was developed during the 2019/20 financial year. The Tourism Blueprint process included extensive consultations, discussions and workshops with both the private and public sector as well as international tourism stakeholders to ensure collective input from the industry including best practice. The purpose of Tourism Blueprint 2030 which has been co-created by a broad range of tourism stakeholders is to provide a roadmap for the region's long-term tourism vision, goals, objectives, policies and potential investment opportunities over the next ten years.

Tourism Blueprint 2030 aims to:

- Renew focus on domestic markets;
- Improve the ease of doing business for tourism businesses;
- Raise the global profile of Destination Western Cape;
- Identify and develop tourism infrastructure;
- Drive geographic spread of tourism benefits throughout the province;
- Grow visitor numbers and yield;
- Prioritise tourism development growth within each district across the province;
- Enhance excellent customer experiences (quality and service excellence);
- Develop industry partnership programmes through action platforms.

While the full impacts of COVID-19 are as yet unknown, the objective of the Tourism Blueprint 2030 is to increase international arrivals over the next ten years to 5.7 million with total foreign direct spend (TFDS) to reach R54,7 billion. Tourism Blueprint 2030 also aims to increase domestic trips taken to 5.28 million with a total domestic

direct spend (TDDS) reaching R7,6 billion. These targets are benchmarked against pre-COVID baselines and are therefore ambitious but necessary in order to optimise the industry's contribution to economic recovery and long-term growth. Tourism, it is argued, will be even more important to the province's economic planning as a result of COVID.

### Addressing barriers to growth

The Tourism Blueprint 2030 argues that the vision for tourism in the Western Cape will only be realised if significant barriers are removed. These barriers are related to:

- Poor continental air access from restricted air service markets and territories;
- A tedious, costly and inconvenient visa regime;
- Persistent safety and security concerns;
- Small businesses not being agile enough to respond to technological innovation.

As has already been shown, the Western Cape tourism industry is also particularly vulnerable to the climate crisis and questions around sustainability will become more pronounced.

### Methodology

A six-phased approach was followed in the conceptualisation of Tourism Blueprint 2030. As illustrated, the process involved an initial planning review, the establishment of an expert tourism advisory committee to guide the process, a consultative phase to orientate the project, a destination potential audit, a market potential assessment and lastly, the formulation of an action plan.

### Tourism in the Western Cape

Although visiting friends and relatives is a major travel motivator for the domestic market, it is leisure and business tourism, particularly from international markets, that maximise the economic impact of the sector. In both leisure and business tourism the Western Cape is already competitive in global and national terms. Tourists from all over the world are drawn to the Western Cape's scenic beauty, iconic city, food and wine, active adventure and culture and heritage. This product depth also means that the province is well placed to capitalise on international travel trends that have dominated over the past decade, notably the shift to experiential and responsible tourism.

At the same time, average growth has not lived up to expectations, both in terms of international arrivals and domestic trips taken.

To place the industry on a stronger growth trajectory, the Western Cape will prioritise five components:

- Tourism infrastructure
- Tourism product development
- Destination marketing
- Visitor services
- Institutional arrangements and regulation.

In terms of product development and destination marketing, the Western Cape will need to do more to address the lack of product offering that meets the needs of the local market in terms of price point and offering. The need to diversify markets – particularly domestic and regional markets will gain urgency in the coming decade.

### Strategy to overcome areas of underperformance

Not applicable

### Changes to planned targets

Not applicable

## Sub-programme 6.2: Tourism Growth and Development

### Strategic objectives, performance indicators, planned targets and actual achievements

#### Strategic objectives

Sub-programme 6.2: Tourism Growth and Development					
To boost the attractiveness of the region through competitive product offerings and to improve accessibility to Cape Town and the regions.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Number of tourism niche markets supported	2	2	2	-	-

#### Performance indicators

Sub-programme 6.2: Tourism Growth and Development							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of tourism products supported	2	2	2	2	2	-	
1.2 Tourism Support Services: Number of tourism establishments/ individuals supported/ assisted	260	281	328	280	389	109	Additional safety tips were distributed to tourism stakeholders as well as at safety information stakeholder engagements. The Tourism Safety Law Enforcement Unit was deployed from December 2019 which added support and assisted with the distribution of safety tips to tourists visiting hotspot areas in the Cape Town Metro.
1.3 Number of beneficiaries participating in the service level improvement programme	-	161	173	200	221	21	Due to the high demand for accredited Customer Service training in the Overberg region, additional people attended training.

## Sub-programme achievements

The establishment of a stand-alone Tourism Safety Unit within the Department resulted in a remarkable increase in the support provided to tourism establishments and businesses across the province. Dedicated safety-related projects such as the establishment of the Tourism Law Enforcement Unit enabled a wider distribution of safety-related information to tourists, especially within tourist crime hotspot areas. Along with this the Tourism Safety Communication strategy was developed and working groups were established consisting of all the main players within the tourism industry including private businesses and organs of state. This improvised and streamlined safety related communication to both the tourism industry players and tourists, domestically and internationally. A Tourism Safety website was also created enabling easy access to all safety related information. In addition to tourist safety tips, safe hiking tips were also designed and produced by the Department and distributed to the industry at large.

During the 2019/20 financial year, the Tourism Growth and Development Unit continued to support the **Cycle tourism niche market**, by developing a fifth cycle route namely the Karoo Crossing, as part of the Cycle Routes Network an initiative of the Western Cape Government. The official launch of this route will take place in the 2020/21 financial year.

The objective of these routes is to position the Western Cape as the Cycling Capital of Africa.

The **Culture and Heritage niche market** with a special focus on Archaeology and Palaeontology was rolled out during the 2019/20 financial year. In March 2017 the Western Cape Cabinet approved in principle the establishment of an Archaeological and Paleontological Heritage Tourism Route in the province. The proposed route included the following sites: Diepkloof Rock Shelter; Blombos Cave and Pinnacle Point. These caves have been declared Provincial Heritage Sites and are on the UNESCO list of Tentative World Heritage Sites.

A project team was formed to develop the Cradle of Human Culture Route. The Cradle of Human Culture Route was launched at the World Travel Market: Africa at the CTICC on 11 April 2019.

The Cradle of Human Culture was rolled out in partnership with the Department of Cultural Affairs and Sports (DCAS), Wesgro, municipalities and various stakeholders. **Improving service in tourism** has been identified as one of the focus areas to be addressed in the industry. The Journey to Service Excellence (J2SE) Programme was implemented in Paarl and Wellington during the 2019/20 financial year. The J2SE is aimed at creating a culture of service excellence within a destination and to embed a culture of service excellence at the town level. The J2SE examines the whole tourism “value chain”. The Journey to Service Excellence (J2SE) Programme had three components:

- A workshop component that was based on the SABS Service standard SANS 1197, a 4-day training workshop for different businesses across the tourism value chain in the Overstrand Municipality
- A region-wide service excellence radio campaign, where service excellence Ambassadors were nominated by the community of Paarl and Wellington
- A leadership workshop for the CEOs and managers of the businesses in Paarl and Wellington.

Strong partnerships were formed between the Drakenstein Business Chamber, the DEDAT, Drakenstein Municipality and Paarl and Wellington Tourism to make this programme a success. A total number of 142 beneficiaries completed the 4-day training workshop. A total number of 24 individuals from 16 businesses participated in the Leadership workshop. The training resulted in the up-skilling of employees in terms of the work functions and striving to increase service delivery in the tourism environment. It also resulted in benefits for the employers in terms of improved customer service provided to tourists, and an improved reputation of a friendly hospitality industry within the towns of Paarl and Wellington.

A radio competition was held during August and September 2019. The competition also formed part of creating awareness around Tourism Month in September 2019. The objective was to involve the community and to further create a culture of Service Excellence in the towns of Paarl and Wellington. There were seven winners during the J2SE Radio competition. Prizes were handed over to the winners and nominators at the overall J2SE event, part of a live outside broadcast of Radio KC on 24 October 2019.

A further boost for the improvement of Service Levels was the implementation of the CATHSSETA Accredited Customer Service Programme that is aimed at frontline tourism staff. This was a seven-day training programme and a portfolio of evidence was included. This programme was rolled out to businesses in the Overberg region. The Department worked closely with municipalities and tourism offices in Hermanus, Bredasdorp and Greyton. A total of 79 frontline tourism staff were deemed competent and completed the CATHSSETA Accredited training programme. The beneficiaries were trained from July to September 2019. The training resulted in benefits for employers in terms of improved customer service provided to tourists and an improved reputation of a friendly hospitality service in the area.

### Strategy to overcome areas of underperformance

Not applicable

### Changes to planned targets

Not applicable

## Sub-programme 6.3: Tourism Sector Transformation

### Strategic objectives, performance indicators, planned targets and actual achievements

#### Strategic objectives

Sub-programme 6.3: Tourism Sector Transformation					
To register and regulate the tourist guiding sub-sector.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Note: Tourism Sector Transformation does not have an Outcome indicator					

#### Performance indicators

Sub-programme 6.3: Tourism Sector Transformation							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of tourist guides developed	308	59	21	50	159	109	More tourist guides attended the tourist guide training event than was anticipated by the Unit.
1.2 Number of individuals registered (tourist guides)	1 148	1 595	1 703	1 300	1 544	244	The tourist guide registration office has no control over the number of tourist guides who register.
1.3 Number of individuals/tourism-related businesses inspected or monitored (tourist guides)	124	116	179	130	192	62	The team who conducts the inspections has no control over the number of tourists guides at a particular site.



### Sub-programme achievements

The Western Cape Tourist Guide Registration Office is one of the busiest offices in the country due to the large concentration of registered tourist guides in the province. The Department maintains a database in excess of 5,000 active registered tourist guides. The Department's commitment is to respond to new applications and renewals within 14 working days. While the office has maintained an excellent track record in meeting these service standards, a process of fully digitising the guide registration system has commenced and will be completed in the new financial year. This online application platform will cut the service time and improve accessibility of the office to more guides across the Western Cape. This will be the first online registration platform for any registrar in the country.

Our support for the transformation and development of the tourist guide industry saw 159 tourist guides being assisted through training and other support programmes.

To ensure compliance in terms of the Tourism Act, 192 inspections were conducted. This will be continued with a renewed focus of utilising digital platforms to monitor, record and survey more tourism hotspots for illegal guide activity to increase the footprint of this service offered across the Western Cape.

### Strategy to overcome areas of under performance

Not applicable

### Changes to planned targets

Not applicable

## Sub-programme 6.4: Tourism Destination Marketing

### Strategic objectives, performance indicators, planned targets and actual achievements

#### Strategic objectives

Sub-programme 6.4: Tourism Destination Marketing					
To provide resources to the tourism, trade and investment promotion public entity to enable it to deliver on its legislative and strategic mandate for trade and investment promotion.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Total estimated economic value of tourism destination marketing initiatives supported	R1 159,9m	R188,2m	R935,6m	R747,4m	The number of additional initiatives supported during the year has resulted in an increase in the economic value.

## Performance indicators

Sub-programme 6.4: Tourism Destination Marketing							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of tourism destination marketing initiatives supported	14	25	34	13	46	33	Additional opportunities arose for the Agency to support an increased number of initiatives.

### Sub-programme achievements

Wesgro was successful in its endeavours to promote the Western Cape as preferred tourism destination for business and leisure tourists on the African continent. During the financial year under review, the Agency supported a total of 46 tourism marketing initiatives, with an estimated economic impact of over R935 million. The Agency identifies several marketing initiatives throughout the year that have a measurable estimated economic impact on the province in terms of visitors' spend. These opportunities are aligned to the overall objectives of Project Khulisa, which seeks to drive economic growth through tourism for the province, resulting in the creation of more jobs within the sector.

A highlight for the financial year included securing the 28th World Congress of Nuclear Physics for September 2022. The bid was awarded to iThemba LABS based in Stellenbosch, a faculty of the National Research Foundation (NRF). The conference, held every three years, is the biggest conference in the world for fundamental nuclear and hadron physics. The conference will not only add to the visitor economy but boost the local knowledge economy of the province and provide a platform for innovation in this field. This is a pivotal step in establishing the destination as a major global contributor to science on the African continent.

Events are other marketing activities that provides economic impact. The Agency supports various event initiatives throughout the year, such as the 8th edition of the Ride2Nowhere mountain bike race, hosted in McGregor annually. The event supports the local community by sourcing services directly from the town, thereby creating temporary jobs as well as revenue created by the tourism sector during the event.

It is to be noted that initiatives reported on was done prior to the announcement of regulations in South Africa in response to the COVID-19 pandemic that prohibited large gatherings and travel. As the impact and duration of the pandemic is still unknown, the economic impact from those tourism marketing initiatives that has since been postponed or cancelled, will no longer be delivered.

### Strategy to overcome areas of under performance

Not applicable.

### Changes to planned targets

Not applicable.

### Linking performance with budgets

During the 2019/20 financial year, an amount of R60,035 million was appropriated to the Programme of which the actual expenditure amounted to R58,148 million. This translates to actual expenditure of 96.9% of the Programme's total budget. An overview of the funds spent per economic classification is as follows:

- Compensation of Employees accounted for R8,554 million or 14.71% of total expenditure
- Goods and Services accounted for R4,348 million or 7.48% of total expenditure
- Transfers and Subsidies accounted for R45,237 million or 77.80% of total expenditure
- Payment for Financial Assets Expenditure amounted to R9,000 or 0.01% of total expenditure.

## Sub-programme Expenditure

Sub-programme	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over)/Under expenditure	Final appropriation	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Planning	-	-	-	-	-	-
Tourism Growth and Development	15 107	13 222	1 885	13 292	12 963	329
Tourism Sector Transformation	2	-	2	2	-	2
Tourism Destination Marketing	44 926	44 926	-	46 376	46 376	-
<b>Total</b>	<b>60 035</b>	<b>58 148</b>	<b>1 887</b>	<b>59 670</b>	<b>59 339</b>	<b>331</b>

## 4.7 PROGRAMME 7: SKILLS DEVELOPMENT AND INNOVATION

### Purpose

To facilitate the provisioning of Human Capital and Innovation skills to deliver on the economic Human Resources Development needs of the Western Cape.

### Programme structure

The Programme is structured as follows:

#### Sub-programme 7.1: Provincial Skills and Partnership

- To promote coordination, partnerships and collaboration for increased access to occupationally directed programmes including apprenticeships of the 21st Century or the A21.
- To develop provincial mechanisms for the management of skills data and information.

#### Sub-programme 7.2: Skills Programmes and Projects

- To facilitate/support unemployed or underemployed persons to access jobs.

#### Sub-programme 7.3: Skills Incentives

- To facilitate demand-led work placement and funding opportunities for youth to gain workplace experience.

## Sub-programme 7.1: Provincial Skills and Partnership

### Strategic objectives, performance indicators, planned targets and actual achievements

#### Strategic objectives

7.1: Provincial Skills and Partnerships					
Increase in the number of quality workplace-ready TVET learners (Institutional Supply).					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Number of skills collaborations facilitated	4	4	7	3	<p>The Strategic Framework for Skills Development within the Western Cape, identifies a collaborative and co-ordinated approach to developing a skills agenda for the Province as a key component in supporting economic growth and job creation.</p> <p>To enable this, the Provincial Skills Partnerships Unit needed to engage with multiple stakeholders, which resulted in an over-achievement of this deliverable.</p>

#### Performance indicators

7.1: Provincial Skills and Partnerships							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of structured and scheduled skills stakeholder engagements forums or events	25	24	22	10	20	10	<p>The Strategic Framework for Skills Development within the Western Cape identifies a collaborative and co-ordinated approach to developing a skills agenda for the Province as a key component in supporting economic growth and job creation.</p> <p>In enabling this, the Provincial Skills Partnerships Unit needed to engage with multiple stakeholders, which resulted in an over-achievement of this deliverable.</p>

## Sub-programme achievements

The Sub-programme led a pro-active engagement approach to promote coordination, partnerships and collaboration to improve the alignment of skills supply to the provincial skills demands on economic sector and regional needs. The summary below highlights some of the key achievements:

- Hosting a successful Premier Council on Skills event co-ordinated and funded in collaboration with the public TVET colleges in the province. The event launched the #SkillsBoostWC Initiative led by the Sub-programme, in partnership with the Department's Digital Economy Programme and the City of Cape Town. This is a multi-faceted collaboration between academia and industry to drive key initiatives and focus on current and future digital skills needs across priority economic sectors
- Supporting a local skills ecology by entering into a partnership with the West Coast District Municipality whereby local industry and government collectively address skills development. A key collaboration is the sponsoring of a mobile science lab by industry to support a technical school in the region to adopt STEM subjects by learners
- Establishing a SETA (Sector Education and Training Authorities) TVET (Technical, Vocational and Education and Training) Forum between Public Colleges, SETAs, National Skills Fund (NSF), and the Western Cape Government. This Forum is the first of its kind in the country to enable a practical mechanism where skills supply meets the demand of the provincial sector skills priorities
- Establishing key collaborations with National, Provincial and Local Government Departments and entities across key priority sectors including Tourism, Maritime, Education and Green Economy including the Atlantis SEZ to drive coordinated skills interventions to address sector skills needs and increase youth employability
- The year under review was the third year of the Apprenticeship Game Change implementation. A21-based qualification pathways were collectively developed by industry and academia for demand-led occupations namely Computer Technician, Water Process Controller, Solar PV Installer and Bicycle Mechanic
- Funding a mathematics intervention to appoint fifteen (15) Mathematics Classroom Assistants across nine (9) TVET colleges throughout the province. The intervention has positively contributed to the increase in the supply of the number of quality Technical and Vocational Education and Training (TVET) learners in the Western Cape
- Implementing an evidence-based data approach that has resulted in partnerships established with government departments to access supply data as well as access employer data demand to address the skills mismatch.

## Strategy to overcome areas of under performance

Not applicable

## Changes to planned targets

Not applicable

## Sub-programme 7.2: Skills Programmes and Projects

### Strategic objectives, performance indicators, planned targets and actual achievements

#### Strategic objectives

Sub-programme 7.2: Skills Programmes and Projects					
To increase the number of appropriately skilled persons, by providing them access to work experience and/or training opportunities.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Number of artisan candidates ready for trade testing	52	40	42	2	Availability of trade test facilities led to an increase in the number of dates received for candidates to be trade tested.

#### Performance indicators

Sub-programme 7.2: Skills Programmes and Projects							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of semi-skilled beneficiaries trained	469	488	294	100 - 150	96	(4)	The under-achievement on this target is due to participants on the ICT Skills Technical Training Programme electing to pursue permanent job opportunities, as opposed to completing the training component.
1.2 Number of semi-skilled beneficiaries placed at host companies	1 760	2 375	-	634 - 680	771	91	Additional work-placement opportunities arose, due to an increase in demand from host companies, which resulted in the over-achievement in the 2019/2020 financial year
1.3 Number of artisan candidates trained	693	458	-	150 - 300	577	277	Greater demand from industry, led to more training opportunities being provided.
1.4 Number of artisan candidates supported at host companies	144	290	-	297 - 350	421	71	Increased demand for candidates led to additional placements.

### Sub-programme achievements

Ninety-six (96) learners exited the ICT Technical Skills Programme funded by the Department. This Programme is aimed at targeting the gap between the demand for specialised skills with the supply thereof. Encompassed in the learner pool of this programme was school going youth which were targeted at school level from grade 10-12 to participate in the programme. This was to enable the instruction in foundational Software Development specialised skills related to industry demand.

The Work and Skills Programme creates learning and work placement opportunities for unemployed youth in the Western Cape's economic sectors to improve the future employment prospects of participants between the ages of 18-34 years. This placement opportunity ranges between 4-12 months and is generally coupled with technical and soft skills training in the context of "hand on" work experience.

The Work and Skills Programme partners with SMMEs, and larger corporations to provide unemployed youth with the opportunity to gain experience and hopefully employment should the companies have the capacity to absorb them. Host companies participating in the Work and Skills Programme provides beneficiaries with work readiness training and mentorship. In the 2019/20 financial year, the Department entered into agreements with 35 host companies from various high job yielding industries in the Western Cape i.e. Agri-Processing, Tourism, Manufacturing, BPO/ICT, Film, Wholesale and Retail industries to place 771 beneficiaries to gain workplace experience with the aim that these beneficiaries become more employable with the hope of being absorbed into the labour economy.

During 2019/20, the Work and Skills Programme partnered with municipalities and businesses in the rural and peri-urban areas within the Western Cape. Generally, these companies are overlooked as they normally cannot adhere to external funder requirements due to capacity or financial constraints, but with assistance of the Work and Skills Programme, they received much needed support to help grow their businesses and support unemployed youth in their communities.

The Sub-programme also supported the NQF level 4 accredited Mentorship Skills Training Programme in occupations spread across the five (5) priority sectors (Tourism, Oil & Gas, Agri-Processing, ICT and Renewable Energy). To date, 51 candidates have successfully been trained as Mentors in the Cape Metropole area.

### Strategy to overcome areas of under performance

The projected number of learners to exit the ICT Technical Skills Programme was one hundred (100), and was under-achieved by four (4) learners. Learners exited the programme before its completion due to the need to earn an income to support themselves, and quite often their families. Although learners earn a stipend whilst on the programme, it is, however, very little and cannot supply some learner's needs. The Department can address this challenge by increasing the stipend amount paid to learners and increasing the Learner Support offered to assist a learner in coping with the demands of a learning programme and their social challenges.

### Changes to planned targets

Not applicable



## Sub-programme 7.3: Skills Incentives

### Strategic objectives, performance indicators, planned targets and actual achievements

#### Strategic objectives

Sub-programme 7.3: Skills Incentives					
To attract and access skills incentives for placement opportunities and skills initiatives.					
Strategic objective (Outcome indicator)	Actual achievement 2018/19	Actual performance against target			Comment on deviations
		Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	
Number of collaborative skills interventions supported	4	4	5	1	The demand from stakeholders to support the Apprenticeship Game Changer initiatives were higher than anticipated.

#### Performance indicators

Sub-programme 7.2: Skills Programmes and Projects							
Performance indicator (Output indicator)	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Actual performance against target			Comment on deviations
				Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement 2019/20	
1.1 Number of structured and scheduled skills stakeholder engagement, forums or events	-	-	10	8	18	10	Additional structured meetings were held to meet particularly the Chrysalis Ministerial Project targets.
1.2 Number of semi-skilled beneficiaries trained through work readiness programmes	-	-	287	170	414	244	Additional work readiness training was provided to meet demand from relevant stakeholders.

#### Sub-programme achievements

The Skills Incentives Sub-programme co-ordinated and fundraised for strategic skills priorities of the Department. A key initiative included the Western Cape SETA Cluster (WCSC), a co-ordination of 18 of the 21 SETA's. Collaboration for 2019/20 were on the Apprenticeship Game Changer (AGC). These focus areas were workplace learners being supported through work readiness and employers in the prioritised economic growth sectors participating in the AGC. The WCSC, collaboration included:

- Contribution of skills intelligence data
- Co-ordinating and participating in career awareness exhibitions in partnership with the Western Cape Education Department and TVET Colleges
- Lobbying stakeholders to host DEDAT learners
- Supplementing the AGC Career Awareness material for over 70 WCED schools and facilitating industry led workshops to over 100 life orientation teachers. Skills Incentives led the successful signing of an MOU

with YES. It focused on delivering two areas with the DEDAT. These are the identification and unlocking of employment opportunities for youth and facilitating economic opportunities.

- The Skills Incentives Think Tank (SITT) took a different form in 2019/20, partnering with the Youth Employment Service (YES). Public and private partners joined the SITT forums to facilitate job opportunities for the youth. A key success of the SITT forum was accessing YES funds through a partnership with Catalyx. Twelve organisations were sourced and matched to Catalyx criteria. The outcome was that a total of 137 unemployed youth accessed work placement across the Western Cape. These organisations represent many different sectors, regions as well as nine different municipalities. The total stipends committed to these 137 youth equates to about R6 160 000 over a one-year period. The total funds leveraged, including project costs, was R7 393 000.
- Skills Incentives has a strong regional approach, clearly demonstrated in the Southern Cape and West Coast skills work readiness interventions. The work readiness model, developed with the Garden Route Skills Mecca, was used as a framework for the West Coast. Partners in delivering work readiness training, the sharing of material and or accessing work opportunities for unemployed youth were the:
  - Department of Labour and Employment and Social Development
  - Saldanha, Garden Route and George Municipalities
  - Harambee

Finally, Skills Incentives led the partnership with the Department of Community Safety to revise the Chrysalis Academy model, to increase the employability of graduates.

### Strategy to overcome areas of under performance

Not applicable

### Changes to planned targets

Not applicable

### Linking performance with budgets

An amount of R66,274 million was allocated to the Skills Development and Innovation in 2019/20 to support interventions and partnerships aimed at closing the gap between the skills supplied and those demanded by the economy. The allocated amount includes: R14,969 million for Compensation of Employees; R27,154 million for Goods and Services; and R22,873 million to Transfers and Subsidies with the bulk earmarked for stipend payments to beneficiaries to support experiential workplace learning. Payments for Capital Expenditure amounted to R59 000 of the total programmatic expenditure.

### Sub-programme Expenditure

Sub-programme	2019/20			2018/19		
	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
Provincial Skills and Partnership	15 817	14 918	899	33 879	33 258	621
Skills Programmes and Projects	47 878	47 875	3	35 202	35 124	78
Skills incentives	2 579	2 262	317	1 963	1 740	223
Management: Skills Development	-	-	-	-	-	-
<b>Total</b>	<b>66 274</b>	<b>65 055</b>	<b>1 219</b>	<b>71 044</b>	<b>70 122</b>	<b>922</b>

## 5. Transfer payments

### 5.1 Transfer payments to public entities

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
<b>Programme 3: Trade and Sector Development</b>				
Western Cape Destination marketing, Investment and Trade Promotion Agency (Wesgro)	Operational funding in support of Wesgro Trade and Investment promotion activities	48 539	48 539	During the financial year under review, the Agency committed a total of 18 investment projects, with an estimated rand value of R2,24bn, facilitating 1 485 jobs. In addition, a total of 37 business agreements were signed with an estimated economic value of over R3bn, resulting in the facilitation of 935 jobs.
<b>Programme 5: Economic Planning</b>				
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	Operational funding to support the Atlantis SEZ establishment	31 487	20 316	<p>Atlantis Special Economic Zone Company (ASEZ Co) established in 2019/20.</p> <p>Entity scheduling application initiated.</p> <p>ASEZ infrastructure master-plan completed.</p> <p>In-principle approval for land transfer from the City of Cape Town (valued at R60 million).</p> <p>16 new investors in the investment pipeline (1 secured for late 2020).</p> <p>Greentech career awareness programme reached 1 500 learners.</p> <p>14 teachers in greentech support programme.</p> <p>85 learners benefited from a coding programme.</p> <p>40 companies provided with supplier development information.</p> <p>30 SMMEs assessed by the City for infrastructure supplier development readiness.</p>
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	Operational funding to support the Special Economic Development Infrastructure Company (SEDIC) establishment	4 800	3 282	<p>Support provided for operationalising the ASEZ - draft MOI for the SEDIC used as basis for the ASEZ Co MOI.</p> <p>The SEDIC's potential role as a municipal infrastructure support mechanism developed and piloted through the Adam Tas corridor project in Stellenbosch.</p>

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
				<p>An MOA was drafted to regulate the relationship between the SEDIC, the DEDAT and the DTPW concerning the utilisation of provincial assets for a SEDIC project.</p> <p>The SEDIC led review of infrastructure approach from December 2019.</p>
Saldanha Bay Industrial Zone Licensing Company	Operational funding for the entity.	74 187	74 187	<p>Completed final phase of Free Port project.</p> <p>Signing 9 investors and a pipeline of 25 investors.</p> <p>Completion of Port Land bulk infrastructure.</p> <p>Completion of Innovation Campus business plan.</p> <p>Participation of 370 beneficiaries in skills development programme</p> <p>Opening of SME Co-Lab support centre.</p>
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	Marketing and promotion activities in support of the Global Digital Region Positioning Project	500	500	Marketing collateral and showcasing the WC tech sector through its various platforms, development and publishing the Pioneer magazine, execution of the influencer campaign.
<b>Programme 6: Tourism, Arts and Entertainment</b>				
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	Operational funding in support of Wesgro's destination activities.	44 926	51 069 The overspend is attributed to the subsidisation of the Air Access project.	<p>During the financial year under review, the Agency supported a total of 46 tourism marketing initiatives, with an estimated economic impact of over R935m. The Agency identified several marketing initiatives throughout the year that had a measurable estimated economic impact on the province in terms of visitors spend. A highlight for the financial year included securing the 28th World Congress of Nuclear Physics for September 2022. The bid was awarded to iThemba LABS based in Stellenbosch, a faculty of the National Research Foundation (NRF). This is a pivotal step in establishing the destination as a major global contributor to science on the African continent.</p> <p>Further to this, the Agency supports various event initiatives throughout the year, such as the 8th edition of the Ride2Nowhere mountain bike race, hosted in McGregor annually. The event supports the local community by sourcing services directly from the town, thereby creating temporary jobs as well as revenue created by the tourism sector during the event.</p>

The table below reflects the transfer payments made for the period 1 April 2019 to 31 March 2020.

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	Reasons for the funds unspent by the entity
<b>Programme 1: Administration</b>						
South African Broadcasting Corporation (SABC)	Departmental Agency	Renewal of Television Licences within the Department	Yes	5	5	N/A
<b>Programme 2: Integrated Economic Development Services</b>						
Labit	Private Enterprise	Business development support to SMMEs	Yes	777	530	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2020.
Innovator Enterprise Development Trust	Trust	Business development support to SMMEs	Yes	1 166	1 166	N/A
Launchlab	Private Enterprise	Business development support to SMMEs	Yes	1 589	1 038	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2020.
Oudtshoorn Municipality	Municipality	For the implementation of the Oudtshoorn Aerodrome project	Yes	1 437	1 437	N/A
Cape Agulhas Municipality	Municipality	Trading spaces for traders	Yes	1 345	0	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2020.
Edge Growth Access	Private Enterprise	Business development support to SMMEs	Yes	2 012	423	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2020.
Sarebi	Non-profit company	Business development support to SMMEs	Yes	695	586	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2020.
ASISA	Trust	Business development support to SMMEs	Yes	1 354	900	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2020.
False Bay TVET College	TVET	Business development support to SMMEs	Yes	615	0	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2020.

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	Reasons for the funds unspent by the entity
Witzenberg Municipality	Municipality	Trading spaces for traders	Yes	1 685	1	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2020.
Fix Forward	Private enterprise	Business development support to SMMEs	Yes	868	310	The duration of the project extends over two financial years and a portion of the funding was transferred in February 2020.
True North	Non-Profit Company	Business development support to SMMEs	Yes	986	949	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2020.
Laingsburg Municipality	Municipality	Trading spaces and business development support for traders	Yes	1 483	0	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2020.
South African Education Project	Non-profit company	Business development support to SMMEs	Yes	474	393	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2020.
Daytime Trading t/a Trio Plus	Private enterprise	Business development support to SMMEs	Yes	187	161	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2020.
Clotex	Non-profit company	Business development support to SMMEs	Yes	791	307	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2020.
Qhubeka	Non-profit company	Business development support to SMMEs	Yes	40	0	The project was cancelled.
Cape Innovation Technology Initiative	Non-profit company	Business development support to SMMEs	Yes	1 542	514	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2020.
Pick n Pay	Private enterprise	Infrastructure support to township spaza shops	Yes	4 000	2 052	A second tranche amounting to R2 million was transferred in March 2020 and could not be spent.
National Empowerment Fund	Non-profit institution	Developmental Funding support to SMMEs	Yes	10 000	1323	The Fund is demand led and at the time of reporting, applications to the fund were still under consideration.

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	Reasons for the funds unspent by the entity
Violence Prevention through Urban Upgrading	Non-profit company	Infrastructure support to township trading space	Yes	2 200	1 048	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2020.
Productivity SA	National public entity	Business development support to SMMEs	Yes	1 639	0	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2020.
<b>Programme 5: Economic Planning</b>						
Cape Innovation and Technology Initiative (CITI)	Non-profit institution	Funding to support the operations of the Khayelitsha Bandwidth Barn	Yes	600	598	The remaining balance of R2 075 will be spent on operational cost during May.
Genesis Community Information Technology Initiative (Genesis IT)	Non-profit institution	Funding to support the operations of the ICAN Centre in Elsies River	Yes	750	512	Unspent funds of R238 000 are for the refurbishment of equipment and facilities at the Centre and can only be concluded after the COVID 19 lockdown.
Western Cape Economic Development Partnership	Non-profit Institution	Operational funding for the WC Economic Development Partnership	Yes	11 325	11 325	N/A
<b>Programme 5: Economic Planning</b>						
Swellendam Municipality	Municipality	To provide resources for the Cycle Infrastructure Project	Yes	100	100	N/A
<b>Programme 7: Skills Development and Innovation</b>						
West Coast Municipality	Municipality	For the implementation of a regional approach to skills development and to drive the coordination of skills development in the municipality	Yes	164	164	N/A
Households	Households	Stipends paid to Maths assistants placed at various TVET colleges	N/A	3 048	3 048	N/A
Households	Households	Stipends paid to learners on the Youth Access Programme	N/A	9 771	9 771	N/A



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	Reasons for the funds unspent by the entity
Households	Households	Stipends paid to learners for the Artisanal Development Programme	N/A	9 705	9 705	N/A
Households	Households	Stipends paid to Educators for the ICT programme	N/A	123	123	N/A

The table below reflects the transfer payments which were budgeted for in the period 1 April 2019 to 31 March 2020, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
Agri Western Cape	To develop and grow businesses within the Halal Value Chain by exploiting opportunities within the industry	750	-	The project was initially planned to be implemented through Supply Chain process. The Department's Bid Adjudication Committee recommended, however, that it be implemented through a different model. As a result, this required more time to be dedicated on this project. Part of the project was implemented internally through recruiting participating firms, conducting diagnostic and due diligence assessments. All the necessary processes have been completed and the transfer payment process will be made in July 2020.
George Municipality	To provide resources for the Cycle Infrastructure Project	100	-	A lengthy process had to be followed to obtain the necessary approvals, Gazette, TPAs, Project Implementation Plan approval and documentation from the municipalities. There was some outstanding documentation hence the transfer payment had to be deferred. All documentation has subsequently been submitted by the municipality and the transfer payment will be made in July 2020.
Bitou Municipality	To provide resources for the Cycle Infrastructure Project	125	-	A lengthy process had to be followed to obtain the necessary approvals, Gazette, TPAs, Project Implementation Plan approval and documentation from the municipalities. There was some outstanding documentation hence the transfer payment had to be deferred. All documentation has subsequently been submitted by the municipality and the transfer payment will be made in July 2020.

## 6. Conditional Grants

### 6.1 Conditional grants and earmarked funds paid

Not applicable

### 6.2 Conditional grants and earmarked funds received

The Department received no conditional grants during the 2019/20 financial year. However, as part its Annual Appropriation, earmarked funds were received for the following:

- R26,594 million was earmarked for the purpose of supporting the Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro) in terms of their core function of attracting foreign investment, enhancing trade, investigating alternative markets and aiming for international best practice in destination marketing, trade and investment promotion
- R10,000 million was earmarked for the establishment of the Municipal District Unit. This allocation also includes the Invest SA One Stop Shop, Film Promotion as well as Halal Promotion
- R2,105 million was earmarked for the purpose of supporting the Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro) to support cycling tourism within the Western Cape
- R23,737 million was earmarked for the purpose of supporting the establishment of the Atlantis Special Economic Zone (ASEZ)
- R74,187 million was earmarked to support the operations of the Saldanha Bay Industrial Development Zone Licencing Company (SBIDZ LiCo)
- An amount of R11,325 million was earmarked to support the operations of the Western Cape Economic Development Partnership (WCEDP) during the 2019/20 financial year
- An amount of R30,000 million was earmarked for the purpose of supporting Economic Emerging Themes and Job Creation stimulus initiatives
- An amount of R5,900 million was earmarked for support towards the Apprenticeship Game Changer
- R5,240 million was earmarked for support towards the Energy Game Changer. This included an amount of R3,770 million for institutional capacity and R1,470 million for communications related activities within the Energy Game Changer.

The table/s below details the earmarked funds received during for the period 1 April 2019 to 31 March 2020.

Department that transferred the grant	Department of Economic Development and Tourism
Purpose of the grant	Supporting the Saldanha Bay Industrial Development Zone Licencing Company (SBIDZ LiCo) in terms of their core function of establishing an IDZ in Saldanha Bay.
Expected outputs of the grant	Support provided for:
Actual outputs achieved	<ul style="list-style-type: none"> <li>Completed final phase of Free Port project</li> <li>Signing 9 investors and a pipeline of 25 investors</li> <li>Completion of Port Land bulk infrastructure</li> <li>Completion of Innovation Campus business plan</li> <li>Participation of 370 beneficiaries in skills development programme</li> <li>Opening of SME Co-Lab support centre</li> </ul>
Amount per amended DORA	N/A
Amount received (R'000)	R74,187 million
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R74,187 million
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Shareholder meetings

Department that transferred the grant	Department of Economic Development and Tourism
Purpose of the grant	To support the operations of the Western Cape Economic Development Partnership (WCEDP) during the 2019/20 financial year
Expected outputs of the grant	30 partnership reports
Actual outputs achieved	30 partnership reports
Amount per amended DORA	N/A
Amount received (R'000)	R11,325 million
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R11,325 million
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Monthly project meetings Quarterly reports

Department that transferred the grant	Department of Economic Development and Tourism
Purpose of the grant	To support the establishment of the Atlantis Special Economic Zone (ASEZ)
Expected outputs of the grant	ASEZ operationalisation: <ul style="list-style-type: none"> <li>• Support establishment of ASEZ entity</li> <li>• Support to ASEZ office establishment</li> </ul> ASEZ management: <ul style="list-style-type: none"> <li>• Support 1 land transaction</li> <li>• Support greentech investment</li> <li>• Community development and participation</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• Atlantis Special Economic Zone Company (ASEZ Co) established in 2019/20</li> <li>• Suitable offices secured</li> <li>• Entity scheduling application initiated</li> <li>• ASEZ infrastructure master plan completed</li> <li>• In-principle approval for land transfer from the City of Cape Town (valued at R60 million)</li> <li>• 16 new investors in the investment pipeline (1 secured for late 2020)</li> <li>• Greentech career awareness programme reached 1 500 learners</li> <li>• 14 teachers provided with greentech support programme opportunity.</li> <li>• 85 learners have benefited from a coding programme</li> <li>• 40 companies have been provided with supplier development information</li> </ul>
Amount per amended DORA	N/A
Amount received (R'000)	R23,737 million
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R20 316 485
Reasons for the funds unspent by the entity	Funds committed to fulfil contractual obligations for spatial development and integration framework study; office refurbishment; salaries and rental
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Weekly project meetings Quarterly reports Board representation

Department that transferred the grant	Provincial Treasury
Purpose of the grant	Energy Security Game Changer
Expected outputs of the grant	Institutional capacity and contribution to communications campaign
Actual outputs achieved	Capacity maintained to run the Game Changer programme and communication campaigns completed
Amount per amended DORA	N/A
Amount received (R'000)	R5,240 million
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R3,900 million
Reasons for the funds unspent by the entity	Appointment of an additional staff member did not take place as the functions were mainstreamed into the Energy Directorate
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	N/A

<b>Department that transferred the grant</b>	<b>Provincial Treasury</b>
<b>Purpose of the grant</b>	Support towards the Apprenticeship Game Changer
<b>Expected outputs of the grant</b>	Appointment of human resource capacity to support the Apprenticeship Game Changer
<b>Actual outputs achieved</b>	Human resources appointed and capacity in place to support the Apprenticeship Game Changer
<b>Amount per amended DORA</b>	N/A
<b>Amount received (R'000)</b>	R5,900 million
<b>Reasons if amount as per DORA was not received</b>	N/A
<b>Amount spent by the department (R'000)</b>	R5,444 million
<b>Reasons for the funds unspent by the entity</b>	Some of the human resources terminated their contracts of employment before the planned termination date
<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>	N/A

<b>Department that transferred the grant</b>	<b>Department of Economic Development and Tourism</b>
<b>Purpose of the grant</b>	In support of Economic Emerging Themes and Job Creation stimulus
<b>Expected outputs of the grant</b>	To provide support to businesses to enhance their sustainability and enable growth
<b>Actual outputs achieved</b>	Seventeen organisations have been supported through this initiative. The initiative will support over 400 businesses linked to these organisations
<b>Amount per amended DORA</b>	N/A
<b>Amount received (R'000)</b>	R30,000 million (R20 million for Booster)
<b>Reasons if amount as per DORA was not received</b>	N/A
<b>Amount spent by the department (R'000)</b>	R19 247 544
<b>Reasons for the funds unspent by the entity</b>	A payment of R602 456 was withheld due to a project being cancelled and a second amount of R150 000 was withheld due to delays in the implementation of the project
<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>	Regular engagement and reporting to the Department by the beneficiary organisations

<b>Department that transferred the grant</b>	<b>Department of Economic Development and Tourism</b>
<b>Purpose of the grant</b>	Support of Economic Emerging Themes and Job Creation stimulus through the development of digital skills of citizens to stimulate entrepreneurship, increase job readiness and support upskilling for a digital economy
<b>Expected outputs of the grant</b>	200 citizens trained in skills on the ICAN Learn platform and ICAN Learn Management and support systems implemented
<b>Actual outputs achieved</b>	166 citizens trained, 1 Learner Management System deployed and 1 Operational Management Systems development completed
<b>Amount per amended DORA</b>	N/A
<b>Amount received (R'000)</b>	R 3 500 000
<b>Reasons if amount as per DORA was not received</b>	N/A
<b>Amount spent by the department (R'000)</b>	R3 500 000
<b>Reasons for the funds unspent by the entity</b>	N/A
<b>Reasons for deviations on performance</b>	<p>The new Learner Management System (LMS) was completed and went live in late Q3. This required further training of the site facilitators on the new LMS. However, the development of content for the training programme for facilitators only commenced in January 2019 and was completed at the end of the Quarter.</p> <p>These factors combined presented a challenge as facilitators could not yet receive the required full training on the LMS and related technical aspects, to equip them to fully activate and operate sites. Site readiness was thus negatively affected.</p> <p>Accordingly, the project (sites) could not be marketed and promoted to citizens. The period also coincided with the December/ January holiday period during which uptake of training opportunities are low. There were thus low levels of citizen uptake</p>
<b>Measures taken to improve performance</b>	The project management team conducted limited basic training on the LMS with sites as an interim measure, while formal training content was being developed
<b>Monitoring mechanism by the receiving department</b>	<p>Project reference group meetings</p> <p>Project team and partner meetings</p> <p>Site visits and reports</p> <p>Project monitoring and evaluation reports</p>

<b>Department that transferred the grant</b>	Department of Economic Development and Tourism
<b>Purpose of the grant</b>	Supporting the Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro) in terms of their core function of attracting foreign investment, enhancing trade, investigating alternative markets and aiming for international best practice in destination marketing, trade and investment promotion
<b>Expected outputs of the grant</b>	The Annual target for number of investment projects realised was 17 and the target for number of business agreements was 40
<b>Actual outputs achieved</b>	During the financial year under review, the Agency committed a total of 18 investment projects, with an estimated rand value of R2,24bn, facilitating 1 485 jobs. In addition, a total of 37 business agreements were signed with an estimated economic value of over R 3bn, resulting in the facilitation of 935 jobs.
<b>Amount per amended DORA</b>	N/A
<b>Amount received (R'000)</b>	R26,594 million
<b>Reasons if amount as per DORA was not received</b>	N/A
<b>Amount spent by the department (R'000)</b>	R26,594 million
<b>Reasons for the funds unspent by the entity</b>	N/A
<b>Reasons for deviations on performance</b>	Securing of business declarations and export deals require time and the COVID 19 outbreak has created uncertainty together with global disruptions that negatively impacted trade deals resulting in an under achievement
<b>Measures taken to improve performance</b>	Monthly project meetings are held with both Wesgro and the DEDAT teams. These regular meetings allow for greater transparency and knowledge sharing between the teams. Any issues regarding performance are also brought to the attention of the Chief Director
<b>Monitoring mechanism by the receiving department</b>	Project team meetings Quarterly progress reports submitted by Wesgro to the Department



<b>Department that transferred the grant</b>	Department of Economic Development and Tourism
<b>Purpose of the grant</b>	For the establishment of the Municipal District Unit. This allocation also includes the Invest SA One Stop Shop, Film Promotion as well as Halal Promotion
<b>Expected outputs of the grant</b>	<p>Municipal District Unit</p> <p>To promote the Western Cape District as a business destination to facilitate employment creation and stimulate growth</p> <p>Invest SA</p> <p>To facilitate investment into the Province</p> <p>Film Promotion</p> <p>Establish a globally competitive film sector in Cape Town and the Western Cape</p> <p>Halal Promotion</p> <p>To promote and facilitate global exports of goods and services from qualified companies in the Western Cape</p>
<b>Actual outputs achieved</b>	<p>The Trade and Investment Units within Wesgro completed projects relating to:</p> <ul style="list-style-type: none"> <li>• Promoting the WC District as a business destination through the Municipal District Unit</li> <li>• Facilitation investment through the InvestSA One Stop Shop</li> <li>• Media and Film Productions into the Province</li> <li>• Global exports of goods and services from qualified Halal companies in the Province</li> </ul>
<b>Amount per amended DORA</b>	N/A
<b>Amount received (R'000)</b>	R10,000 million
<b>Reasons if amount as per DORA was not received</b>	N/A
<b>Amount spent by the department (R'000)</b>	R10,000 million
<b>Reasons for the funds unspent by the entity</b>	N/A
<b>Reasons for deviations on performance</b>	The business agreements were not signed within the anticipated timeframe, as further engagements were required. In addition, global supply chains have been disrupted due to COVID-19, which have an impact on whether or not these export orders are secured
<b>Measures taken to improve performance</b>	N/A
<b>Monitoring mechanism by the receiving department</b>	<p>Quarterly reports</p> <p>Board representation</p> <p>Regular meetings with entity</p>

<b>Department that transferred the grant</b>	Department of Economic Development and Tourism
<b>Purpose of the grant</b>	For the purpose of supporting cycling tourism
<b>Expected outputs of the grant</b>	Four routes developed and ongoing marketing of these routes: Cross Cape Cycle Tour 364 Overberg Meander Cederberg Circuit Karoo Crossing – development phase
<b>Actual outputs achieved</b>	<ul style="list-style-type: none"> <li>E-bike adventure with trade and media to promote the accessibility of these routes along the Cederberg Circuit/ featured in Sunday Times, Traveller24 and Getaway</li> <li>Overberg Meander second place Sustainable Tourism Award at the XII International Tourism Film Festival – ART&amp;TUR 2019 in Torres Vedras, Portugal. SA Embassy based in Portugal sponsored flights for production team</li> <li>KPRN network GmbH in Berlin to feature Overberg Meander in newsletter – featured in 178 newspapers in Germany with a circulation of more than 2 million readers.</li> <li>Riaan Manser Overberg Meander campaign – Cemzaman Challenge – social media live, and webisodes produced</li> <li>Event activations: Cape Cycle Routes</li> <li>Cape Town Adventure Festival</li> <li>MTB Expo</li> <li>Cape Town Cycle Tour</li> <li>Rollercoaster Gravel Ride with HotChille</li> <li>Hotchillee Cape Roleur</li> </ul>
<b>Amount per amended DORA</b>	N/A
<b>Amount received (R'000)</b>	R2,105 million
<b>Reasons if amount as per DORA was not received</b>	N/A
<b>Amount spent by the department (R'000)</b>	R1,715 million
<b>Reasons for the funds unspent by the entity</b>	Delay in the launch of the Karoo Crossing
<b>Reasons for deviations on performance</b>	Karoo Crossing route launch was put on hold in March 2020 due to COVID-19
<b>Measures taken to improve performance</b>	N/A
<b>Monitoring mechanism by the receiving department</b>	Quarterly reports Board representation

## 7. Donor Funds

### 7.1 Donor Funds Received

Name of donor	Jobs Fund
Full amount of the funding	R39,268 million
Period of the commitment	4 years
Purpose of the funding	To support the Work and Skills Programme
Expected outputs	Number of learners employed (1 755) and time-bound internships (2 700)
Actual outputs achieved	Learners employed (1 877), while (4 489) completed timebound internships
Amount received in current period (R'000)	R1,493 million
Amount spent by the department (R'000)	R0
Reasons for the funds unspent	Project runs over financial years and co-funded from departmental funding
Monitoring mechanism by the donor	Quarterly reporting and site visit verification

## 8. Capital Investment, maintenance and asset management plan

Provide commentary on the following:

- **Progress made on implementing the capital, investment and asset management plan**  
Not applicable.
- **Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year. Provide reasons for material variances (2% variance)**  
Not applicable.
- **Infrastructure projects that are currently in progress (list projects) and when are they expected to be completed**  
Assets will be replaced in terms of the asset management policy. In comparison to the previous financial year, the Department will continue with the restructuring of floors and offices during the financial year 2020/21.
- **Plans to close down or down-grade any current facilities**  
Not applicable.
- **Progress made on the maintenance of infrastructure**  
Not applicable.
- **Developments relating to the above that are expected to impact on the department's current expenditure**  
Not applicable.
- **Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft**  
During the 2019/20 financial year, the Department embarked on a disposal process where its asset base was reduced by R 890 521.23 (A total of 137 assets). In this regard, the Department considered factors such as the

Department's Socio and Economic responsibility and assisting public sector entities in fulfilling their mandate of service delivery to the public at large.

In lieu of this, assets were donated to non-governmental organisations (NGO's), non-profit organisations (NPO's) and a public entity in aiding them to fulfil their obligations effectively and efficiently.

**Distribution entailed:**

A total of 122 assets with the value of R789 006.07 were donated to NGO's and NPO's.

A total of six assets with the value of R69 016.26 was transferred to a public entity of the state.

A total of nine assets to the value of R32 498.90 were disposed through responsible recycling "e-waste".

**The asset base was further reduced by:**

A total of six assets to the value of R111 370.97 were written off.

A total of 72 assets to the value of R768 645.12 was sold to staff.

- **Measures taken to ensure that the department's asset register remained up-to-date during the period under review**

The asset records are updated on a daily basis, taking into consideration relevant prescripts and asset management guidelines. On a monthly basis the asset register and the BAS system are reconciled to ensure that the register is complete and correct.

- **The current state of the department's capital assets, for example what percentage is in good, fair or bad condition**

4,8% is in a good condition

95,23% is in a fair condition

0,60% is in a bad condition.

- **Major maintenance projects that have been undertaken during the period under review**

No major maintenance projects have been undertaken during the period under review. Assets are maintained in accordance with the manufacturer's service booklet, and as required.

- **Progress made in addressing the maintenance backlog during the period under review, for example, has the backlog grown or become smaller? Is the rate of progress according to plan? If not, why not, and what measures were taken to keep on track**

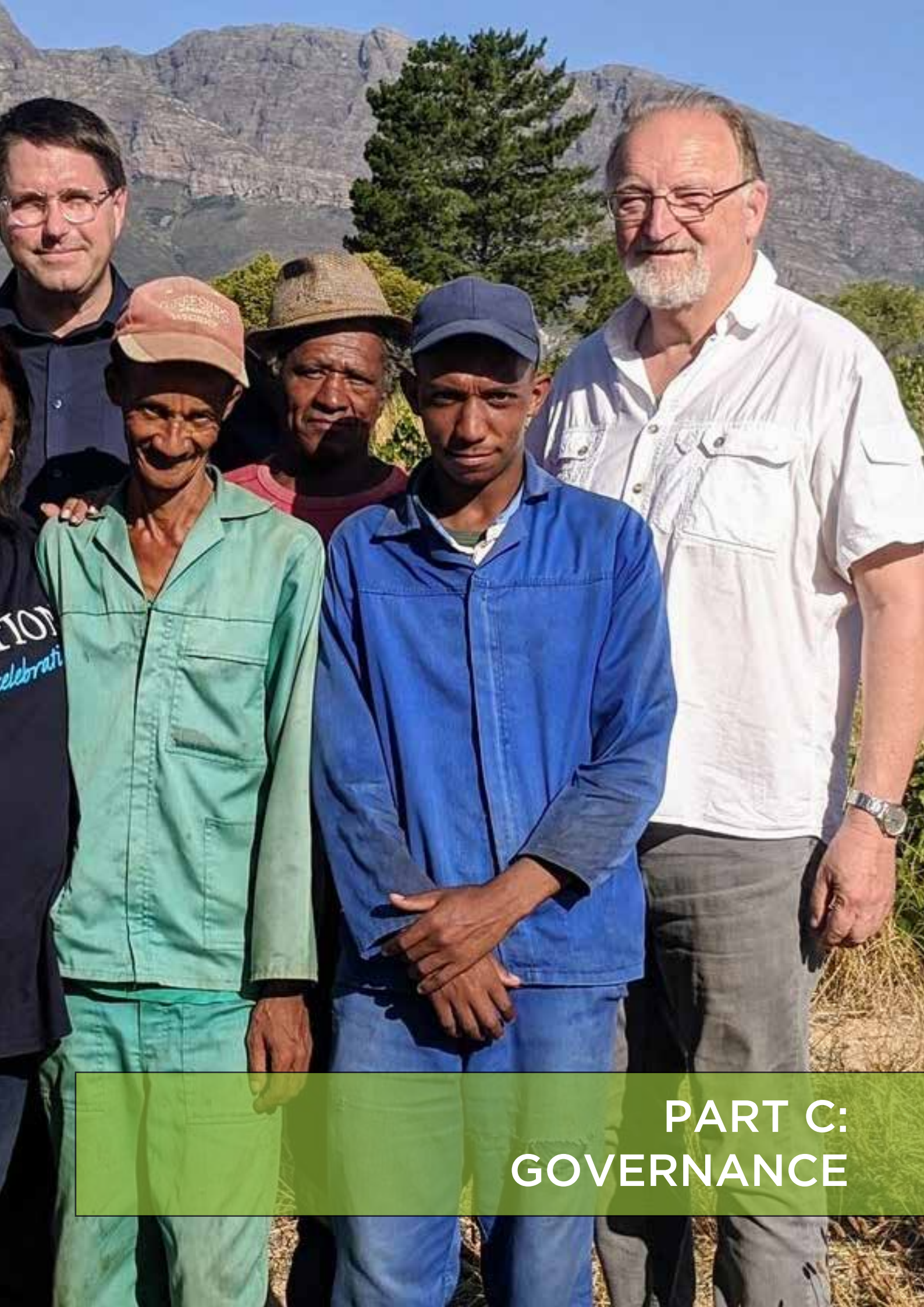
Not applicable.

Infrastructure projects	2019/20			2018/19		
	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
New and replacement assets	1 995	1 995	-	3 649	3 528	121
Existing infrastructure assets	-	-	-	-	-	-
- Upgrades and additions	-	-	-	-	-	-
- Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
- Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	-	-	-	-	-	-
- Current	-	-	-	-	-	-
- Capital	-	-	-	-	-	-
<b>Total</b>	<b>1 995</b>	<b>1 995</b>	<b>-</b>	<b>3 649</b>	<b>3 528</b>	<b>121</b>









## PART C: GOVERNANCE

# 1. INTRODUCTION

The corporate governance requirements of the King IV report with regards to the Accounting Officer's responsibilities are espoused by section 38 and 40 of the PFMA. Pursuant of this legislative duty and responsibility towards sound governance, the Governance Committee is chaired by the Accounting Officer and composed of all senior management members inclusive of provincial partners in the areas of Risk Management, Information Technology, Internal Audit and Forensics. The Governance committee's key responsibility is to ensure that governance structures are in place and functioning so that the Department's strategic agenda is delivered upon in an ethically and socially responsible manner.

Within the ambit of two very foundational King IV principles, Leadership and Organisational Ethics, the Governance Committee, through its Chief Financial Officer member, calibrated its efforts to initiate the Department's ethical culture. This was done through various interventions, with paramount effort placed on first understanding that establishing and maintaining an ethical culture is a journey that would extend beyond financial years. This journey was conceptualised in a three-year Ethics Implementation Plan with its primary step, the development of an Ethics Policy and Strategy. With the necessary duty and care taken to develop the policy and strategy as comprehensively as possible (a review of national and international ethical practices both private and public sector), that would lend it credibility, the Department set out to achieve its ethical goal: Raise awareness through increasing staff dialogue about ethics and the ethical conduct of public officials.

The financial year observed three interventions that set in motion the achievement of this goal in its entirety. The first intervention was the adaptation of the Ethics Policy and Strategy into a succinct, illustrated version. The version was also made into a booklet format that allowed for easy reference and encapsulated the ethical position of the Department in a visually informative manner. Secondly, an ethics survey was developed to construct and inform a view of staffs' understanding of ethics and its importance in the public service. The information provided by staff was astute enough to present the opportunity to shape future interventions. Thirdly, and consistent with the Governance committee's protocol, an expert in the field of Corporate Governance, Leadership, Ethics and Forensic Auditing, Professor Peter Goss was requested to guest speak at the 11th of October 2019 Governance Committee meeting about ethics in the public service. The meeting was extended to all management staff of the Department to further ensure that the ethics conversation permeated all levels of management. The engagement was well received by staff reciprocating the professor's enthusiastic dialogue about the intrinsic ethical responsibility of public officials.

In further pursuit of its corporate social responsibility, the Department undertook the initiative to attain B-BBEE status. In adherence to the B-BBEE Act, but more so in the spirit of the Act, the Department had obtained the certification. The unprecedented exercise was accomplished with pro-activeness, competency and efficiency. Many lessons were learnt and translated into actions and shared with other partners and Departments. Effectively, a blueprint on how successfully to undergo a B-BBEE certification process was developed. The staff demonstrated true dedication to the task which not only ensured that the Department obtained the certification but also the BBBEE compliance status.



## 2. RISK MANAGEMENT

The Accounting Officer (AO) for the Department takes responsibility for implementing Enterprise Risk Management (ERM) in accordance with the National Treasury Public Sector Risk Management Framework (PSRMF) and the Directorate Enterprise Risk Management (D:ERM) in the Department of the Premier (DotP) provides a centralised service to the Department.

### Governance Committee Responsibility

The Governance Committee (GOVCOM) reports that it has complied with its responsibilities arising from Section 38 (1)(a)(i) of the Public Finance Management Act, National Treasury Regulation 3.2.1 and Public Service Regulations of 2016, Chapter 2, Part 1, 2 and 3. The GOVCOM also reports that it has adopted an appropriate formal Terms of Reference (TOR) approved by the GOVCOM chairperson on 1 April 2019 and regulated its affairs in compliance with this Terms of Reference and has discharged all its responsibilities as contained therein.

### Governance Committee Members

The GOVCOM comprises of selected members of the DEDAT's senior management team. As per its Terms of Reference, the GOVCOM is required to meet four times a year, however, due to the lock-down period imposed in respect of the COVID-19 pandemic, GOVCOM only met three times during the 2019/20 financial year.

The table below discloses relevant information on GOVCOM members:

Name	Position	Meetings Attended	Date Appointed
Mr S Fourie	Accounting Officer (Chairperson)	3	N/A
Ms J Johnston	Deputy Director-General: Economic Acceleration and Development	3	20/03/2019
Mr R Toefy	Deputy Director-General: Economic Operations	3	20/03/2019
Dr H Fast	Deputy Director-General: Energy Security – Game Changer Lead	1	20/03/2019
Ms M Abrahams	Chief Director: Chief Financial Officer (Risk Champion)	2	20/03/2019
Mr J Peters	Chief Director: Economic Enablement	3	20/03/2019
Ms H Davies	Chief Director: Green Economy	3	20/03/2019
Ms I Van Schalkwyk	Chief Director: Economic Sector Support	2	20/03/2019
Mr A Phillips	Chief Director: Skills Development	2	20/03/2019
Ms C Julies	Director: Strategic and Operational Support	1	20/03/2019
Adv A Searle	Director: Business Regulation	0	20/03/2019
Mr P Ncube	Acting Director: Business Regulation	1	Secunded
Ms B Mott	Deputy Director: Internal Control	3	20/03/2019

The following is an indication of other officials who attended the GOVCOM meetings for the year under review:

Name	Position	Meetings Attended
Ms A Haq	Director: Enterprise Risk Management (DotP)	2
Mr S Martin	Director: Internal Audit (DotP)	3
Ms C Cochrane	Chief Risk Advisor: Enterprise Risk Management (DotP)	3
Ms N Liphuko	Deputy Director: Internal Audit (DotP)	2
Ms B Cebekhulu	Deputy Director: Provincial Forensic Services (DotP)	1
Ms E De Bruyn	Director: Cel (DotP)	2
Mr N Tembani	Risk Advisor: Enterprise Risk Management (DotP)	3
Mr T Jacobs	Assistant Director: Internal Audit	1
Mr E Peters	IT Governance and Risk Practitioner	2
Ms J Lombard	Secretariat	3
Ms R Heera	Secretariat	3

## Governance Committee key activities

The Accounting Officer is the chairperson of the GOVCOM. In executing its function, the GOVCOM performed the following key activities during the year:

- Reviewed the Department's Risk Management Policy, Strategy and Implementation Plan; for recommendation by the Audit Committee and approval by the Accounting Officer
- Set, reviewed and applied appropriate risk appetite and tolerances, and recommended same for approval by the Accounting Officer
- Reported to the Accounting Officer any material changes to the risk profile of the Department
- Ensured that risks and related mitigations were articulated in accordance with the Department's risk appetite and tolerance levels
- Assessed the effectiveness of the implementation of the departmental Risk Management Policy, Strategy and Implementation Plan
- Evaluated the effectiveness of mitigating strategies to address the material strategic, programme, ethics and economic crime risks
- Ensured that there was accessible, accurate, timely and relevant risk disclosure to stakeholders
- Obtained oversight assurance of the effectiveness of risk management processes
- Reviewed the Fraud and Corruption Prevention Plan and the concomitant Implementation Plan and recommended for approval by the Accounting Officer
- Evaluated the effectiveness of the implementation of the Fraud and Corruption Prevention Plan
- Provided oversight on ethics management in the department through the delivery of the Ethics King IV (in part) principles through the adoption of the Ethics Policy and Strategy.

## Key strategic risks considered and addressed during the year

The following are key strategic risks for the department that were reviewed on a quarterly basis, including assessing the mitigations in place:

- Inability to sustain and grow the economy and human well-being due to energy insecurity and accessibility
- Inability to sustain and grow the economy due to water insecurity
- The impact of crime, safety and security on economic growth and job creation
- Inability to effectively deliver on leadership and enabling role
- Lack of fully integrated and seamless skills development value chain
- Misalignment which inhibits implementation and execution between the Department and other spheres of government to achieve economic growth and create opportunities for jobs

Many of these risks are external risks, outside the direct control of the department. The Department plays a strong role in mitigating the impact of these risks with focus on influencing the private sector (e.g. encouraging take-up of Small-Scale Embedded Generation and Independent Power Producers as it relates to energy insecurity; and economic water resilience programme of work, including working with business and all spheres of government as it relates to water insecurity). The outlook of these risks will therefore remain the same in the medium to long term. Economic growth and job creation remain a country-wide risk and the department's role in mitigating its impact is to create an enabling environment to improve the Province's competitiveness. This is being achieved through creating an efficient regulatory environment; attracting investments; growing exports; investing in infrastructure; developing tradeable economic sectors; supporting Small, Medium and Micro enterprises; and skills development. This of course is exacerbated by the recent COVID-19 pandemic and its mitigations will thus entail an ongoing effort as the pandemic evolves.

Each Programme's risks are deliberated upon and debated at the quarterly GOVCOM meetings. Programme managers are required to provide feedback on progress with implementation of action plans to reduce the likelihood of risks materialising and/or the impact should they materialise. GOVCOM also referred risks back that should be analysed more extensively and recommends additional mitigations or actions to manage risks. The Economic Cluster Audit Committee provided independent oversight of the department's system of risk management. The Audit Committee was furnished with Quarterly ERM progress reports and risk registers to execute their independent oversight role.

## Key emerging risks for the following financial year

The emerging risk relating to recovering and continuing the business of the department during and after the COVID-19 pandemic needs to be considered in the next financial year. As mentioned above, strengthening the economy must remain on the radar as the pandemic evolves.

## Conclusion

The 2019/20 year observed a contemplation of the Department of the Premier: Enterprise Risk Management Unit and the Department's review of risk management with the intent to embed and improve the risk management culture in the Department. This conversation was prompted by intensive analysis of the risk management activities emanating from an effectiveness audit conducted independently by Aurecon, an advisory firm as well as closer scrutiny of strategic and programmatic risk profiles in the Department. During the third and fourth quarter of the year, structural differences was consulted upon and brought to fruition in the ERM Policy, Strategy and Implementation Plan for the new year. These enhancements were premised on one specific goal: To embed a culture of risk intelligence and enable risk management as a valuable management tool. The differences are articulated in the regularity and structure of future risks assessments, the re-defining of key management controls, the content of risk management training and other nuances of how risk management resources will operate.

## 3. FRAUD AND CORRUPTION

Fraud and corruption represent significant potential risks to the Department's assets and can negatively impact on service delivery efficiency and the Department's reputation. The WCG adopted an Anti-Fraud and Corruption Strategy which confirms the Province's zero-tolerance stance towards fraud, theft and corruption. In line with this strategy the Department is committed to zero-tolerance with regard to corrupt, fraudulent or any other criminal activities, whether internal or external, and vigorously pursues and prosecutes by all legal means available, any parties who engage in such practices or attempt to do so.

The Department has an approved Fraud and Corruption Prevention Plan and concomitant Implementation Plan which gives effect to the Prevention Plan.

Various channels for reporting allegations of fraud, theft and corruption exist and these are described in detail in the Provincial Anti-Fraud and Corruption Strategy, the WCG Whistle-blowing Policy and the Departmental Fraud and Corruption Prevention Plan. Each allegation received by the Provincial Forensic Services (PFS) Unit is recorded in a Case Management System which is used as a management tool to report on progress made with cases relating to the Department and to generate statistics for the WCG and the Department.

Employees and workers who blow the whistle on suspicions of fraud, corruption and theft are protected if the disclosure is a protected disclosure (i.e. meets statutory requirements of the Protected Disclosures Act, No. 26 of 2000, e.g., if the disclosure was made in good faith). The WCG Whistle-blowing Policy provides guidelines to employees and workers on how to raise concerns with the appropriate line management, specific designated persons in the WCG or external institutions, where they have reasonable grounds for believing that offences or improprieties have been or are being perpetrated in the WCG. The opportunity to remain anonymous is afforded to any person who would like to report acts of fraud, theft and corruption and, should they do so in person, their identities are kept confidential by the person to whom they are reporting.

If, after investigation, fraud, theft or corruption is confirmed, the employee who participated in such acts is subjected to a disciplinary hearing. The WCG representative initiating the disciplinary proceedings is required to recommend dismissal of the employee concerned. Where prima facie evidence of criminal conduct is detected, a criminal matter is reported to the South African Police Services.

For the year under review, PFS issued a Case Movement Certificate for the Department noting the following:

Cases	Number of cases
Open cases as at 1 April 2019	1
New cases (2019/20)	3
Closed cases (2019/20)	(1)
Referred cases (2019/20)	0
Duplicate/Incorporated cases (2019/20)	(1)
Open cases as at 31 March 2020	2

The following table further analyses the closed case indicated above:

Nature and investigation outcomes of case closed
Allegations were substantiated in the following case:
<ul style="list-style-type: none"> <li>1 case of irregularity.</li> </ul>

## 4. MINIMISING CONFLICT OF INTEREST

A key corporate governance element is effective conflict of interest management. The Department regards this as an important focus area within Supply Chain Management and for all Transfer Payments. Pursuant to this and to prevent conflict of interest, the Department has for the 2019/20 financial year cemented its stance in terms of ethical service delivery practices and ensured the following:

- All departmental bid committee members sign a declaration of interest for each bid and in the event of any conflict, the relevant members are excused from the meeting. This declaration also mitigates any potential confidentiality issues that may arise
- Suppliers are required to complete a WCBD 4 document, which requires them to disclose any family members that are involved in the procurement process or in the employment of the Department. The information on the WCBD 4 is verified by the Department prior to the evaluation of a bid or quotation
- Declarations of interest are completed by all staff inviting quotations for procurement between R0 to R10 000:
  - The selection that transfer payment beneficiaries undergoes is conducted formally whereby requests for proposals are advertised, proposals are evaluated and adjudicated. The process of evaluation and adjudication is done by a Portfolio Evaluation Committee and Portfolio Adjudication Committee. Both committees have a Terms of Reference which provides the duties and responsibilities of each and each committee member is required to complete declarations of interest.
  - Declarations of interests are completed by all staff involved in transfer payments to beneficiaries.
- Vetting of SCM officials and senior management.
- Verification of bidders' conduct against the register of tender defaulters.
  - The certification of payment process completed by project managers facilitates responsibility and accountability on the part of the project manager through the declaration that no adverse circumstance or condition exists that will impact on the project objectives. The declaration is therefore additional coverage to mitigate any potential conflicts of interests that may exist as related to all projects.

In addition, for the period under review, the Department ensured 100% compliance with The Public Service Regulations (2001), which stipulates that all designated employees in the public service must disclose the particulars of their financial interest on an annual basis to the relevant Executive Authority.

## 5. CODE OF CONDUCT

A code of conduct for Supply Chain Management (SCM) was developed to ensure that SCM officials undertake fiduciary duties when undertaking their normal duties. All supply chain management officials sign a code of conduct upon their assumption of duty and annually thereafter. The content of the code of conduct are discussed in detail with each official so that they are aware of the serious nature of the document.

In order to promote a standard of professional ethics in the workplace, the Department ensured that all new staff members attend an induction programme, which addresses the Code of Conduct and encourages staff to think and behave ethically.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

In terms of section 8 (1) of the Occupational Health and Safety Act, every employer shall provide and maintain a working environment that is safe and without risk to the health of his/ her employees, has a dedicated Security Manager, Safety Committee and an Occupational Health and Safety Committee for the Department.

There are four departments that occupy the Waldorf Building, of which the Department of Economic Development and Tourism serves as the leading department for all health and safety issues.

Occupational Health and Safety Committee (OHSC) meetings were held during the year to discuss and monitor health and safety compliance matters. During the reporting year, new members were appointed to represent each floor occupied by Department of Economic Development and Tourism. Training on the evacuation procedure was done by the Department of Community Safety to the OHSC, and to clarify the roles of each OHS representative.

The evacuation drill was done with the full participation of all the relevant stakeholders within the Waldorf Building.

The Business Continuity Plan was reviewed after implementation of recommendations made by the Department of Community Safety; the Department of the Premier's Ce-I and the Internal Audit. During this financial year, the BCP was reviewed due to changes in the external environment, as well as key personnel changes taking the following into consideration:

- Lessons learnt for previous disruptive events that affected the daily business of the DEDAT (Refugees occupying the ground floor)
- Changes to legislation, policies and prescripts
- Guidelines/advice sourced from Provincial Departments (CEI, DOCS and TPWP)
- Recommendations from the departmental committees i.e. Department Security Committee, Departmental; and Occupation Health and Safety Committee as well as the Departmental ICT Steering Committee.

This BCP outlines the steps the Department will take to recover business activities, including systems and access processes to continue with critical business functions during and after a disruption.

## 7. PORTFOLIO COMMITTEES

During the reporting period the Department provided input at the following meetings of the Standing Committee on Finance, Economic Opportunities and Tourism:

Date	Matters raised	Response by DEDAT
16 August 2019	Briefing on the DEDAT 2019/20 Annual Performance Plans.	Provided the committee with the Department 2019/ 20 Annual Performance Plan and submitted a departmental introductory presentation.
2 October 2019	Briefing on the Energy Game Changer and an update on the Atlantis Special Economic Zone and Western Special Economic Development Infrastructure Cape Company since the finalisation of the Act.	Presentation submitted to Standing Committee on the progress of the Energy Game Changer and briefed the committee on the Atlantis Special Economic Zone and Western Cape Special Economic Development Infrastructure Company.
18 October 2019	Deliberation on the 2018/19 Annual Reports.	Provided the committee with copies of the 2018/19 Annual Report.
27 November 2019	Consideration of the Western Cape Adjustments Appropriation Bill, 2019 (Vote 12).	Briefed the committee on Adjustments Appropriation Bill.
2 – 6 February 2020	Cluster week site visit to Central and Klein Karoo – Oudtshoorn. Briefing on the Critical Tourism Air Infrastructure upgrade and the flight figures for the airport so far.	Departmental representative attended the cluster week. Presentation submitted to Standing Committee on the Oudtshoorn airport upgrading.
9 March 2020	Site visit to Saldanha Bay. Briefing on the infrastructure progress, artisan training programme and legislative concerns.	Presentation submitted to Standing Committee on the LNG infrastructure. The committee was briefed on the artisan training programme and legislative concerns.
13 March 2020	Deliberations on Vote 12: Economic Development and Tourism in the Schedule to the Western Cape Appropriation Bill [B 3 - 2020].	Briefed the committee on Adjustments Appropriation Bill.

## 8. SCOPA RESOLUTIONS

The Committee noted the Auditor-General's audit opinion regarding the Department's Annual Financial Statements for the 2018/19 financial year, having obtained a clean audit. This audit opinion remains unchanged from the 2014/15 financial year.

No resolutions.

## 9. PRIOR MODIFICATION TO AUDIT REPORTS

There were no prior year modifications to the audit report.

## 10. INTERNAL CONTROL UNIT

The Internal Control Unit is an internally employed function that operates within the Chief Directorate: Financial Management. Annually, the Unit prepares a risk-based operational plan that is designed to ensure the control environment is sound. The functions of the Unit include internal assurance services, governance, fraud and losses. The Governance Sub-unit has through its validation of legislation exercise ensured the credibility of the legislative environment with the issuance of the Finance Policy Manual during the year under review. In addition, and as part of its contribution to the Financial Management communication strategy, the sub-unit has through a variety of communication platforms engaged with the service delivery programmes in disseminating financial management information. These platforms included story-telling based training videos, frequently asked questions and a Finance newspaper. The latter allowing for a dashboard format that consolidated all topical events and matters relevant to the line functionaries' areas of work. The communication platforms are structured to improve the financial management competencies of all staff as well as enhance the support service function.

The Assurance Sub-unit has successfully conducted compliance and financial inspections on Supply Chain Management, Transfer payments, Budget Management and Asset Management. In addition, the Unit had reviewed and thereby provided assurance on the Interim and Annual Financial Statements. The Unit is also responsible for external assurance providers namely, Internal Audit and the Auditor General. This function had been adequately fulfilled in that each have successfully and optimally conducted their audits.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

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 should assist the Department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Governance, Risk Management and Control processes. The following key activities are performed in this regard:

- Assess and make appropriate recommendations for improving the governance processes in achieving the Department's objectives
- Evaluate the adequacy and effectiveness and contribute to the improvement of the risk management process
- 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.

Internal Audit work completed during the year under review for the Department included three assurance engagements and two consulting engagements. Details of these engagements are included in the Audit Committee report.

The Audit Committee is established as an oversight body, providing independent oversight over governance, risk management and control processes in the Department, which include oversight and responsibilities relating to:

- Internal audit function
- External audit function (Auditor General of South Africa - AGSA)
- Departmental accounting and reporting
- Departmental accounting policies
- Review of AGSA management and audit report
- Review of Departmental In-year Monitoring
- Departmental risk management
- Internal control
- Pre-determined objectives
- Ethics and forensic Investigations.

The table below discloses relevant information on the audit committee members:



Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr Richard Rhoda (Chairperson)	CA(SA); CTA (UCT) Advanced Executive Programme (UNISA); Tier1 IPFA (Public Finance and Auditing)	External	N/A	01 January 2019 (1st Term)	N/A	7
Ms Annelise Cilliers	CA(SA) Honours B.Compt; CTA (UNISA) ; B.Compt (UNISA); Part B.Comm	External	N/A	01 January 2019 (1st Term)	N/A	7
Ms Merle Kinnes	BA; LLB; Certificate Forensic Examination; Attorney of the High Court of SA,	External	N/A	01 January 2019 (2nd term)	N/A	7
Mr Linda Nene	BCom (Acc); Post Grad Dip Management (Corp Governance; CCSA, GIA (SA); FIIASA; CRMA; CCP (SA); Masters in International Business	External	N/A	01 January 2018 (1st Term)	N/A	7

## 12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2020.

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act (PFMA) and National Treasury Regulations 3.1.13. The Audit Committee also reports that it has adopted an appropriate formal Terms of Reference, has regulated its affairs in compliance with these Terms and has discharged all its responsibilities as contained therein.

### The Effectiveness of Internal Control

In line with the PFMA, Treasury Regulations and the King IV Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by an approved risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

The following internal audit engagements were approved by the audit committee and completed by internal audit during the year under review:

#### Assurance Engagements:

- DPSA Directive on Public Administration and Management Delegations
- Skills Development
- Transfer Payments

#### Consulting engagements:

- Ease of Doing Business
- Operational Management System (OMS\_ iCAN Learn)

The internal audit plan was completed for the year. The areas for improvements, as noted by internal audit during performance of their work, were agreed to by management. The Audit committee continues to monitor the actions on an on-going basis.

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

The Audit Committee is satisfied with the content and quality of the quarterly in-year management and performance reports issued during the year under review by the Accounting Officer of the Department in terms of the National Treasury Regulations and the Division of Revenue Act.

### Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the Audited Annual Financial Statements to be included in the Annual Report;
- reviewed the AGSA's Management Report and management's response thereto;
- reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;
- reviewed material adjustments resulting from the audit of the Department.

### Compliance

The Audit Committee has reviewed the Department's processes for compliance with legal and regulatory provisions.

### Performance Information

The Audit Committee has reviewed the information on predetermined objectives as reported in the Annual Report.

### Report of the Auditor-General South Africa

We have on a quarterly basis reviewed the Department's implementation plan for audit issues raised in the prior year. The Audit Committee has met with the AGSA to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings raised by the AGSA are monitored by the Audit Committee on a quarterly basis.

The Audit Committee concurs and accepts the AGSA's opinion regarding the Annual Financial Statements and proposes that these Audited Annual Financial Statements be accepted and read together with their report.



**Mr Richard Rhoda**  
**Chairperson of the Economic Cluster Audit Committee**  
**Department of Economic Development and Tourism**  
**2 October 2020**

## 13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

As per the requirements of the B-BBEE Act, the Department has obtained its certification and is B-BBEE compliant.

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade and Industry.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:

Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	This is not applicable as the Department has not issued any licences, concessions or any other authorisation in respect of economic activity in terms of any law.
Developing and implementing a preferential procurement policy?	No	<ol style="list-style-type: none"> <li>When the 2017 Regulations were issued, the Provincial Treasury presented to Cabinet the implementation challenges which, inter alia, included the raising of the threshold of the 80/20 point scoring system from a threshold of R1 million to R50 million will result in a “premium” increase for preferencing; introduction of pre-qualification criteria; introduction of a negotiation process and a passing over provision as a corrective measure for procuring entities to deal with the potential distortion of market related prices as a result of the introduction of prequalification criteria; contradiction in terms of where it speaks to “if feasible [own emphasis] to sub-contract for a contract above R30 million, an organ of state must [own emphasis] apply subcontracting to advance designated group” and local production and content challenges.</li> <li>Cabinet approved the following strategy for WCG:               <ol style="list-style-type: none"> <li>The issuance of an interim strategy to deal with the requirements of the PPPRs, as well as supply chain management governance requirements via Provincial Treasury Instructions (PTIs) that makes provision for the WCG to:                   <ol style="list-style-type: none"> <li>apply its discretion not to implement the pre-qualification criteria (i.e. regulation 4);</li> <li>apply its discretion not to implement regulation 6(9)(a)–(c) and 7(9)(a)–(c);</li> <li>conduct empowerment assessments for all procurement above R10 million (EME threshold), and further enabling departments to lower the threshold should its analysis so dictate; and</li> <li>Implement regional indicators to target local suppliers using the e-procurement system and simultaneously consider the rotation of suppliers.</li> </ol> </li> </ol> </li> </ol>

Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
		<p>2.2 The development and implementation of an Economic Procurement Policy, in partnership with the Departments of Economic Development and Tourism and the Department of the Premier, that is aligned to Provincial Strategic Goal 1 (which covers job creation and infrastructure development) and is aligned to the Medium-Term Budget Policy Statement. The EPP has been drafted and finalised for implementation.</p> <p>2.3 The development and implementation of a broader economic transformation policy that seeks to:</p> <ul style="list-style-type: none"> <li>a. promote private sector procurement towards targeted provincial economic growth areas; and</li> <li>b. further strengthen the partnership with the private sector by enabling access to the WCG supplier database.</li> </ul> <p>2.4 Specific commodity focused strategies that target economic transformation e.g. security and catering strategies (PT led initiatives to look at transversal strategies and transversal contracts) will be a key focus to implement strategic procurement initiatives. To date the Provincial Treasury has implemented a transversal security framework agreement in keeping with this for the Province.</p> <p>2.5 Leveraging the economies of scale principle by packaging projects into longer term contracts, longer than 3 years based on criteria such as a corporate social responsibility plan, quality of service, et cetera.</p> <p>2.6 The roll out of the framework agreement model for goods and services and investigate contractor development in the context of goods and services. [Departmental procurement spend as it relates to Preferential procurement regulations may be utilised from the PT 4th quarter insight report.]</p>
Determining qualification criteria for the sale of state-owned enterprises?	No	This is not applicable as the Department has not had a sale of state-owned enterprises.
Developing criteria for entering into partnerships with the private sector?	No	This is not applicable as the Department has not entered into any PPP arrangements.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	This is not applicable as the Department has not awarded incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment.







## PART D: HUMAN RESOURCE MANAGEMENT

# 1. INTRODUCTION

Our unique contribution to the work of the Western Cape Government is as a result of the persistent, and often selfless, efforts of the people within the Department of Economic Development and Tourism.

To consistently deliver improved services to the citizens of the Western Cape Province is not without its own challenges. The modern people management landscape has shifted significantly in recent years and requires complex navigation between a range of competing variables.

Apart from the fact that these variables are inter-dependent and inter-related, they are also governed by stringent rules and regulations, which prove difficult when retention and attraction initiatives are explored.

These include balancing service delivery imperatives, the attraction and retention of critical and scarce skills, workforce empowerment, career management, succession planning, employment equity and creating an enabling environment where employees are able to thrive. Further to this, the Department is required to function within an austere environment, which demands that managers consider the impact of “doing more with less”.

Despite the changing patterns and demands impacting on the modern workplace, the consistent hard work of our people, has resulted in remarkable achievements and service delivery improvement during the year under review.

## 2. STATUS OF PEOPLE MANAGEMENT AT THE DEPARTMENT

### 2.1 Departmental Workforce Planning Priorities

- The role of Workforce Planning is important to ensure that the Department has the required number of people with the requisite skills, knowledge and attitudes to perform the work. Through this process the Department annually assesses its workforce profile against current and future organisational needs.
- The aim of this assessment is to identify to what extent the current workforce profile addresses the key people management outcomes that would guarantee service continuity and value.
- The Workforce Plan 2016-2021, is therefore aligned to the vision and mission of the Department’s Strategic Plan, as well as the People Management Strategy.
- The assumptions on which this Workforce Plan was developed are still valid and the Action Plan was reviewed to ensure that strategies (as per the listed priorities) would achieve its outcomes:
  - › Competent people in the right numbers at the right place at the right time with the right attitude;
  - › Leaders that are exemplars of the behaviours associated with the organisation’s values;
  - › Highly engaged people;
  - › An equitable workforce;
  - › A citizen-centric performance culture;
  - › A diverse workforce with equal opportunities for all; and
  - › A performance conducive workplace.

### 2.2 Employee Performance Management

The purpose of Performance Management is to increase performance by encouraging individual commitment, accountability and motivation.

All employees are required to complete a performance agreement before 31 May each year. The agreement is, in essence, a contract between the employer and the employee containing the projects, programmes, activities, expectations and standards for the required delivery. In order to facilitate a standardised administration process, the Western Cape Government has devised an electronic system, namely PERMIS (Performance Management Information System), that allows for the entire performance management process to be captured, monitored and managed.



The Performance Management process requires that a mid-year review and an annual assessment is conducted. The operational targets and achievements linked to the performance agreement are monitored and communicated on an ongoing basis. In instances where targets or performance expectations are not met, the gaps are addressed through the management of poor performance. In this context, a performance consulting unit has been established within the Corporate Services Centre (Chief Directorate: People Management Practices) to assist line managers (people managers) in dealing with poor performance. The process is developmental, however, in instances where individuals have been identified as poor performers in terms of the legislative framework, they are required to subject themselves to a developmental plan or alternatively to disciplinary action.

## 2.3 Employee Wellness

The WCG's transversal Employee Health and Wellness Programme (EHW) follows a holistic approach to employee well-being and is largely preventative in nature, offering both primary and secondary services.

The EHW Programme is monitored in the Department through monthly utilisation reports for primary services (24/7/365 telephonic counselling service, online e-Care service and reporting) and secondary services (face-to-face counselling, trauma and critical incidents, training and targeted intervention, executive coaching, advocacy).

A quarterly report is prepared by the Directorate: Organisational Behaviour within the Corporate Service Centre that provides a trend analysis of utilisation, risk identification and its impact on productivity. Furthermore, ongoing reporting to the Department of Public Service and Administration (DPSA) is a requirement and such reporting focuses on four areas namely, HIV and AIDS, Health and Productivity, and Wellness Management.

## 2.4 People Management Monitoring

The Department, in collaboration with the CSC, monitors the implementation of a range of people management compliance indicators. The monthly Barometer Fact File, that was developed by the Chief-Directorate: People Management Practices within the CSC, provides the Department with regular updates on the workforce profile and other relevant people management data to enable decision-making. The indicators include, *inter alia*, staff establishment information, headcount, people expenditure projections, sick leave patterns, the monetary value of annual leave credits, discipline cases, vacancy rates, staff movement, employment equity *etcetera*.

### 3. PEOPLE MANAGEMENT OVERSIGHT STATISTICS

#### 3.1 Personnel related expenditure

The following tables summarise final audited expenditure by programme (Table 3.1.1) and by salary bands (Table 3.1.2).

The figures in Table 3.1.1 are drawn from the Basic Accounting System and the figures in Table 3.1.2 are drawn from the PERSAL (Personnel Salary) system. The two systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other departments. This means there may be a difference in the total expenditure reflected on these systems.

The key in the table below is a description of the programmes within the Department. Programmes will be referred to by their number from this point forward.

Programme	Programme Designation
Programme 1	Administration
Programme 2	Integration Economic Development Services
Programme 3	Trade and Sector Development
Programme 4	Business Regulation and Governance
Programme 5	Economic Planning
Programme 6	Tourism Art and Entertainment
Programme 7	Skills Development and Innovation

**Table 3.1.1: Personnel expenditure by programme, 2019/20**

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Goods & Services (R'000)	Personnel expenditure as a % of total expenditure	Average personnel expenditure per employee (R'000)	Number of Employees remunerated
Programme 1	56 914	37 088	1 589	14 583	65,2%	363,61	102
Programme 2	66 271	19 954	26	8 817	30,1%	665,13	30
Programme 3	61 530	10 835	82	1 995	17,6%	637,35	17
Programme 4	9 058	6 791	2	2 267	74,9%	485,07	14
Programme 5	181 807	33 752	90	24 247	18,6%	703,17	48
Programme 6	58 148	8 554	26	4 348	14,7%	450,21	19
Programme 7	65 055	14 969	15	27 154	22,9%	348,12	43
<b>Total</b>	<b>498 783</b>	<b>131 943</b>	<b>1 830</b>	<b>83 411</b>	<b>26,5%</b>	<b>483,31</b>	<b>273</b>

*Note: The number of employees refers to all individuals remunerated during the reporting period, including interns, but excluding the Minister. The number is accumulative and not a snapshot as at a specific date.*

**Table 3.1.2: Personnel expenditure by salary band, 2019/20**

Salary bands	Personnel Expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure per employee (R'000)	Number of Employees
Interns	1 296	1,0	37	35
Lower skilled (Levels 1-2)	477	0,4	159	3
Skilled (Levels 3-5)	6 237	4,7	173	36
Highly skilled production (Levels 6-8)	28 130	21,2	380	74
Highly skilled supervision (Levels 9-12)	66 389	50,0	657	101
Senior management (Levels 13-16)	30 349	22,8	1 265	24
<b>Total</b>	<b>132 879</b>	<b>100,0</b>	<b>487</b>	<b>273</b>

Note: The number of employees refers to all individuals remunerated during the reporting period, including interns, but excluding the Minister. The number is accumulative and not a snapshot as at a specific date.

The following tables provide a summary per programme (Table 3.1.3) and salary bands (Table 3.1.4), of expenditure incurred as a result of salaries, overtime, housing allowance and medical assistance. These tables do not make provision for other expenditure such as Pensions, Performance Bonus and other allowances, which make up the total personnel expenditure. In each case, the table provides an indication of the percentage of the personnel expenditure that was used for these items.

**Table 3.1.3: Salaries, Overtime, Housing Allowance and Medical Assistance by programme, 2019/20**

Programme	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Programme 1	30 555	23,0	131	0,1	813	0,6	1 831	1,4
Programme 2	13 939	10,5	-	-	192	0,1	522	0,4
Programme 3	6 271	4,7	-	-	103	0,1	253	0,2
Programme 4	4 461	3,4	-	-	83	0,1	197	0,1
Programme 5	22 071	16,6	-	-	219	0,2	571	0,4
Programme 6	6 665	5,0	1	0,0	175	0,1	227	0,2
Programme 7	10 971	8,3	-	-	104	0,1	208	0,2
<b>Total</b>	<b>94 932</b>	<b>71,4</b>	<b>131</b>	<b>0,1</b>	<b>1 689</b>	<b>1,3</b>	<b>3 808</b>	<b>2,9</b>

**Table 3.1.4: Salaries, Overtime, Housing Allowance and Medical Assistance by salary band, 2019/20**

Salary bands	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Interns	1 284	1,0	-	-	-	-	-	-
Lower skilled (Levels 1-2)	346	0,3	-	-	34	0,0	15	0,0
Skilled (Levels 3-5)	4 395	3,3	3	0,0	222	0,2	428	0,3
Highly skilled production (Levels 6-8)	20 651	15,5	69	0,1	802	0,6	1 716	1,3
Highly skilled supervision (Levels 9-12)	48 581	36,6	59	0,0	582	0,4	1 585	1,2
Senior management (Levels 13-16)	19 675	14,8	-	-	49	0,0	64	0,0
<b>Total</b>	<b>94 932</b>	<b>71,4</b>	<b>131</b>	<b>0,1</b>	<b>1 689</b>	<b>1,3</b>	<b>3 808</b>	<b>2,9</b>

## 3.2 EMPLOYMENT AND VACANCIES

The following tables summarise the number of active posts (i.e. these refer to posts that either are occupied [filled by a warm body] or vacant for which there is funding and which is actively being recruited for) on the establishment, the number of employees (excluding interns and the Minister), and the percentage active vacant posts as at the end of the financial year. This information is presented in terms of three key variables, namely: Programme (Table 3.2.1), Salary Band (Table 3.2.2) and Critical Occupations (Table 3.2.3). All information in this section is provided as a snapshot as at the end of the financial year under review.

**Table 3.2.1: Employment and vacancies by programme, as at 31 March 2020**

Programme	Number of active posts	Number of posts filled	Vacancy rate %
Programme 1	86	82	4,7
Programme 2	26	26	-
Programme 3	13	12	7,7
Programme 4	9	9	-
Programme 5	43	39	9,3
Programme 6	15	14	6,7
Programme 7	25	24	4,0
<b>Total</b>	<b>217</b>	<b>206</b>	<b>5,1</b>

**Table 3.2.2: Employment and vacancies by salary band, as at 31 March 2020**

Salary Band	Number of active posts	Number of posts filled	Vacancy rate %
Lower skilled (Levels 1-2)	3	3	-
Skilled (Levels 3-5)	31	31	-
Highly skilled production (Levels 6-8)	65	64	1,5
Highly skilled supervision (Levels 9-12)	94	87	7,4
Senior management (Levels 13-16)	24	21	12,5
<b>Total</b>	<b>217</b>	<b>206</b>	<b>5,1</b>

**Table 3.2.3: Employment and vacancies by critical occupation, as at 31 March 2020**

Critical Occupations	Number of active posts	Number of posts filled	Vacancy rate %
Economists	3	3	-
<b>Total</b>	<b>3</b>	<b>3</b>	<b>-</b>

*Note: Critical occupations - refer to occupations that are critical for service delivery. If these occupations are not present in the department, the function/services will collapse.*

### 3.3 JOB EVALUATION

Job evaluation was introduced as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities are required to evaluate each new post in his or her organisation or re-evaluate any post where the post mandate or content has significantly changed. This job evaluation process determines the grading and salary level of a post. It should be understood that Job Evaluation and Staff Performance Management differ in the sense that Job Evaluation refers to the value/weighting of the activities that are associated with the post and Staff Performance Management refers to the review of an individual's performance.

**Table 3.3.1: Job evaluation, 1 April 2019 to 31 March 2020**

Salary Band				Posts Upgraded		Posts Downgraded	
	Number of active posts as at 31 March 2020	Number of posts evaluated	% of posts evaluated	Number	Posts upgraded as a % of total posts	Number	Posts downgraded as a % of total posts
Lower skilled (Levels 1-2)	3	0	0,0	0	0,0	0	0,0
Skilled (Levels 3-5)	31	1	0,5	0	0,0	0	0,0
Highly skilled production (Levels 6-8)	65	10	4,6	0	0,0	5	2,3
Highly skilled supervision (Levels 9-12)	94	2	0,9	0	0,0	0	0,0
Senior Management Service Band A (Level 13)	13	0	0,0	0	0,0	0	0,0
Senior Management Service Band B (Level 14)	7	0	0,0	0	0,0	0	0,0
Senior Management Service Band C (Level 15)	3	0	0,0	0	0,0	0	0,0
Senior Management Service Band D (Level 16)	1	1	0,5	0	0,0	0	0,0
<b>Total</b>	<b>217</b>	<b>14</b>	<b>6,5</b>	<b>0</b>	<b>0,0</b>	<b>5</b>	<b>2,3</b>

*Note: The "Number of posts evaluated" per Salary Band reflects the Final Approved Post Level after Job Evaluation.*

*Posts have been upgraded or downgraded in this financial year as a result of national benchmarking / job evaluation processes which have taken place during previous financial years and implemented during the period under review.*

**Table 3.3.2 : Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2019 to 31 March 2020**

Beneficiaries	African	Coloured	Indian	White	Total
None					

*Note: Table 3.3.2 is a breakdown of posts upgraded in table 3.3.1.*

Table 3.3.3 summarises the number of cases where salary levels exceeded the grade determined by job evaluation or where higher notches awarded to employees within a particular salary level. Each salary level consists of 12 notches. Reasons for the deviation are provided in each case.

**Table 3.3.3: Employees who have been granted higher salaries than those determined by job evaluation per major occupation, 1 April 2019 to 31 March 2020**

Major Occupation	Number of employees	Job evaluation level	Remuneration on a higher salary level	Remuneration on a higher notch of the same salary level	Reason for deviation
Deputy Director	1	11	-	11 notch increment	Attraction
<b>Total</b>					<b>1</b>
<b>Percentage of total employment</b>					<b>0,5</b>

**Table 3.3.4: Profile of employees who have been granted higher salaries than those determined by job evaluation, 1 April 2019 to 31 March 2020**

Beneficiaries	African	Coloured	Indian	White	Total
Female	0	0	1	0	1
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
Employees with a disability					0

*Note: Table 3.3.4 is a breakdown of table 3.3.3 by race and gender.*

### 3.4. EMPLOYMENT CHANGES

Turnover rates provide an indication of trends in the employment profile of the Department during the year under review. The following tables provide a summary of turnover rates by salary band (Table 3.4.1) and by critical occupation (Table 3.4.2). This section does not include information related to interns.

**Table 3.4.1: Annual turnover rates by salary band, 1 April 2019 to 31 March 2020**

Salary Band	Number of employees as at 31 March 2019	Turnover rate 2018/19	Appoint-ments into the Depart-ment	Transfers into the Depart-ment	Termin-ations out of the Depart-ment	Transfers out of the Depart-ment	Turnover rate 2019/20
Lower skilled (Levels 1-2)	3	0,0	0	0	0	0	0,0
Skilled (Levels 3-5)	25	29,6	9	0	7	1	32,0
Highly skilled production (Levels 6-8)	73	10,8	7	0	10	2	16,4
Highly skilled supervision (Levels 9-12)	87	19,8	19	0	22	1	26,4
Senior Management Service Band A (Level 13)	14	0,0	0	0	2	0	14,3
Senior Management Service Band B (Level 14)	6	0,0	0	0	0	1	16,7
Senior Management Service Band C (Level 15)	3	0,0	0	0	0	0	0,0
Senior Management Service Band D (Level 16)	1	0,0	0	0	0	0	0,0
<b>Total</b>	<b>212</b>	<b>15,7</b>	<b>35</b>	<b>0</b>	<b>41</b>	<b>5</b>	<b>21,7</b>
			<b>35</b>		<b>46</b>		

Note: "Transfers" refer to the lateral movement of employees from one Public Service Department to another (Both Provincially & Nationally)

The employment changes referred to in this section relates to incidents and not employees. The same employee could have multiple incidents during the period (e.g. an employee can be appointed, promoted and transfer out during the same reporting cycle).

**Table 3.4.2: Annual turnover rates by critical occupation, 1 April 2019 to 31 March 2020**

Critical Occupation	Number of employees as at 31 March 2019	Turnover rate 2018/19	Appoint-ments into the Depart-ment	Transfers into the Depart-ment	Termin-ations out of the Depart-ment	Transfers out of the Depart-ment	Turnover rate 2019/20
Economists	2	0,0	0	0	0	0	0,0
<b>Total</b>	<b>2</b>	<b>0,0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0,0</b>



**Table 3.4.3: Staff leaving the employ of the Department, 1 April 2019 to 31 March 2020**

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2019
Death	1	2,2	1
Resignation *	11	23,9	11
Expiry of contract	20	43,5	20
Dismissal – operational changes	0	0,0	0
Dismissal – misconduct	0	0,0	0
Dismissal – inefficiency	0	0,0	0
Discharged due to ill-health	1	2,2	1
Retirement	2	4,3	2
Employee initiated severance package	0	0,0	0
Transfers to Statutory Body	0	0,0	0
Transfers to other Public Service departments	5	10,9	5
Promotion to another WCG Department	6	13,0	6
<b>Total</b>	<b>46</b>	<b>100,0</b>	<b>46</b>

Note: Table 3.4.3 identifies the various exit categories for those staff members who have left the employ of the Department.

\* Resignations are further discussed in tables 3.4.4 and 3.4.5.

**Table 3.4.4 : Reasons why staff resigned, 1 April 2019 to 31 March 2020**

Resignation Reasons	Number	% of total resignations
No Reason Provided	7	63,6
Other Occupation	1	9,1
Insufficient Progression Possibilities	2	18,2
Current Remuneration	1	9,1
<b>Total</b>	<b>11</b>	<b>100,0</b>

**Table 3.4.5: Different age groups of staff who resigned, 1 April 2019 to 31 March 2020**

Age group	Number	% of total resignations
Ages <19	0	0,0
Ages 20 to 24	0	0,0
Ages 25 to 29	3	27,3
Ages 30 to 34	1	9,1
Ages 35 to 39	3	27,3
Ages 40 to 44	1	9,1
Ages 45 to 49	2	18,2
Ages 50 to 54	1	9,1
Ages 55 to 59	0	0,0
Ages 60 to 64	0	0,0
Ages 65 >	0	0,0
<b>Total</b>	<b>11</b>	<b>100,0</b>

**Table 3.4.6 Employee initiated severance packages.**

<b>Total number of employee initiated severance packages offered in 2019/20</b>	None
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**Table 3.4.7: Promotions by salary band, 1 April 2019 to 31 March 2020**

Salary Band	Number of Employees as at 31 March 2019	Promotions to another salary level	Promotions as a % of total employees	Progressions to another notch within a salary level	Notch progressions as a % of total employees
Lower skilled (Levels 1-2)	3	0	0,0	3	100,0
Skilled (Levels 3-5)	25	0	0,0	15	60,0
Highly skilled production (Levels 6-8)	73	0	0,0	49	67,1
Highly skilled supervision (Levels 9-12)	87	6	6,9	48	55,2
Senior management (Levels 13-16)	24	0	0,0	17	70,8
<b>Total</b>	<b>212</b>	<b>6</b>	<b>2,8</b>	<b>132</b>	<b>62,3</b>

*Note: Promotions reflect the salary level of an employee after he/she was promoted. Promotions refer to the total number of employees who have advanced to a higher post level within the Department by applying and being successful for an advertised post through the recruitment and selection process.*

**Table 3.4.8: Promotions by critical occupation, 1 April 2019 to 31 March 2020**

Critical Occupation	Number of Employees as at 31 March 2019	Promotions to another salary level	Promotions as a % of total employees in critical occupations	Progressions to another notch within a critical occupation	Notch progressions as a % of total employees in critical occupations
Economists	2	0	0,0	1	50,0

*Note: Promotions reflect the salary level of an employee after he/she was promoted.*

### 3.5. EMPLOYMENT EQUITY

**Table 3.5.1: Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2020**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	2	0	0	0	1	0	1	0	0	4
Senior management (Levels 13-14)	1	4	0	2	1	5	1	2	1	0	17
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	7	23	3	7	5	30	2	9	1	0	87
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	7	9	1	0	13	32	0	2	0	0	64
Semi-skilled and discretionary decision making (Levels 3-5)	3	7	1	1	5	12	0	2	0	0	31
Unskilled and defined decision making (Levels 1-2)	0	1	0	0	1	1	0	0	0	0	3
<b>Total</b>	<b>18</b>	<b>46</b>	<b>5</b>	<b>10</b>	<b>25</b>	<b>81</b>	<b>3</b>	<b>16</b>	<b>2</b>	<b>0</b>	<b>206</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>18</b>	<b>46</b>	<b>5</b>	<b>10</b>	<b>25</b>	<b>81</b>	<b>3</b>	<b>16</b>	<b>2</b>	<b>0</b>	<b>206</b>

A = African; C = Coloured; I = Indian; W = White.

*Note: The figures reflected per occupational levels include all permanent, part-time and contract employees, but exclude interns. Furthermore, the information is presented by salary level and not post level.*

*For the number of employees with disabilities, refer to Table 3.5.2.*

**Table 3.5.2: Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2020**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	0	1	0	0	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	0	0	0	0	0	0	0	1	0	0	1
Semi-skilled and discretionary decision making (Levels 3-5)	0	0	0	0	0	1	0	0	0	0	1
Unskilled and defined decision making (Levels 1-2)	0	1	0	0	0	0	0	0	0	0	1
<b>Total</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>4</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>4</b>

A = African; C = Coloured; I = Indian; W = White.

*Note: The figures reflected per occupational level include all permanent, part-time and contract employees, but exclude interns. Furthermore, the information is presented by salary level and not post level.*

**Table 3.5.3: Recruitment, 1 April 2019 to 31 March 2020**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	1	4	2	4	0	4	1	3	0	0	19
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	0	0	0	0	1	6	0	0	0	0	7
Semi-skilled and discretionary decision making (Levels 3-5)	0	4	0	0	1	3	0	1	0	0	9
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>8</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>13</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>35</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>1</b>	<b>8</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>13</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>35</b>

A = African; C = Coloured; I = Indian; W = White.

Note: Recruitment refers to the appointment of new employees to the staff establishment of the Department, but exclude interns. The totals include transfers from other government departments and / or institutions, as per Table 3.4.1.

**Table 3.5.4: Promotions, 1 April 2019 to 31 March 2020**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	0	0	0	0	1	5	0	0	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making (Levels 3-5)	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>

A = African; C = Coloured; I = Indian; W = White.

*Note: Promotions refer to the total number of employees who have advanced to a higher post level within the Department, as per Table 3.4.7. Promotions refer to the total number of employees who have advanced to a higher post level within the Department by applying and being successful for an advertised post through the recruitment and selection process.*

**Table 3.5.5: Terminations, 1 April 2019 to 31 March 2020**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	0	2	0	0	1	0	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	2	10	1	2	0	6	1	1	0	0	23
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	0	3	0	0	3	4	1	1	0	0	12
Semi-skilled and discretionary decision making (Levels 3-5)	1	2	0	0	1	3	0	1	0	0	8
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>17</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>13</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>46</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>3</b>	<b>17</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>13</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>46</b>

A = African; C = Coloured; I = Indian; W = White.

*Note: Terminations refer to those employees (excluding interns) who have left the employ of the Department, including transfers to other departments, as per Table 3.4.1.*

**Table 3.5.6: Disciplinary actions, 1 April 2019 to 31 March 2020**

Disciplinary Actions	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
None											

**Table 3.5.7: Skills development, 1 April 2019 to 31 March 2020**

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	1	3	1	2	1	4	1	0	13
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	1	5	1	1	0	9	2	3	22
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	2	8	1	0	5	15	0	1	32
Semi-skilled and discretionary decision making (Levels 3-5)	1	2	1	0	2	6	0	2	14
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>18</b>	<b>4</b>	<b>3</b>	<b>8</b>	<b>34</b>	<b>3</b>	<b>6</b>	<b>81</b>
Temporary employees	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>5</b>	<b>18</b>	<b>4</b>	<b>3</b>	<b>8</b>	<b>34</b>	<b>3</b>	<b>6</b>	<b>81</b>

A = African; C = Coloured; I = Indian; W = White.

*Note: The above table refers to the total number of employees who have received training during the period under review, and not the number of training interventions attended by individuals. For further information on the actual training provided, refer to Table 3.13.2.*

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

**Table 3.6.1: Signing of Performance Agreements by SMS Members, as at 31 May 2019**

SMS Post Level	Number of active SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed Performance Agreements as % of SMS members per level
Head of Department	1	1	1	100,0
Salary Level 15	3	3	3	100,0
Salary Level 14	6	6	6	100,0
Salary Level 13	15	14	13	92,9
<b>Total</b>	<b>25</b>	<b>24</b>	<b>23</b>	<b>95,8</b>

*Note: This table refers to employees who are appointed as Senior Management Service (SMS) members only. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded. Furthermore, the table reflects post salary details and not the individual salary level of employees. The allocation of performance-related rewards (cash bonus) for SMS members is dealt with later in the report. Refer to Table 3.8.5 in this regard.*

**Table 3.6.2: Reasons for not having concluded Performance Agreements with all SMS Members on 31 May 2019**

Reasons for not concluding Performance Agreements with all SMS
Due to ill-health, one SMS member could not conclude a performance agreement by 31 May 2019 and a deviation in terms of the SMS directive was approved. The SMS member was subsequently medically boarded with effect 30 November 2019.

**Table 3.6.3: Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2019**

Disciplinary steps taken against SMS Members for not having concluded Performance Agreements
None required



### 3.7. FILLING OF SMS POSTS

The tables in this section provide information on employment and vacancies as it relates to members of the SMS by salary level. It also provides information of advertising and the filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken in cases of non-compliance. The number of active posts refers to posts that either are occupied {filled by a warm body} or vacant for which there is funding and which is actively being recruited for.

**Table 3.7.1: SMS posts information, as at 30 September 2019**

SMS Level	Number of active SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100,0	0	-
Salary Level 15	3	3	100,0	0	-
Salary Level 14	7	6	85,7	1	14,3
Salary Level 13	14	13	92,9	1	7,1
<b>Total</b>	<b>25</b>	<b>23</b>	<b>92,0</b>	<b>2</b>	<b>8,0</b>

*Note: This table refers to employees who are appointed as Senior Management Service (SMS) members only. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded.*

**Table 3.7.2: SMS posts information, as at 31 March 2020**

SMS Level	Number of active SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100,0	0	-
Salary Level 15	3	3	100,0	0	-
Salary Level 14	7	5	71,4	2	28,6
Salary Level 13	13	12	92,3	1	7,7
<b>Total</b>	<b>24</b>	<b>21</b>	<b>87,5</b>	<b>3</b>	<b>12,5</b>

*Note: This table refers to employees who are appointed as Senior Management Service (SMS) members only. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded.*

**Table 3.7.3: Advertising and Filling of SMS posts, as at 31 March 2020**

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months after becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Head of Department	1	0	0
Salary Level 15	0	0	0
Salary Level 14	1	0	0
Salary Level 13	2	0	0
<b>Total</b>	<b>4</b>	<b>0</b>	<b>0</b>

**Table 3.7.4: Reasons for not having complied with the filling of active vacant SMS posts – Advertised within 6 months and filled within 12 months after becoming vacant**

SMS Level	Reasons for non-compliance
Head of Department	N/A
Salary Level 15	N/A
Salary Level 14	N/A
Salary Level 13	The nominated candidate declined the offer which resulted in the panel having embark on a head hunting process. As a result of Covid-19 the process has been delayed

**Table 3.7.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months**

Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts
None

### 3.8. EMPLOYEE PERFORMANCE

The following tables note the number of staff by salary band (table 3.8.1) and staff within critical occupations (3.8.2) who received a notch progression as a result of performance management. (i.e. qualifying employees who scored between 3 – 4 in their performance ratings).

**Table 3.8.1: Notch progressions by salary band, 1 April 2019 to 31 March 2020**

Salary Band	Employees as at 31 March 2019	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	3	3	100,0
Skilled (Levels 3-5)	25	15	60,0
Highly skilled production (Levels 6-8)	73	49	67,1
Highly skilled supervision (Levels 9-12)	87	48	55,2
Senior management (Levels 13-16)	24	17	70,8
<b>Total</b>	<b>212</b>	<b>132</b>	<b>62,3</b>

**Table 3.8.2: Notch progressions by critical occupation, 1 April 2019 to 31 March 2020**

Critical Occupations	Employees as at 31 March 2019	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Economists	2	1	50,0

To encourage good performance, the Department has granted the following performance rewards to employees for the performance period 2018/19, but paid in the financial year 2019/20. The information is presented in terms of race, gender, and disability (Table 3.8.3), salary bands (Table 3.8.4 and Table 3.8.5) and critical occupations (Table 3.8.6).

**Table 3.8.3: Performance rewards by race, gender, and disability, 1 April 2019 to 31 March 2020**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2019	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
<b>African</b>	<b>11</b>	<b>47</b>	<b>23,4</b>	<b>118</b>	<b>10 683</b>
Male	5	19	26,3	62	12 329
Female	6	28	21,4	56	9 311
<b>Coloured</b>	<b>36</b>	<b>130</b>	<b>27,7</b>	<b>461</b>	<b>12 805</b>
Male	15	52	28,8	229	15 239
Female	21	78	26,9	232	11 066
<b>Indian</b>	<b>3</b>	<b>9</b>	<b>33,3</b>	<b>43</b>	<b>14 488</b>
Male	2	5	40,0	29	14 413
Female	1	4	25,0	15	14 637
<b>White</b>	<b>3</b>	<b>22</b>	<b>13,6</b>	<b>48</b>	<b>16 154</b>
Male	0	8	0,0	0	0
Female	3	14	21,4	48	16 154
<b>Employees with a disability</b>	<b>2</b>	<b>4</b>	<b>50,0</b>	<b>18</b>	<b>9 196</b>
<b>Total</b>	<b>55</b>	<b>212</b>	<b>25,9</b>	<b>688</b>	<b>12 524</b>

**Table 3.8.4: Performance rewards (cash bonus), by salary bands for personnel below Senior Management Service level, 1 April 2019 to 31 March 2020**

Salary Bands	Beneficiary Profile				Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2019	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	0	3	0,0	0	0	0,0
Skilled (Levels 3-5)	3	25	12,0	21	6 851	0,0
Highly skilled production (Levels 6-8)	16	73	21,9	138	8 598	0,1
Highly skilled supervision (Levels 9-12)	26	87	29,9	380	14 596	0,4
<b>Total</b>	<b>45</b>	<b>188</b>	<b>23,9</b>	<b>539</b>	<b>11 947</b>	<b>0,5</b>

Note: The cost is calculated as a percentage of the total personnel expenditure for salary levels 1-12 employees, reflected in Table 3.1.2.

**Table 3.8.5: Performance rewards (cash bonus), by salary band, for Senior Management Service level, 01 April 2019 to 31 March 2020**

Salary Bands	Beneficiary Profile				Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2019	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
Senior Management Service Band A (Level 13)	4	14	28,6	50	12 571	0,2
Senior Management Service Band B (Level 14)	4	6	66,7	64	15 994	0,2
Senior Management Service Band C (Level 15)	2	3	66,7	37	18 454	0,1
Senior Management Service Band D (Level 16)	0	1	0,0	0	0	0,0
<b>Total</b>	<b>10</b>	<b>24</b>	<b>41,7</b>	<b>151</b>	<b>15 117</b>	<b>0,5</b>

Note: The cost is calculated as a percentage of the total personnel expenditure for those employees at salary levels 13-16, reflected in Table 3.1.2.

**Table 3.8.6: Performance rewards (cash bonus) by critical occupation, 1 April 2019 to 31 March 2020**

Critical Occupation	Beneficiary Profile				Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2019	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of total personnel expenditure
Economists	1	2	50,0	20	20 434	0,0

### 3.9 FOREIGN WORKERS

The tables below summarise the employment of foreign nationals in the Department in terms of salary bands (Table 3.9.1) and major occupation (Table 3.9.2). The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

**Table 3.9.1: Foreign Workers by salary band, 1 April 2019 to 31 March 2020**

Salary Band	1 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0,0	0	0,0	0	0
Skilled (Levels 3-5)	0	0,0	0	0,0	0	0
Highly skilled production (Levels 6-8)	0	0,0	0	0,0	0	0
Highly skilled supervision (Levels 9-12)	1	50,0	1	50,0	0	0
Senior management (Levels 13-16)	1	50,0	1	50,0	0	0
<b>Total</b>	<b>2</b>	<b>100,0</b>	<b>2</b>	<b>100,0</b>	<b>0</b>	<b>0</b>

*Note: The table above includes non- citizens with permanent residence in the Republic of South Africa.*

**Table 3.9.2: Foreign Workers by major occupation, 1 April 2019 to 31 March 2020**

Major Occupation	1 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% change
Deputy Director	1	50,0	1	50,0	0	0,0
Director	1	50,0	1	50,0	0	0,0
<b>Total</b>	<b>2</b>	<b>100,0</b>	<b>2</b>	<b>100,0</b>	<b>0</b>	<b>0,0</b>

*Note: The table above includes non- citizens with permanent residence in the Republic of South Africa.*

### 3.10. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2019 TO 31 DECEMBER 2019

The following tables provide an indication of the use of sick leave (Table 3.10.1) and incapacity leave (Table 3.10.2). In both instances, the estimated cost of the leave is also provided.

**Table 3.10.1: Sick leave, 1 January 2019 to 31 December 2019**

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	Total number of employees	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Interns	123	61,8	29	53	54,7	4	29
Lower skilled (Levels 1-2)	22	68,2	2	3	66,7	11	10
Skilled (Levels 3-5)	176	85,2	19	29	65,5	9	128
Highly skilled production (Levels 6-8)	640	80,6	67	77	87,0	10	788
Highly skilled supervision (Levels 9-12)	631	75,9	83	95	87,4	8	1 281
Senior management (Levels 13-16)	106	73,6	19	24	79,2	6	311
<b>Total</b>	<b>1 698</b>	<b>77,4</b>	<b>219</b>	<b>281</b>	<b>77,9</b>	<b>8</b>	<b>2 547</b>

*Note: The leave dispensation as determined in the "Leave Determination", read with the applicable collective agreements, provides for normal sick leave of 36 working days in a sick leave cycle of three years. The three-year sick leave cycle started in January 2019 and ends in December 2021. The information in each case reflects the totals excluding incapacity leave taken by employees. For an indication of incapacity leave taken, refer to Table 3.10.2.*

**Table 3.10.2: Incapacity leave, 1 January 2019 to 31 December 2019**

Salary Band	Total days	% days with medical certification	Number of employees using incapacity leave	Total number of employees	% of total employees using incapacity leave	Average days per employee	Estimated Cost (R'000)
Interns	0	0,0	0	53	0,0	0	0
Lower skilled (Levels 1-2)	0	0,0	0	3	0,0	0	0
Skilled (Levels 3-5)	0	0,0	0	29	0,0	0	0
Highly skilled production (Levels 6-8)	34	100,0	1	77	1,3	34	34
Highly skilled supervision (Levels 9-12)	33	12,1	2	95	2,1	17	67
Senior management (Levels 13-16)	171	100,0	1	24	4,2	171	448
<b>Total</b>	<b>238</b>	<b>87,8</b>	<b>4</b>	<b>281</b>	<b>1,4</b>	<b>60</b>	<b>549</b>

*Note: The leave dispensation as determined in the "Leave Determination", read with the applicable collective agreements, provides for normal sick leave of 36 working days in a sick leave cycle of three years. If an employee has exhausted his or her normal sick leave, the employer must conduct an investigation into the nature and extent of the employee's incapacity. Such investigations must be carried out in accordance with item 10(1) of Schedule 8 of the Labour Relations Act (LRA).*

*Incapacity leave is not an unlimited amount of additional sick leave days at an employee's disposal. Incapacity leave is additional sick leave granted conditionally at the employer's discretion, as provided for in the Leave Determination and Policy on Incapacity Leave and Ill-Health Retirement (PILIR).*

**Table 3.10.3: Annual Leave, 1 January 2019 to 31 December 2019**

Salary Band	Total days taken	Total number employees using annual leave	Average number of days taken per employee
Interns	455	48	9
Lower skilled (Levels 1-2)	66	3	22
Skilled (Levels 3-5)	456	27	17
Highly skilled production (Levels 6-8)	1 567	74	21
Highly skilled supervision (Levels 9-12)	1 909	99	19
Senior management (Levels 13-16)	506	23	22
<b>Total</b>	<b>4 959</b>	<b>274</b>	<b>18</b>

**Table 3.10.4: Capped leave, 1 January 2019 to 31 December 2019**

Salary Band	Total capped leave available as at 31 Dec 2018	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Number of employees with capped leave as at 31 Dec 2019	Total capped leave available as at 31 Dec 2019
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)	50	0	0	0	5	50
Highly skilled supervision (Levels 9-12)	300	2	1	2	13	298
Senior management (Levels 13-16)	93	0	0	0	3	17
<b>Total</b>	<b>444</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>21</b>	<b>365</b>

*Note: It is possible for the total number of capped leave days to increase as employees who were promoted or transferred into the Department, retain their capped leave credits, which form part of that specific salary band and ultimately the departmental total.*

**Table 3.10.5: Leave pay-outs, 1 April 2019 to 31 March 2020**

Reason	Total Amount (R'000)	Number of employees	Average payment per employee
Leave pay-outs during 2019/20 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service	300	1	300 317
Current leave pay-outs on termination of service	311	31	10 038
<b>Total</b>	<b>611</b>	<b>32</b>	<b>19 109</b>



### 3.11. HEALTH PROMOTION PROGRAMMES, INCLUDING HIV AND AIDS

**Table 3.11.1: Steps taken to reduce the risk of occupational exposure, 1 April 2019 to 31 March 2020**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
The nature of the Department's work does not expose employees to increased risk of contracting HIV & AIDS. Despite the very low occupational risk, all employees have been targeted at all levels within the Department.	<p>HIV &amp; AIDS Counselling and Testing (HCT) and Wellness screenings were conducted in general. Employee Health and Wellness Services are rendered to all employees in need and include the following:</p> <ul style="list-style-type: none"> <li>• 24/7/365 Telephone counselling;</li> <li>• Face to face counselling (4 session model);</li> <li>• Trauma and critical incident counselling;</li> <li>• Advocacy on HIV&amp;AIDS awareness, including online E-Care services and</li> <li>• Training, coaching and targeted Interventions where these were required.</li> </ul>

**Table 3.11.2: Details of Health Promotion including HIV & AIDS Programmes, 1 April 2019 to 31 March 2020**

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, 2016? If so, provide her/his name and position.	✓		Ms Maria van der Merwe, Acting Director: Organisational Behaviour (Department of the Premier)
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.	✓		<p>The Corporate Services Centre (CSC) within the Department of the Premier provides a transversal service to the eleven (11) departments, including the <b>Department of Economic Development &amp; Tourism</b>.</p> <p>A designated Employee Health and Wellness unit within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and well-being of employees in the eleven (11) client departments.</p> <p>The unit consists of a Deputy Director, three (3) Assistant Directors, and two (2) EHW Practitioners.</p> <p>Budget: R2.65 m</p>
3. Has the department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/services of this Programme.	✓		<p>The Department of the Premier has entered into a service level agreement with <b>ICAS until 31 January 2020 and thereafter Metropolitan Health from 1 February 2020</b>. These external service providers rendered an Employee Health and Wellness Service to the eleven (11) departments of the Corporate Services Centre (CSC).</p> <p>The following interventions were conducted: Diversity Management; Wellness Talk on Cancer; Happy &amp; Healthy Living &amp; Minds; Positive Thinking (Empowering Women from within); Self Development; Emotional Intelligence; Team Cohesion, Relationship Building and Effective Communication; HCT &amp; Wellness Screening and EHW Information Facilitated Sessions and conducted a Mental Health Survey.</p>

Question	Yes	No	Details, if yes
			<p>These interventions are based on trends reflected in the quarterly reports and implemented to address employee or departmental needs.</p> <p>The targeted interventions for both employees and managers were aimed at personal development; promotion of healthy lifestyles; and improving coping skills. This involved presentations, workshops, group discussions to create awareness and encourage employees to have a proactive approach to limit the impact of these problems in the workplace. Targeted Interventions were also implemented to equip managers with tools to engage employees in the workplace.</p> <p>Information sessions were also provided to inform employees of the EHW service and how to access the Employee Health and Wellness (EHW) Programme. Promotional material such as pamphlets, posters and brochures were distributed.</p>
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	✓		<p>The Provincial Employee Health and Wellness Steering Committee has been established with members nominated by each department.</p> <p>The Department of Economic Development and Tourism is represented by Ms Cheryl Julies and Mr Noel Smit.</p>
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.	✓		<p>The Transversal Management Framework for Employee Health and Wellness Programmes in the Western Cape Government is in effect and was adopted by the Co-ordinating Chamber of the PSCBC for the Western Cape Province in December 2016.</p> <p>In this regard, all employment policies make provision for fair practices, regardless of the HIV status of staff or applicants. Workplace practices are constantly monitored to ensure policy compliance and fairness.</p> <p>Under the EHW banner, four EHW Policies were approved which includes HIV &amp; AIDS and TB Management that responds to the prevention of discrimination against employees affected and infected by HIV &amp; AIDS and TB in the workplace. The policy is in line with the amended National EHW Strategic Framework 2019.</p> <p>Further to this, the Department of Health, that is the lead department for HIV &amp; AIDS, has approved the Transversal HIV and AIDS/STI Workplace Policy and Programme that is applicable to all departments of the Western Government.</p> <p>During the reporting period, the transversal EHW policies including the HIV, AIDS and TB Management Policy have been audited by DPSA against the DPSA policies as well as the National Strategic Plan for HIV, TB and STIs (2017-2022) which ensures inclusivity and elimination of discrimination and stigma against employees with HIV.</p>

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.	✓		<p>The Provincial Strategic Plan on HIV &amp; AIDS, STIs and TB 2017-2022 has been implemented to mainstream HIV and TB and its gender and rights-based dimensions into the core mandates to reduce HIV-related stigma.</p> <p>The aim is to:</p> <ul style="list-style-type: none"> <li>• Reduce HIV and TB discrimination in the workplace. This included campaigns against unfair discrimination and empowerment of employees.</li> <li>• Reduce unfair discrimination in access to services. This included ensuring that the Directorate Employee Relations addresses complaints or grievances relating to unfair discrimination and provides training to employees.</li> </ul> <p>The Department implemented the following measures to address the stigma and discrimination against those infected or perceived to be infective with HIV:</p> <ul style="list-style-type: none"> <li>• Wellness Screenings (Blood pressure, Glucose, Cholesterol, TB, BMI)</li> <li>• HCT Screenings</li> <li>• TB Talks and Screenings</li> <li>• Distributing posters and pamphlets;</li> <li>• Condom distribution and spot talks; and</li> <li>• Commemoration of World AIDS Day and Wellness events.</li> </ul>
7. Does the department encourage its employees to undergo HIV counselling and testing (HCT)? If so, list the results that you have achieved.	✓		<p><b>HCT SESSIONS:</b></p> <p>The following Wellness and HCT screening session was conducted:</p> <p>The Department participated in <b>one (1)</b> HCT and Wellness screening session.</p> <p><b>74</b> Employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STI's).</p> <p>There was <b>one (1)</b> clinical referrals for TB, HIV or STIs for further management.</p>
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		<p>The impact of health promotion programmes is indicated through information provided through the EHW Contract with ICAS.</p> <p>The EHWP is monitored through Quarterly and Annual reporting and trend analysis can be derived through comparison of departmental utilisation and demographics i.e. age, gender, problem profiling, employee vs. manager utilisation, number of cases. Themes and trends also provide a picture of the risks and impact the EHW issues have on individual and the workplace.</p>

### 3.12. LABOUR RELATIONS

The following provincial collective agreements were entered into with trade unions for the period under review.

**Table 3.12.1: Collective agreements, 1 April 2019 to 31 March 2020**

<b>Total collective agreements</b>	None
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Table 3.12.2 summarises the outcome of disciplinary hearings conducted within the Department for the period.

**Table 3.12.2: Misconduct and disciplinary hearings finalised, 1 April 2019 to 31 March 2020**

Outcomes of disciplinary hearings	Number of cases finalised	% of total
None		

*Note: Outcomes of disciplinary hearings refer to formal cases only.*

**Table 3.12.3: Types of misconduct addressed at disciplinary hearings, 1 April 2019 to 31 March 2020**

Type of misconduct	Number	% of total
None		

**Table 3.12.4: Grievances lodged, 1 April 2019 to 31 March 2020**

Grievances lodged	Number	% of total
Number of grievances resolved	1	33,3
Number of grievances not resolved	2	66,7
<b>Total number of grievances lodged</b>	<b>3</b>	<b>100,0</b>

*Note: Grievances lodged refers to cases that were finalised within the reporting period. Grievances not resolved refers to cases where the outcome was not in favour of the aggrieved. All cases, resolved and not resolved have been finalised.*

**Table 3.12.5: Disputes lodged with Councils, 1 April 2019 to 31 March 2020**

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	0	0,0
Number of disputes dismissed	1	100,0
<b>Total number of disputes lodged</b>	<b>1</b>	<b>100,0</b>

*Note: Councils refer to the Public Service Co-ordinating Bargaining Council (PSCBC) and General Public Service Sector Bargaining Council (GPSSBC). When a dispute is "upheld", it means that the Council endorses the appeal as legitimate and credible in favour of the aggrieved. When a dispute is "dismissed", it means that the Council is not ruling in favour of the aggrieved.*

**Table 3.12.6: Strike actions, 1 April 2019 to 31 March 2020**

Strike actions	Number
Total number of person working days lost	0
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

**Table 3.12.7: Precautionary suspensions, 1 April 2019 to 31 March 2020**

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

*Note: Precautionary suspensions refer to staff who were suspended with full pay, whilst the case was being investigated.*

### 3.13. SKILLS DEVELOPMENT

This section highlights the efforts of the Department with regard to skills development. Table 3.13.1 reflect the training needs as at the beginning of the period under review, and Table 3.13.2 the actual training provided.

**Table 3.13.1: Training needs identified, 1 April 2019 to 31 March 2020**

Occupational Categories			Training needs identified at start of reporting period			
	Gender	Number of employees as at 1 April 2019	Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers (Salary Band 13 – 16)	Female	12	0	42	0	42
	Male	12	0	32	0	32
Professionals (Salary Band 9 – 12)	Female	39	0	118	0	118
	Male	38	0	86	0	86
Technicians and associate professionals (Salary Band 6 – 8)	Female	48	0	163	0	163
	Male	20	0	91	0	91
Clerks (Salary Band 3 – 5)	Female	14	0	58	0	58
	Male	6	0	39	0	39
Elementary occupations (Salary Band 1 – 2)	Female	2	0	1	0	1
	Male	0	0	0	0	0
<b>Sub Total</b>	Female	<b>117</b>	<b>0</b>	<b>384</b>	<b>0</b>	<b>384</b>
	Male	<b>78</b>	<b>0</b>	<b>248</b>	<b>0</b>	<b>248</b>
<b>Total</b>		<b>195</b>	<b>0</b>	<b>632</b>	<b>0</b>	<b>632</b>
Employees with disabilities	Female	2	0	2	0	2
	Male	2	0	0	0	0

*Note: The above table identifies the training needs at the start of the reporting period as per the Department's Workplace Skills Plan.*

**Table 3.13.2: Training provided, 1 April 2019 to 31 March 2020**

Occupational Categories			Training provided during reporting period			
	Gender	Number of employees as at 1 April 2020	Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers (Salary Band 13 – 16)	Female	11	0	8	0	8
	Male	10	0	8	0	8
Professionals (Salary Band 9 – 12)	Female	46	0	28	0	28
	Male	40	0	24	0	24
Technicians and associate professionals (Salary Band 6 – 8)	Female	46	0	53	0	53
	Male	17	0	22	0	22
Clerks (Salary Band 3 – 5)	Female	18	0	28	0	28
	Male	12	0	24	0	24
Elementary occupations (Salary Band 1 – 2)	Female	2	0	0	0	0
	Male	0	0	0	0	0
<b>Sub Total</b>	Female	<b>125</b>	<b>0</b>	<b>117</b>	<b>0</b>	<b>117</b>
	Male	<b>81</b>	<b>0</b>	<b>79</b>	<b>0</b>	<b>79</b>
<b>Total</b>		<b>206</b>	<b>0</b>	<b>196</b>	<b>0</b>	<b>196</b>
Employees with disabilities	Female	2	0	0	0	0
	Male	2	0	1	0	1

*Note: The above table identifies the number of training courses attended by individuals during the period under review.*

### 3.14. INJURY ON DUTY

This section provides basic information on injuries sustained whilst being on official duty.

**Table 3.14.1: Injury on duty, 1 April 2019 to 31 March 2020**

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary disablement	0	0
Permanent disablement	0	0
Fatal	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
Percentage of total employment		0

### 3.15. UTILISATION OF CONSULTANTS

Table 3.15.1: Consultant appointments using appropriated funds

PRO-GRAM-ME	CONSULTING FIRM	PROJECT TITLE	NATURE OF THE PROJECT	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS/HOURS	CONTRACT VALUE IN RAND	TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	B-BBEE LEVEL
1	EDITH KENNEDY	TOWNSHIP ECONOMY	To provide the Department with expert advice and guidance on the development of the Township Economy Growth Strategy.	2	1 month	R70 000.00	1	2	N/A
1	MAZARS	B-BBEE CERTIFICATE	To obtain a B-BBEE Certificate for the Department	1	2 months	R60 000.00	1	1	2
1	DEVELOPMENT WORKS CHANGE MAKERS	SKILLS DEV EVALUATION (REALIGNMENT)	To appoint a service provider to conduct an evaluation into the design of the Departments Software Development of Schools (SWD@ Schools) Program.	1	5 months	R305 900.00			
1	SUSTAINABLE LIVELIHOODS FOUNDATION	TOWNSHIP ECONOMY	To provide the Department with expert advice and guidance on the development of the Township Economy Growth Strategy.	1	1 month	R19 550.00	1	1	N/A
2	ILIOS CONFERENCES	WC FUNDING FAIR	The appointment of a service provider for the provision of events management services for the hosting of the Western Cape Funding Fair.	1	20	R269 492.27	1	1	1
2	BUSINESS ENGINEERING	MS2B: BUILDING CONTROL PORTAL	The appointment of a service provider to streamline and digitise business facing services offered by municipalities. This particular initiative optimised the building control environment in municipalities	5	187 days	R1 983 750.00	10	5	N/A
2	H2P PROJECT MANAGEMENT	WC ENTREPRENEURSHIP EXPO, SUMMIT & AWARD	The appointment of a service provider for the provision of professional services for the hosting of the 2019 Western Cape Entrepreneurship Expo, Summit and Awards	1	11	R290 000.00	1	4	1



PRO-GRAM-ME	CONSULTING FIRM	PROJECT TITLE	NATURE OF THE PROJECT	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS/ HOURS	CONTRACT VALUE IN RAND	TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	B-BBEE LEVEL
2	BUSINESS ENGINEERING	MS2B: EVENT & FILM WORKFLOW	The appointment of a service provider to streamline and digitise business facing services offered by municipalities. This particular project streamlined the event and film permitting management process	5	185 days	R249 055.50	2	5	N/A
2	SUSTAINABLE LIVELIHOODS FOUNDATION	RESEARCH IN DELFT	For the provision of specialist research and current data on the informal economy. This project will provide updated data relevant to informing DEDAT's interventions, which will aim to support the five leading sectors within the township economy.	1	72	R400 000.00	1	4	4
2	NKC AFRICAN ECONOMICS	PROVINCIAL EODB INDEX	Review the concept developed by IEDS and provide technical support for index compilation	5	20	R205 600.00	1	0	Non-Con-tributor
3	KAISER EDP	OCEANS ECON COMM MARKET RESEARCH	Identification of catalytic oceans economy projects and or programmes to create jobs and economic growth	3	60	R499 975.00	1	1	4
3	EXECUTHINK	MARINE MANUFACT & ENGINEER SERV	For the procurement of a service provider to conduct a market analysis for the growth and development of the marine manufacturing and engineering services industry in the Western Cape.	2	6 months	R304 100.00	1	1	1
4	TIERVLEI ARTS	FINANCIAL LITERACY: INDUSTR THEATRE	To appoint a service provider to use industrial theatre to roll out financial literacy and awareness sessions that would focus on areas such as budgeting, investment, prescribed debt, paying account to maintain a clean credit report, etc. The shows were rolled out in predetermined towns and farming communities..	1	3 months	R367 000.00	1	1	1

PRO-GRAM-ME	CONSULTING FIRM	PROJECT TITLE	NATURE OF THE PROJECT	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS/ HOURS	CONTRACT VALUE IN RAND	TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	B-BBEE LEVEL
6	G & D GUEST HOUSE	TOURISM REG: UPSKILL BO-KAAP TOUR	Training of Bo-Kaap Culture Tourist Guides.	1	15	R40 080.72	1	1	1
5	PROF JAMES PETRIE	LNG	To provide the Department with specialist expertise and strategic advice relating to the Energy sector	1	8	R30 000.00	1	1	N/A
5	TRACTION CONSULTING	JUMP	To appoint a service provider for the development of an online SME support platform to aid SME's in the adoption and usage of technology.	6	107	R2 857 790.40	1	1	4
5	WESGRO	CAPE HEALTH TECHNOLOGY PARK	To co-ordinate and manage the institutional arrangements, governance, fundraising and investment recruitment activities as it relates to the establishment of the Cape Health Technology Park.	5 with support from the Investment Promotion Team, the Export Promotion Team and SEDIC	Sep 2019 - April 2020 (estimated 160 days)	R2 million	1	1	4
5	DATACENTRIX	INNOVATION: IDEA MAN SYSTEM (IMS)	The appointment of a service provider for the development, testing and enhancement to the Idea Management System	4	September 2019 to February 2020 (estimated 126 days)	R400 000.00	1	1	1
5	PEGASYS	SECTOR SPECIFIC ECON WATER RESIL	The appointment of a service provider to assist the Department in understanding and reducing water-related risks and build water resilience in existing and future businesses in highly water intensive economic sectors and sub-sectors.	5	98	R949 900.00	1	1	2

PRO-GRAM-ME	CONSULTING FIRM	PROJECT TITLE	NATURE OF THE PROJECT	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS/HOURS	CONTRACT VALUE IN RAND	TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	B-BBEE LEVEL
5	PALMER DEVELOPMENT GROUP	FINANCIAL MECHANISMS MODELS	The appointment of a service provider for the provision of specialist expertise that would assist the Department to better understand the options and impacts of hybrid centralised and decentralised water supply systems, tariff models and structures on the revenue streams of municipalities.	4	92	R748 580.00	1	1	2
5	FRASER CONSULTING	DASH TECH: ANGEL	The appointment of a service provider for the provision of Angel and Venture Capital training to increase and diversify start-up investment in the region. This included the development, dissemination, communication and integration of an Angel Investment training programme, particularly with tertiary institutions.	8	74	R494 000.00	1	1	4
5	THE GREEN CAPE SECTOR DEVELOPMEN	GREEN ECON ECOSYSTEM SUPPORT	The appointment of a service provider to support and work closely with industry, investors in the waste economy, water, renewable energy and energy services sector to identify economically viable green economy business opportunities.	35	79	R5 186 673.00	1	1	1
5	CEED LEARNING (PTY) LTD	I-CAN LEARN: TRAIN THE FACILITATOR	The appointment of a service provider to develop and deliver appropriate training content to the ICAN Learn learning facilitators as well as to develop management tools and materials required to implement the ICAN learn project effectively.	9	51	R2 481 127.00	1	1	2
6	THE BUSINESS TOURISM COMPANY	WC TOURISM MASTER PLAN	For the provision of specialised expertise and written research components into the development of the Western Cape Tourism Master Plan	1	184	R149 643.75	1	1	4

PRO-GRAM-ME	CONSULTING FIRM	PROJECT TITLE	NATURE OF THE PROJECT	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS/ HOURS	CONTRACT VALUE IN RAND	TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	B-BBEE LEVEL
6	CURIOSITAS	WC TOURISM MASTER PLAN	For the provision of specialised expertise and written research components into the development of the Western Cape Tourism Master Plan	1	213	R388 000.00	1	1	4
6	CACHET CONSULTING	WC TOURISM MASTER PLAN	For the provision of specialised expertise and written research components into the development of the Western Cape Tourism Master Plan	1	182	R98 040.00	1	1	4
6	I AND M FUTURENEER ADVISORS	WC TOURISM MASTER PLAN	For the provision of specialised expertise and written research components into the development of the Western Cape Tourism Master Plan	1	153	R200 000.00	1	1	2
6	GLOBAL MANAGEMENT CONSULTANTS	WC TOURISM MASTER PLAN	For the provision of specialised expertise and written research components into the development of the Western Cape Tourism Master Plan	1	213	R80 500.00	1	1	1
6	TRAFSOFT	TOURISM SAFETY SIGNAGE	For the procurement of a professional and experienced service provider to conduct a tourism road signage.	2	Approx. 1 month	R97 500.00	2	2	4
6	JUDYLAIN.COM	WC TOURISM MASTER PLAN	For the provision of specialised expertise and written research components into the development of the Western Cape Tourism Master Plan	1	121	R481 573.95	1	1	4
6	ELEVATED CONSULTANCY & TRAINING	WC TOURISM MASTER PLAN	For the provision of specialised expertise and written research components into the development of the Western Cape Tourism Master Plan	1	153	R50 032.64	1	1	N/A
6	DTN BV	WC TOURISM MASTER PLAN	For the provision of specialised expertise and written research components into the development of the Western Cape Tourism Master Plan	1	181	R5 1254.00	1	1	N/A

PRO-GRAM-ME	CONSULTING FIRM	PROJECT TITLE	NATURE OF THE PROJECT	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS/ HOURS	CONTRACT VALUE IN RAND	TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	B-BBEE LEVEL
7	SWISS SOUTH AFRICAN CO-OPERATION	A21 AGC-SYS DEV-WATER PROC CONTR	The nature of this project is to work in close liaison with the Water Institute of Southern Africa (WISA), to produce the following deliverables for the Water Process Controller Qualification: - National Occupational Curriculum content of NOCC and; Recognition of Prior Learning or RPL Toolkit.	1	2 months	R276 120.00	1	1	1
7	SWISS SOUTH AFRICAN CO-OPERATION	A21 AGC-SYS DEV-COMPUT TECH NOCC	The appointment of a service provider who, with the QCTO produced the following deliverables for the Computer Technician Occupational Qualification: - National Occupational Curriculum Content or NOCC and; - Recognition of Prior Learning Toolkit or RPL Toolkit.	1	11 months	R332 598.00	1	1	1
7	VISUAL TRAINING TELEVISION PRODU	A21 AGC-SYS DEV-SOLAR PV TECH LE	The scope of this project is to produce learning materials to allow for the delivery of an apprenticeship programme for the Solar Photovoltaic Service Technician, SAQA Qualification ID Number 99447.	1	11 months	R1 197 000.00	1	1	4
7	SWISS SOUTH AFRICAN CO-OPERATION	A21 AGC - SYS DEV-BICYCLE MECH	To work in close liaison with the W&RSETA to produce the following deliverables for the Bicycle Mechanic Occupational Qualification: - National Occupational Curriculum Content or NOCC and; - Recognition of Prior Learning Toolkit or RPL Toolkit.	1	11 months	R112 063.00	1	1	1

PRO-GRAM-ME	CONSULTING FIRM	PROJECT TITLE	NATURE OF THE PROJECT	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS/HOURS	CONTRACT VALUE IN RAND	TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	B-BBEE LEVEL
7	MEDIA 24	EMPLOYER DEMAND DATA	For the appointment of a service provider to provide monthly employer demand data in the form of job advertisements.	1	3 months	R80 000.00	1	1	4

Table 3.15.2: Consultant appointments using Donor funds

PROGRAMME	CONSULTING FIRM	PROJECT TITLE	NATURE OF THE PROJECT	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS/	CONTRACT VALUE IN RAND	TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	B-BBEE LEVEL
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A





**Western Cape  
Government**  
Economic Development  
and Tourism

**BETTER TOGETHER.**

# **Financial Manual 2013/2014**

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM -  
WESTERN CAPE



**Western Cape  
Government**  
Economic Development  
and Tourism



**Financial  
Department**



**Western Cape  
Government**  
Economic Development  
and Tourism

# Financial Manual 2016/17

Department of  
Economic Development  
and Tourism



**Management User Guide 2017/18**  
of Economic Development and Tourism

**PART E:  
FINANCIAL INFORMATION**

# REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON VOTE NO. 12: WESTERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Western Cape Department of Economic Development and Tourism set out on pages 196 to 267, which comprise the appropriation statement, statement of financial position as at 31 March 2020, 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 Western Cape Department of Economic Development and Tourism as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

### 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 this auditor's report.
4. I am independent of the department in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International code of ethics for professional accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
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.

#### Subsequent event

7. I draw attention to note 26 to the financial statements, which deals with non-adjusting events after the reporting date and specifically the possible effects of the future implications of Covid-19 on the department's disclosure of its portion of impairment on investment.

#### Material underspending

8. As disclosed in the appropriation statement, the department materially underspent the budget by R12 480 000 on various programmes.

### 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 268 to 279 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 for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS as prescribed by the National Treasury and the requirements of the PFMA, 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's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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 the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## Report on the audit of the annual performance report

### Introduction and scope

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 on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
16. My procedures address the usefulness and reliability of 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 / measures included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do 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 programme presented in the annual performance report of the department for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 2: Integrated Economic Development Services	78 - 83

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 programme:
  - Programme 2: Integrated Economic Development Services

## Other matter

20. I draw attention to the matter below.

### Achievement of planned targets

21. Refer to the annual performance report on pages 78 to 83 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets.

## Report on the audit of compliance with legislation

### Introduction and scope

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


## Other information

24. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
25. 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.
26. 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.
27. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
28. I have nothing to report in this regard.



## Internal control deficiencies

29. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.



Cape Town  
30 September 2020



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

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

### Financial statements

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

### Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



# ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2020

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ANNUAL FINANCIAL STATEMENTS  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Appropriation per programme									
Appropriation per programme	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Programme</b>									
1. Administration	60 605	-	(1 128)	59 477	56 914	2 563	95.7%	58 446	57 653
2. Integrated Economic Development Services	68 440	-	(1 400)	67 040	66 271	769	98.9%	46 208	46 150
3. Trade and Sector Development	63 683	-	35	63 718	61 530	2 188	96.6%	47 659	47 204
4. Business Regulation and Governance	9 150	-	73	9 223	9 058	165	98.2%	9 731	9 684
5. Economic Planning	184 925	-	571	185 496	181 807	3 689	98.0%	136 184	134 244
6. Tourism, Arts and Entertainment	60 142	-	(107)	60 035	58 148	1 887	96.9%	59 670	59 339
7. Skills Development and Innovation	64 318	-	1 956	66 274	65 055	1 219	98.2%	71 044	70 122
<b>TOTAL</b>	<b>511 263</b>	<b>-</b>	<b>-</b>	<b>511 263</b>	<b>498 783</b>	<b>12 480</b>	<b>97.6%</b>	<b>428 942</b>	<b>424 396</b>
<b>Reconciliation with statement of financial performance</b>									
<b>ADD</b>									
Departmental receipts				1 693				829	
Aid assistance				3 848				4 571	
<b>Actual amounts per statement of financial performance (total revenue)</b>				<b>516 804</b>				<b>434 342</b>	
<b>ADD</b>									
Aid assistance					140				6 605
<b>Actual amounts per statement of financial performance (total expenditure)</b>					<b>498 923</b>				<b>431 001</b>

ANNUAL FINANCIAL STATEMENTS  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Appropriation per economic classification									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>232 089</b>	<b>(5 416)</b>	<b>(2)</b>	<b>226 671</b>	<b>215 353</b>	<b>11 318</b>	<b>95.0%</b>	<b>236 798</b>	<b>232 363</b>
Compensation of employees	140 529	(1 021)	-	139 508	131 943	7 565	94.6%	129 445	125 927
Salaries and wages	125 539	(1 955)	-	123 584	116 906	6 678	94.6%	114 495	111 623
Social contributions	14 990	934	-	15 924	15 037	887	94.4%	14 950	14 304
Goods and services	91 560	(4 395)	(2)	87 163	83 410	3 753	95.7%	107 353	106 436
Administrative fees	256	36	(9)	283	257	26	90.8%	417	373
Advertising	6 745	425	73	7 243	7 051	192	97.3%	12 919	12 892
Minor assets	591	118	(10)	699	666	33	95.3%	209	155
Audit costs: External	3 112	7	-	3 119	3 119	-	100.0%	3 025	3 025
Bursaries: Employees	600	(213)	-	387	387	-	100.0%	721	721
Catering: Departmental activities	1 698	453	(93)	2 058	2 009	49	97.6%	1 643	1 628
Communication	1 091	54	-	1 145	947	198	82.7%	1 144	1 099
Computer services	6 354	545	571	7 470	7 415	55	99.3%	2 951	2 947
Consultants: Business and advisory services	32 135	(3 780)	(2 101)	26 254	24 464	1 790	93.2%	35 366	35 153
Legal services	2	-	-	2	2	-	100.0%	-	-
Contractors	809	95	-	904	779	125	86.2%	1 416	1 413
Entertainment	97	(37)	(2)	58	50	8	86.2%	65	57
Fleet services	725	-	-	725	702	23	96.8%	647	647
Consumable supplies	1 087	(181)	(14)	892	782	110	87.7%	598	521
Consumable: Stationery, printing and office supplies	1 034	36	(98)	972	861	111	88.6%	1 178	1 096
Transport provided: Departmental activity	-	-	-	-	-	-	-	115	115
Travel and subsistence	2 903	(144)	(65)	2 694	2 401	293	89.1%	3 601	3 411
Training and development	27 257	(1 228)	2 110	28 139	27 896	243	99.1%	36 690	36 602
Operating payments	1 831	194	(148)	1 877	1 533	344	81.7%	1 839	1 810
Venues and facilities	2 624	(839)	(197)	1 588	1 458	130	91.8%	1 814	1 787
Rental and hiring	439	54	-	493	491	2	99.6%	680	679

ANNUAL FINANCIAL STATEMENTS  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Appropriation per economic classification									
	2019/20					2018/19			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Transfers and subsidies</b>	<b>274 677</b>	<b>4 950</b>	<b>-</b>	<b>279 627</b>	<b>278 643</b>	<b>984</b>	<b>99.6%</b>	<b>186 643</b>	<b>186 573</b>
Provinces and municipalities	6 589	(150)	-	6 439	6 214	225	96.5%	-	-
Municipalities	6 589	(150)	-	6 439	6 214	225	96.5%	-	-
Municipal bank accounts	6 589	(150)	-	6 439	6 214	225	96.5%	-	-
Departmental agencies and accounts	203 405	2 678	-	206 083	206 082	1	100.0%	148 036	148 035
Departmental agencies and accounts	203 405	2 678	-	206 083	206 082	1	100.0%	148 036	148 035
Higher education institutions	-	-	-	-	-	-	-	2 000	2 000
Public corporations and private enterprises	12 702	(2 520)	-	10 182	9 432	750	92.6%	7 881	7 877
Private enterprises	12 702	(2 520)	-	10 182	9 432	750	92.6%	7 881	7 877
Other transfers to private enterprises	12 702	(2 520)	-	10 182	9 432	750	92.6%	7 881	7 877
Non-profit institutions	28 905	3 633	-	32 538	32 538	-	100.0%	17 374	17 374
Households	23 076	1 309	-	24 385	24 377	8	100.0%	11 352	11 287
Social benefits	64	1 209	-	1 273	1 269	4	99.7%	127	124
Other transfers to households	23 012	100	-	23 112	23 108	4	100.0%	11 225	11 163
<b>Payments for capital assets</b>	<b>4 440</b>	<b>415</b>	<b>-</b>	<b>4 855</b>	<b>4 678</b>	<b>177</b>	<b>96.4%</b>	<b>5 427</b>	<b>5 387</b>
Machinery and equipment	4 319	415	-	4 734	4 560	174	96.3%	5 009	4 972
Transport equipment	2 105	184	-	2 289	2 288	1	100.0%	2 835	2 835
Other machinery and equipment	2 214	231	-	2 445	2 272	173	92.9%	2 174	2 137
Software and other intangible assets	121	-	-	121	118	3	97.5%	418	415
Intangible assets	121	-	-	121	118	3	97.5%	418	415
<b>Payments for financial assets</b>	<b>57</b>	<b>51</b>	<b>2</b>	<b>110</b>	<b>109</b>	<b>1</b>	<b>99.1%</b>	<b>74</b>	<b>73</b>
<b>Total</b>	<b>511 263</b>	<b>-</b>	<b>-</b>	<b>511 263</b>	<b>498 783</b>	<b>12 480</b>	<b>97.6%</b>	<b>428 942</b>	<b>424 396</b>

ANNUAL FINANCIAL STATEMENTS  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Programme 1: Administration										
	2019/20						2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Sub programme</b>										
1. Office of the HOD	8 124	729	-	8 853	7 464	1 389	84.3%	10 652	10 644	
2. Financial Management	37 314	(1 148)	(334)	35 832	34 829	1 003	97.2%	35 065	34 713	
3. Corporate Services	15 167	419	(794)	14 792	14 621	171	98.8%	12 729	12 296	
<b>Total</b>	<b>60 605</b>	<b>-</b>	<b>(1 128)</b>	<b>59 477</b>	<b>56 914</b>	<b>2 563</b>	<b>95.7%</b>	<b>58 446</b>	<b>57 653</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>56 565</b>	<b>(1 215)</b>	<b>(1 128)</b>	<b>54 222</b>	<b>51 671</b>	<b>2 551</b>	<b>95.3%</b>	<b>54 142</b>	<b>53 356</b>	
Compensation of employees	39 672	(1 021)	-	38 651	37 088	1 563	96.0%	41 519	40 930	
Salaries and wages	35 388	(1 593)	-	33 795	32 236	1 559	95.4%	36 018	35 662	
Social contributions	4 284	572	-	4 856	4 852	4	99.9%	5 501	5 268	
Goods and services	16 893	(194)	(1 128)	15 571	14 583	988	93.7%	12 623	12 426	
Administrative fees	81	29	-	110	107	3	97.3%	177	176	
Advertising	3 762	(15)	-	3 747	3 651	96	97.4%	468	467	
Minor assets	480	(75)	-	405	374	31	92.3%	145	145	
Audit costs: External	3 112	7	-	3 119	3 119	-	100.0%	3 025	3 025	
Bursaries: Employees	600	(213)	-	387	387	-	100.0%	721	721	
Catering: Departmental activities	194	123	-	317	305	12	96.2%	123	122	
Communication	421	51	-	472	286	186	60.6%	485	484	
Computer services	617	316	-	933	911	22	97.6%	1 071	1 070	
Consultants: Business and advisory services	1 190	-	(794)	396	396	-	100.0%	633	445	
Legal services	2	-	-	2	2	-	100.0%	-	-	
Contractors	375	12	-	387	275	112	71.1%	410	410	
Entertainment	12	6	-	18	13	5	72.2%	19	18	
Fleet services	725	-	-	725	702	23	96.8%	647	647	
Consumable supplies	634	(102)	-	532	456	76	85.7%	373	372	
Consumable: Stationery, printing and office supplies	316	13	-	329	301	28	91.5%	412	411	
Operating leases	48	12	-	60	43	17	71.7%	112	112	
Travel and subsistence	571	29	-	600	388	212	64.7%	877	876	

ANNUAL FINANCIAL STATEMENTS  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Programme 1: Administration									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Training and development	2 018	(703)	-	1 315	1 247	68	94.8%	1 198	1 198
Operating payments	1 014	353	(139)	1 228	1 133	95	92.3%	1 190	1 190
Venues and facilities	462	(44)	(195)	223	221	2	99.1%	289	289
Rental and hiring	259	7	-	266	266	-	100.0%	248	248
<b>Transfers and subsidies</b>	<b>43</b>	<b>1 021</b>	<b>-</b>	<b>1 064</b>	<b>1 059</b>	<b>5</b>	<b>99.5%</b>	<b>45</b>	<b>43</b>
Departmental agencies and accounts	5	-	-	5	4	1	80.0%	5	4
Departmental agencies	5	-	-	5	4	1	80.0%	5	4
Households	38	1 021	-	1 059	1 055	4	99.6%	40	39
Social benefits	1	1 019	-	1 020	1 018	2	99.8%	40	39
Other transfers to households	37	2	-	39	37	2	94.9%	-	-
<b>Payments for capital assets</b>	<b>3 940</b>	<b>184</b>	<b>-</b>	<b>4 124</b>	<b>4 118</b>	<b>6</b>	<b>99.9%</b>	<b>4 194</b>	<b>4 189</b>
Machinery and equipment	3 940	184	-	4 124	4 118	6	99.9%	4 194	4 189
Transport equipment	2 105	184	-	2 289	2 288	1	100.0%	2 185	2 185
Other machinery and equipment	1 835	-	-	1 835	1 830	5	99.7%	2 009	2 004
<b>Payments for financial assets</b>	<b>57</b>	<b>10</b>	<b>-</b>	<b>67</b>	<b>66</b>	<b>1</b>	<b>98.5%</b>	<b>65</b>	<b>65</b>
<b>Total</b>	<b>60 605</b>	<b>-</b>	<b>(1 128)</b>	<b>59 477</b>	<b>56 914</b>	<b>2 563</b>	<b>95.7%</b>	<b>58 446</b>	<b>57 653</b>

ANNUAL FINANCIAL STATEMENTS  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

1.1 Office of the HOD									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	8 124	727	-	8 851	7 462	1 389	84.3%	10 641	10 636
Compensation of employees	5 785	(1)	-	5 784	4 581	1 203	79.2%	8 371	8 370
Goods and services	2 339	728	-	3 067	2 881	186	93.9%	2 270	2 266
<b>Transfers and subsidies</b>	-	1	-	1	1	-	100.0%	-	-
Households	-	1	-	1	1	-	100.0%	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	11	8
Machinery and equipment	-	-	-	-	-	-	-	11	8
<b>Payments for financial assets</b>	-	1	-	1	1	-	100.0%	-	-
<b>Total</b>	<b>8 124</b>	<b>729</b>	<b>-</b>	<b>8 853</b>	<b>7 464</b>	<b>1 389</b>	<b>84.3%</b>	<b>10 652</b>	<b>10 644</b>



ANNUAL FINANCIAL STATEMENTS  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

1.2 Financial Management									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>33 274</b>	<b>(2 315)</b>	<b>(334)</b>	<b>30 625</b>	<b>29 632</b>	<b>993</b>	<b>96.8%</b>	<b>31 032</b>	<b>30 683</b>
Compensation of employees	25 050	(2 127)	-	22 923	22 569	354	98.5%	23 389	23 040
Goods and services	8 224	(188)	(334)	7 702	7 063	639	91.7%	7 643	7 643
<b>Transfers and subsidies</b>	<b>43</b>	<b>1 016</b>	<b>-</b>	<b>1 059</b>	<b>1 055</b>	<b>4</b>	<b>99.6%</b>	<b>6</b>	<b>4</b>
Departmental agencies and accounts	5	-	-	5	4	1	80.0%	5	4
Households	38	1 016	-	1 054	1 051	3	99.7%	1	-
<b>Payments for capital assets</b>	<b>3 940</b>	<b>147</b>	<b>-</b>	<b>4 087</b>	<b>4 081</b>	<b>6</b>	<b>99.9%</b>	<b>3 962</b>	<b>3 961</b>
Machinery and equipment	3 940	147	-	4 087	4 081	6	99.9%	3 962	3 961
<b>Payments for financial assets</b>	<b>57</b>	<b>4</b>	<b>-</b>	<b>61</b>	<b>61</b>	<b>-</b>	<b>100.0%</b>	<b>65</b>	<b>65</b>
<b>Total</b>	<b>37 314</b>	<b>(1 148)</b>	<b>(334)</b>	<b>35 832</b>	<b>34 829</b>	<b>1 003</b>	<b>97.2%</b>	<b>35 065</b>	<b>34 713</b>

ANNUAL FINANCIAL STATEMENTS  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

1.3 Corporate Services									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	15 167	373	(794)	14 746	14 577	169	98.9%	12 469	12 037
Compensation of employees	8 837	1 107	-	9 944	9 938	6	99.9%	9 759	9 520
Goods and services	6 330	(734)	(794)	4 802	4 639	163	96.6%	2 710	2 517
<b>Transfers and subsidies</b>	-	4	-	4	3	1	75.0%	39	39
Households	-	4	-	4	3	1	75.0%	39	39
<b>Payments for capital assets</b>	-	37	-	37	37	-	100.0%	221	220
Machinery and equipment	-	37	-	37	37	-	100.0%	221	220
<b>Payments for financial assets</b>	-	5	-	5	4	1	80.0%	-	-
<b>Total</b>	15 167	419	(794)	14 792	14 621	171	98.8%	12 729	12 296

ANNUAL FINANCIAL STATEMENTS  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Programme 2: Integrated Economic Development Services										
	2019/20						2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Sub programme</b>										
1. Enterprise Development	46 571	(399)	(1 000)	45 172	44 995	177	99.6%	28 784	28 735	
2. Regional and Local Economic Development	10 093	890	-	10 983	10 979	4	100.0%	7 914	7 906	
3. Red Tape	11 776	(491)	(400)	10 885	10 297	588	94.6%	9 510	9 509	
<b>Total</b>	<b>68 440</b>	<b>-</b>	<b>(1 400)</b>	<b>67 040</b>	<b>66 271</b>	<b>769</b>	<b>98.9%</b>	<b>46 208</b>	<b>46 150</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>33 512</b>	<b>(2 572)</b>	<b>(1 400)</b>	<b>29 540</b>	<b>28 771</b>	<b>769</b>	<b>97.4%</b>	<b>33 009</b>	<b>32 962</b>	
Compensation of employees	20 309	-	-	20 309	19 954	355	98.3%	18 393	18 351	
Salaries and wages	17 941	(26)	-	17 915	17 593	322	98.2%	16 220	16 216	
Social contributions	2 368	26	-	2 394	2 361	33	98.6%	2 173	2 135	
Goods and services	13 203	(2 572)	(1 400)	9 231	8 817	414	95.5%	14 616	14 611	
Administrative fees	38	(20)	-	18	17	1	94.4%	46	46	
Advertising	379	114	-	493	493	-	100.0%	435	434	
Minor assets	12	109	-	121	120	1	99.2%	-	-	
Catering: Departmental activities	272	708	-	980	980	-	100.0%	1 074	1 074	
Communication	108	5	-	113	113	-	100.0%	116	116	
Computer services	6	(1)	-	5	5	-	100.0%	394	394	
Consultants: Business and advisory services	7 154	(2 153)	(1 200)	3 801	3 458	343	91.0%	8 900	8 899	
Contractors	293	96	-	389	377	12	96.9%	255	255	
Entertainment	21	(7)	-	14	13	1	92.9%	11	11	
Consumable supplies	149	(92)	-	57	51	6	89.5%	30	28	
Consumable: Stationery, printing and office supplies	143	14	-	157	155	2	98.7%	195	196	
Operating leases	51	(2)	-	49	45	4	91.8%	24	24	
Travel and subsistence	404	11	-	415	403	12	97.1%	614	613	
Training and development	2 644	(795)	(200)	1 649	1 621	28	98.3%	1 396	1 396	
Operating payments	33	54	-	87	86	1	98.9%	125	125	

ANNUAL FINANCIAL STATEMENTS  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Programme 2: Integrated Economic Development Services										
	2019/20						2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Venues and facilities	1 346	(628)	-	718	715	3	99.6%	615	614	
Rental and hiring	150	15	-	165	165	-	100.0%	386	386	
<b>Transfers and subsidies</b>	<b>34 928</b>	<b>2 302</b>	-	<b>37 230</b>	<b>37 230</b>	-	<b>100.0%</b>	<b>13 126</b>	<b>13 122</b>	
Provinces and municipalities	6 100	(150)	-	5 950	5 950	-	100.0%	-	-	
Municipalities	6 100	(150)	-	5 950	5 950	-	100.0%	-	-	
Municipal bank accounts	6 100	(150)	-	5 950	5 950	-	100.0%	-	-	
Departmental agencies and accounts	-	1 639	-	1 639	1 639	-	100.0%	-	-	
Departmental agencies	-	1 639	-	1 639	1 639	-	100.0%	-	-	
Public corporations and private enterprises	11 952	(2 520)	-	9 432	9 432	-	100.0%	7 881	7 877	
Private enterprises	11 952	(2 520)	-	9 432	9 432	-	100.0%	7 881	7 877	
Other transfers to private enterprises	11 952	(2 520)	-	9 432	9 432	-	100.0%	7 881	7 877	
Non-profit institutions	16 530	3 333	-	19 863	19 863	-	100.0%	5 000	5 000	
Households	346	-	-	346	346	-	100.0%	245	245	
Social benefits	6	-	-	6	6	-	100.0%	26	26	
Other transfers to households	340	-	-	340	340	-	100.0%	219	219	
<b>Payments for capital assets</b>	<b>-</b>	<b>261</b>	-	<b>261</b>	<b>261</b>	-	<b>100.0%</b>	<b>73</b>	<b>66</b>	
Machinery and equipment	-	261	-	261	261	-	100.0%	73	66	
Other machinery and equipment	-	261	-	261	261	-	100.0%	73	66	
<b>Payments for financial assets</b>	<b>-</b>	<b>9</b>	-	<b>9</b>	<b>9</b>	-	<b>100.0%</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>68 440</b>	<b>-</b>	<b>(1 400)</b>	<b>67 040</b>	<b>66 271</b>	<b>769</b>	<b>98.9%</b>	<b>46 208</b>	<b>46 150</b>	

ANNUAL FINANCIAL STATEMENTS  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

2.1 Enterprise Development									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>14 484</b>	<b>(2 169)</b>	<b>(1 000)</b>	<b>11 315</b>	<b>11 138</b>	<b>177</b>	<b>98.4%</b>	<b>15 680</b>	<b>15 636</b>
Compensation of employees	7 294	-	-	7 294	7 125	169	97.7%	7 271	7 230
Goods and services	7 190	(2 169)	(1 000)	4 021	4 013	8	99.8%	8 409	8 406
<b>Transfers and subsidies</b>	<b>32 087</b>	<b>1 502</b>	<b>-</b>	<b>33 589</b>	<b>33 589</b>	<b>-</b>	<b>100.0%</b>	<b>13 102</b>	<b>13 098</b>
Provinces and municipalities	4 663	(150)	-	4 513	4 513	-	100.0%	-	-
Departmental agencies and accounts	-	1 639	-	1 639	1 639	-	100.0%	-	-
Public corporations and private enterprises	11 952	(2 520)	-	9 432	9 432	-	100.0%	7 881	7 877
Non-profit institutions	15 130	2 533	-	17 663	17 663	-	100.0%	5 000	5 000
Households	342	-	-	342	342	-	100.0%	221	221
<b>Payments for capital assets</b>	<b>-</b>	<b>261</b>	<b>-</b>	<b>261</b>	<b>261</b>	<b>-</b>	<b>100.0%</b>	<b>2</b>	<b>1</b>
Machinery and equipment	-	261	-	261	261	-	100.0%	2	1
<b>Payments for financial assets</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>7</b>	<b>7</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>46 571</b>	<b>(399)</b>	<b>(1 000)</b>	<b>45 172</b>	<b>44 995</b>	<b>177</b>	<b>99.6%</b>	<b>28 784</b>	<b>28 735</b>

ANNUAL FINANCIAL STATEMENTS  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

2.2 Regional and Local Economic Development									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>7 256</b>	<b>90</b>	<b>-</b>	<b>7 346</b>	<b>7 342</b>	<b>4</b>	<b>99.9%</b>	<b>7 908</b>	<b>7 906</b>
Compensation of employees	4 706	88	-	4 794	4 794	-	100.0%	4 166	4 166
Goods and services	2 550	2	-	2 552	2 548	4	99.8%	3 742	3 740
<b>Transfers and subsidies</b>	<b>2 837</b>	<b>800</b>	<b>-</b>	<b>3 637</b>	<b>3 637</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	1 437	-	-	1 437	1 437	-	100.0%	-	-
Non-profit institutions	1 400	800	-	2 200	2 200	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>
Machinery and equipment	-	-	-	-	-	-	-	6	-
<b>Total</b>	<b>10 093</b>	<b>890</b>	<b>-</b>	<b>10 983</b>	<b>10 979</b>	<b>4</b>	<b>100.0%</b>	<b>7 914</b>	<b>7 906</b>

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**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

2.3 Red Tape									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	11 772	(493)	(400)	10 879	10 291	588	94.6%	9 421	9 420
Compensation of employees	8 309	(88)	-	8 221	8 035	186	97.7%	6 956	6 955
Goods and services	3 463	(405)	(400)	2 658	2 256	402	84.9%	2 465	2 465
<b>Transfers and subsidies</b>	4	-	-	4	4	-	100.0%	24	24
Households	4	-	-	4	4	-	100.0%	24	24
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	65	65
Machinery and equipment	-	-	-	-	-	-	-	65	65
<b>Payments for financial assets</b>	-	2	-	2	2	-	100.0%	-	-
<b>Total</b>	11 776	(491)	(400)	10 885	10 297	588	94.6%	9 510	9 509



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for the year ended 31 March 2020

Programme 3: Trade and Sector Development									
	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Trade and Investment Promotion	47 500	1 039	-	48 539	48 539	-	100.0%	36 200	36 200
2. Sector Development	16 183	(1 039)	35	15 179	12 991	2 188	85.6%	11 459	11 004
<b>Total</b>	<b>63 683</b>	<b>-</b>	<b>35</b>	<b>63 718</b>	<b>61 530</b>	<b>2 188</b>	<b>96.6%</b>	<b>47 659</b>	<b>47 204</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>15 125</b>	<b>(1 042)</b>	<b>33</b>	<b>14 116</b>	<b>12 829</b>	<b>1 287</b>	<b>90.9%</b>	<b>9 945</b>	<b>9 491</b>
Compensation of employees	12 096	-	-	12 096	10 835	1 261	89.6%	8 729	8 321
Salaries and wages	10 263	-	-	10 263	9 559	704	93.1%	7 712	7 312
Social contributions	1 833	-	-	1 833	1 276	557	69.6%	1 017	1 009
Goods and services	3 029	(1 042)	33	2 020	1 994	26	98.7%	1 216	1 170
Administrative fees	13	6	-	19	18	1	94.7%	25	21
Advertising	59	(59)	-	-	-	-	-	71	71
Minor assets	9	134	-	143	143	-	100.0%	2	1
Catering: Departmental activities	113	14	-	127	127	-	100.0%	28	26
Communication	86	(3)	-	83	83	-	100.0%	70	65
Consultants: Business and advisory services	1 642	(838)	-	804	804	-	100.0%	371	361
Contractors	-	36	-	36	36	-	100.0%	86	85
Entertainment	14	(8)	-	6	6	-	100.0%	6	6
Consumable supplies	34	20	-	54	53	1	98.1%	39	33
Consumable: Stationery, printing and office supplies	77	(14)	-	63	51	12	81.0%	107	105
Travel and subsistence	636	(139)	-	497	486	11	97.8%	341	335
Training and development	53	14	33	100	100	-	100.0%	13	9
Operating payments	80	(73)	-	7	6	1	85.7%	32	30
Venues and facilities	213	(132)	-	81	81	-	100.0%	25	22
<b>Transfers and subsidies</b>	<b>48 258</b>	<b>1 039</b>	<b>-</b>	<b>49 297</b>	<b>48 547</b>	<b>750</b>	<b>98.5%</b>	<b>37 700</b>	<b>37 700</b>
Departmental agencies and accounts	47 500	1 039	-	48 539	48 539	-	100.0%	37 700	37 700

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Programme 3: Trade and Sector Development									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental agencies	47 500	1 039	-	48 539	48 539	-	100.0%	37 700	37 700
Public corporations and private enterprises	750	-	-	750	-	750	-	-	-
Private enterprises	750	-	-	750	-	750	-	-	-
Other transfers to private enterprises	750	-	-	750	-	750	-	-	-
Households	8	-	-	8	8	-	100.0%	-	-
Social benefits	6	-	-	6	6	-	100.0%	-	-
Other transfers to households	2	-	-	2	2	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>149</b>	<b>151</b>	<b>49.7%</b>	<b>14</b>	<b>13</b>
Machinery and equipment	300	-	-	300	149	151	49.7%	7	7
Other machinery and equipment	300	-	-	300	149	151	49.7%	7	7
Intangible assets	-	-	-	-	-	-	-	7	6
<b>Payments for financial assets</b>	<b>-</b>	<b>3</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>63 683</b>	<b>-</b>	<b>35</b>	<b>63 718</b>	<b>61 530</b>	<b>2 188</b>	<b>96.6%</b>	<b>47 659</b>	<b>47 204</b>

3.1 Trade and Investment Promotion									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>47 500</b>	<b>1 039</b>	<b>-</b>	<b>48 539</b>	<b>48 539</b>	<b>-</b>	<b>100.0%</b>	<b>36 200</b>	<b>36 200</b>
<b>Transfers and subsidies</b>	<b>47 500</b>	<b>1 039</b>	<b>-</b>	<b>48 539</b>	<b>48 539</b>	<b>-</b>	<b>100.0%</b>	<b>36 200</b>	<b>36 200</b>
Departmental agencies and accounts	47 500	1 039	-	48 539	48 539	-	100.0%	36 200	36 200
<b>Total</b>	<b>47 500</b>	<b>1 039</b>	<b>-</b>	<b>48 539</b>	<b>48 539</b>	<b>-</b>	<b>100.0%</b>	<b>36 200</b>	<b>36 200</b>

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3.2 Sector Development									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	15 125	(1 042)	33	14 116	12 829	1 287	90.9%	9 945	9 491
Compensation of employees	12 096	-	-	12 096	10 835	1 261	89.6%	8 729	8 321
Goods and services	3 029	(1 042)	33	2 020	1 994	26	98.7%	1 216	1 170
<b>Transfers and subsidies</b>	758	-	-	758	8	750	1.1%	1 500	1 500
Departmental agencies and accounts	-	-	-	-	-	-	-	1 500	1 500
Public corporations and private enterprises	750	-	-	750	-	750	-	-	-
Households	8	-	-	8	8	-	100.0%	-	-
<b>Payments for capital assets</b>	300	-	-	300	149	151	49.7%	14	13
Machinery and equipment	300	-	-	300	149	151	49.7%	7	7
Intangible assets	-	-	-	-	-	-	-	7	6
<b>Payments for financial assets</b>	-	3	2	5	5	-	100.0%	-	-
<b>Total</b>	16 183	(1 039)	35	15 179	12 991	2 188	85.6%	11 459	11 004

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Programme 4: Business Regulation and Governance										
	2019/20						2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Sub programme</b>										
1. Consumer Protection	9 150	-	73	9 223	9 058	165	98.2%	9 731		9 684
<b>Total</b>	<b>9 150</b>	<b>-</b>	<b>73</b>	<b>9 223</b>	<b>9 058</b>	<b>165</b>	<b>98.2%</b>	<b>9 731</b>		<b>9 684</b>
<b>Economic classification</b>										
<b>Current payments</b>	<b>9 150</b>	<b>-</b>	<b>73</b>	<b>9 223</b>	<b>9 058</b>	<b>165</b>	<b>98.2%</b>	<b>9 065</b>		<b>9 024</b>
Compensation of employees	6 950	-	-	6 950	6 791	159	97.7%	7 459		7 419
Salaries and wages	5 977	-	-	5 977	5 899	78	98.7%	6 522		6 482
Social contributions	973	-	-	973	892	81	91.7%	937		937
Goods and services	2 200	-	73	2 273	2 267	6	99.7%	1 606		1 605
Administrative fees	11	2	-	13	12	1	92.3%	35		35
Advertising	1 201	243	73	1 517	1 516	1	99.9%	652		652
Minor assets	46	(33)	-	13	13	-	100.0%	1		1
Catering: Departmental activities	20	-	-	20	20	-	100.0%	4		4
Communication	66	2	-	68	68	-	100.0%	73		72
Consultants: Business and advisory services	557	(190)	-	367	367	-	100.0%	-		-
Contractors	-	-	-	-	-	-	-	291		291
Entertainment	2	(1)	-	1	1	-	100.0%	-		-
Consumable supplies	3	3	-	6	6	-	100.0%	4		4
Consumable: Stationery, printing and office supplies	1	-	-	1	1	-	100.0%	15		15
Operating leases	-	-	-	-	-	-	-	34		34
Property payments	3	-	-	3	3	-	100.0%	1		1
Travel and subsistence	160	8	-	168	164	4	97.6%	435		435
Training and development	50	(48)	-	2	2	-	100.0%	4		4
Operating payments	53	-	-	53	53	-	100.0%	21		21
Venues and facilities	27	(1)	-	26	26	-	100.0%	31		31
Rental and hiring	-	15	-	15	15	-	100.0%	5		5

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Programme 4: Business Regulation and Governance									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	1	-
Households	-	-	-	-	-	-	-	1	-
Social benefits	-	-	-	-	-	-	-	1	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	665	660
Machinery and equipment	-	-	-	-	-	-	-	665	660
Transport equipment	-	-	-	-	-	-	-	650	650
Other machinery and equipment	-	-	-	-	-	-	-	15	10
<b>Total</b>	<b>9 150</b>	<b>-</b>	<b>73</b>	<b>9 223</b>	<b>9 058</b>	<b>165</b>	<b>98.2%</b>	<b>9 731</b>	<b>9 684</b>

4.1 Consumer Protection									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>9 150</b>	<b>-</b>	<b>73</b>	<b>9 223</b>	<b>9 058</b>	<b>165</b>	<b>98.2%</b>	<b>9 065</b>	<b>9 024</b>
<b>Current payments</b>	<b>6 950</b>	<b>-</b>	<b>-</b>	<b>6 950</b>	<b>6 791</b>	<b>159</b>	<b>97.7%</b>	<b>7 459</b>	<b>7 419</b>
Compensation of employees	2 200	-	73	2 273	2 267	6	99.7%	1 606	1 605
Goods and services	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>
Households	-	-	-	-	-	-	-	1	-
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>665</b>	<b>660</b>
Machinery and equipment	-	-	-	-	-	-	-	665	660
<b>Total</b>	<b>9 150</b>	<b>-</b>	<b>73</b>	<b>9 223</b>	<b>9 058</b>	<b>165</b>	<b>98.2%</b>	<b>9 731</b>	<b>9 684</b>

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Programme 5: Economic Planning										
	2019/20						2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Sub programme</b>										
1. Economic Policy and Planning	6 476	(119)	-	6 357	5 676	681	89.3%	1 824	1 327	
2. Research and Development	8 842	240	571	9 653	9 630	23	99.8%	6 552	6 465	
3. Knowledge Management	11 326	-	-	11 326	11 325	1	100.0%	10 925	10 924	
4. Enabling Growth Infrastructure and Initiative	119 037	-	-	119 037	118 508	529	99.6%	63 913	63 660	
5. Broadband for the Economy	19 175	422	-	19 597	18 836	761	96.1%	16 091	15 575	
6. Green Economy	20 069	(543)	-	19 526	17 832	1 694	91.3%	36 879	36 293	
<b>Total</b>	<b>184 925</b>	<b>-</b>	<b>571</b>	<b>185 496</b>	<b>181 807</b>	<b>3 689</b>	<b>98.0%</b>	<b>136 184</b>	<b>134 244</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>61 432</b>	<b>(334)</b>	<b>571</b>	<b>61 669</b>	<b>57 999</b>	<b>3 670</b>	<b>94.0%</b>	<b>59 803</b>	<b>57 882</b>	
Compensation of employees	36 305	-	-	36 305	33 752	2 553	93.0%	28 430	27 019	
Salaries and wages	32 929	(266)	-	32 663	30 153	2 510	92.3%	25 245	24 105	
Social contributions	3 376	266	-	3 642	3 599	43	98.8%	3 185	2 914	
Goods and services	25 127	(334)	571	25 364	24 247	1 117	95.6%	31 373	30 863	
Administrative fees	82	15	-	97	79	18	81.4%	91	57	
Advertising	604	142	-	746	655	91	87.8%	4 500	4 484	
Minor assets	34	(18)	-	16	15	1	93.8%	61	8	
Catering: Departmental activities	339	(29)	-	310	297	13	95.8%	96	85	
Communication	202	26	-	228	217	11	95.2%	206	174	
Computer services	5 700	243	571	6 514	6 499	15	99.8%	1 396	1 394	
Consultants: Business and advisory services	16 390	(349)	-	16 041	15 148	893	94.4%	22 924	22 922	
Contractors	14	20	-	34	34	-	100.0%	3	2	
Entertainment	36	(21)	-	15	13	2	86.7%	24	18	
Consumable supplies	148	(98)	-	50	43	7	86.0%	94	28	
Consumable: Stationery, printing and office supplies	208	36	-	244	230	14	94.3%	188	132	
Operating leases	-	-	-	-	-	-	-	59	49	

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Programme 5: Economic Planning										
	2019/20						2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Travel and subsistence	616	(52)	-	564	528	36	93.6%	698	561	
Training and development	557	(410)	-	147	135	12	91.8%	575	514	
Operating payments	71	30	-	101	100	1	99.0%	84	73	
Venues and facilities	106	126	-	232	231	1	99.6%	363	352	
Rental and hiring	20	5	-	25	23	2	92.0%	11	10	
<b>Transfers and subsidies</b>	<b>123 354</b>	<b>344</b>	<b>-</b>	<b>123 698</b>	<b>123 697</b>	<b>1</b>	<b>100.0%</b>	<b>76 339</b>	<b>76 339</b>	
Departmental agencies and accounts	110 974	-	-	110 974	110 974	-	100.0%	63 955	63 955	
Departmental agencies	110 974	-	-	110 974	110 974	-	100.0%	63 955	63 955	
Non-profit institutions	12 375	300	-	12 675	12 675	-	100.0%	12 374	12 374	
Households	5	44	-	49	48	1	98.0%	10	10	
Social benefits	5	44	-	49	48	1	98.0%	10	10	
<b>Payments for capital assets</b>	<b>139</b>	<b>(30)</b>	<b>-</b>	<b>109</b>	<b>91</b>	<b>18</b>	<b>83.5%</b>	<b>40</b>	<b>22</b>	
Machinery and equipment	77	(30)	-	47	32	15	68.1%	39	22	
Other machinery and equipment	77	(30)	-	47	32	15	68.1%	39	22	
Intangible assets	62	-	-	62	59	3	95.2%	1	-	
<b>Payments for financial assets</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>20</b>	<b>20</b>	<b>-</b>	<b>100.0%</b>	<b>2</b>	<b>1</b>	
<b>Total</b>	<b>184 925</b>	<b>-</b>	<b>571</b>	<b>185 496</b>	<b>181 807</b>	<b>3 689</b>	<b>98.0%</b>	<b>136 184</b>	<b>134 244</b>	



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5.1 Economic Policy and Planning									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>6 405</b>	<b>(121)</b>	<b>-</b>	<b>6 284</b>	<b>5 604</b>	<b>680</b>	<b>89.2%</b>	<b>1 824</b>	<b>1 327</b>
Compensation of employees	4 726	169	-	4 895	4 886	9	99.8%	1 682	1 192
Goods and services	1 679	(290)	-	1 389	718	671	51.7%	142	135
<b>Transfers and subsidies</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Households	-	2	-	2	2	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>71</b>	<b>-</b>	<b>-</b>	<b>71</b>	<b>70</b>	<b>1</b>	<b>98.6%</b>	<b>-</b>	<b>-</b>
Machinery and equipment	11	-	-	11	11	-	100.0%	-	-
Intangible assets	60	-	-	60	59	1	98.3%	-	-
<b>Total</b>	<b>6 476</b>	<b>(119)</b>	<b>-</b>	<b>6 357</b>	<b>5 676</b>	<b>681</b>	<b>89.3%</b>	<b>1 824</b>	<b>1 327</b>

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5.2 Research and Development									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>8 840</b>	<b>231</b>	<b>571</b>	<b>9 642</b>	<b>9 621</b>	<b>21</b>	<b>99.8%</b>	<b>6 540</b>	<b>6 455</b>
Compensation of employees	5 072	3	-	5 075	5 069	6	99.9%	5 204	5 202
Goods and services	3 768	228	571	4 567	4 552	15	99.7%	1 336	1 253
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>10</b>
Households	-	-	-	-	-	-	-	10	10
<b>Payments for capital assets</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>-</b>
Machinery and equipment	2	-	-	2	-	2	-	1	-
Intangible assets	-	-	-	-	-	-	-	1	-
<b>Payments for financial assets</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>9</b>	<b>9</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>8 842</b>	<b>240</b>	<b>571</b>	<b>9 653</b>	<b>9 630</b>	<b>23</b>	<b>99.8%</b>	<b>6 552</b>	<b>6 465</b>

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5.3 Knowledge Management									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	1	-	-	1	-	1	-	1	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	1	-	-	1	-	1	-	1	-
<b>Transfers and subsidies</b>	11 325	-	-	11 325	11 325	-	100.0%	10 924	10 924
Non-profit institutions	11 325	-	-	11 325	11 325	-	100.0%	10 924	10 924
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-				-			-	-
<b>Total</b>	11 326	-	-	11 326	11 325	1	100.0%	10 925	10 924

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5.4 Enabling Growth Infrastructure and Initiatives									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	8 552	(10)	-	8 542	8 013	529	93.8%	8 280	8 028
Compensation of employees	5 673	-	-	5 673	5 250	423	92.5%	4 661	4 533
Goods and services	2 879	(10)	-	2 869	2 763	106	96.3%	3 619	3 495
<b>Transfers and subsidies</b>	110 474	-	-	110 474	110 474	-	100.0%	55 632	55 632
Departmental agencies and accounts	110 474	-	-	110 474	110 474	-	100.0%	55 632	55 632
<b>Payments for capital assets</b>	11	10	-	21	21	-	100.0%	1	-
Machinery and equipment	11	10	-	21	21	-	100.0%	1	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>119 037</b>	<b>-</b>	<b>-</b>	<b>119 037</b>	<b>118 508</b>	<b>529</b>	<b>99.6%</b>	<b>63 913</b>	<b>63 660</b>

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5.5 Broadband for the Economy									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	17 572	118	-	17 690	16 942	748	95.8%	14 625	14 123
Compensation of employees	9 121	(172)	-	8 949	8 247	702	92.2%	6 567	6 122
Goods and services	8 451	290	-	8 741	8 695	46	99.5%	8 058	8 001
<b>Transfers and subsidies</b>	1 550	342	-	1 892	1 892	-	100.0%	1 450	1 450
Departmental agencies and accounts	500	-	-	500	500	-	100.0%	-	-
Non-profit institutions	1 050	300	-	1 350	1 350	-	100.0%	1 450	1 450
Households	-	42	-	42	42	-	100.0%	-	-
<b>Payments for capital assets</b>	53	(40)	-	13	-	13	-	14	1
Machinery and equipment	51	(40)	-	11	-	11	-	14	1
Intangible assets	2	-	-	2	-	2	-	-	-
<b>Payments for financial assets</b>	-	2	-	2	2	-	100.0%	2	1
<b>Total</b>	19 175	422	-	19 597	18 836	761	96.1%	16 091	15 575

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5.6 Green Economy									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	20 062	(552)	-	19 510	17 819	1 691	91.3%	28 533	27 949
Compensation of employees	11 713	-	-	11 713	10 300	1 413	87.9%	10 316	9 970
Goods and services	8 349	(552)	-	7 797	7 519	278	96.4%	18 217	17 979
<b>Transfers and subsidies</b>	5	-	-	5	4	1	80.0%	8 323	8 323
Departmental agencies and accounts	-	-	-	-	-	-	-	8 323	8 323
Households	5	-	-	5	4	1	80.0%	-	-
<b>Payments for capital assets</b>	2	-	-	2	-	2	-	23	21
Machinery and equipment	2	-	-	2	-	2	-	23	21
Intangible assets									
<b>Payments for financial assets</b>	-	9	-	9	9	-	100.0%	-	-
<b>Total</b>	20 069	(543)	-	19 526	17 832	1 694	91.3%	36 879	36 293

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Programme 6: Tourism, Arts and Entertainment										
	2019/20						2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Sub programme</b>										
1. Economic Policy and Planning	15 214	-	(107)	15 107	13 222	1 885	87.5%	13 292		12 963
2. Research and Development	2	-	-	2	-	2	-	2		-
3. Knowledge Management	44 926	-	-	44 926	44 926	-	100.0%	46 376		46 376
<b>Total</b>	<b>60 142</b>	<b>-</b>	<b>(107)</b>	<b>60 035</b>	<b>58 148</b>	<b>1 887</b>	<b>96.9%</b>	<b>59 670</b>		<b>59 339</b>
<b>Economic classification</b>										
<b>Current payments</b>	<b>14 847</b>	<b>(178)</b>	<b>(107)</b>	<b>14 562</b>	<b>12 902</b>	<b>1 660</b>	<b>88.6%</b>	<b>13 231</b>		<b>12 902</b>
Compensation of employees	9 014	-	-	9 014	8 554	460	94.9%	9 064		8 774
Salaries and wages	7 992	(18)	-	7 974	7 594	380	95.2%	7 986		7 786
Social contributions	1 022	18	-	1 040	960	80	92.3%	1 078		988
Goods and services	5 833	(178)	(107)	5 548	4 348	1 200	78.4%	4 167		4 128
Administrative fees	12	1	-	13	11	2	84.6%	15		15
Advertising	440	-	-	440	436	4	99.1%	1 291		1 284
Minor assets	-	1	-	1	1	-	100.0%	-		-
Catering: Departmental activities	258	(72)	-	186	162	24	87.1%	47		46
Communication	75	2	-	77	76	1	98.7%	97		97
Computer services	31	(13)	-	18	-	18	-	90		89
Consultants: Business and advisory services	2 645	308	(107)	2 846	2 293	553	80.6%	1 077		1 066
Contractors	47	11	-	58	57	1	98.3%	217		217
Entertainment	2	(2)	-	-	-	-	-	2		1
Consumable supplies	87	(39)	-	48	28	20	58.3%	44		44
Consumable: Stationery, printing and office supplies	143	8	-	151	96	55	63.6%	123		115
Operating leases	2	(2)	-	-	-	-	-	31		31
Travel and subsistence	147	86	-	233	216	17	92.7%	315		311
Training and development	1 045	(188)	-	857	722	135	84.2%	587		584
Operating payments	495	(169)	-	326	80	246	24.5%	73		72
Venues and facilities	394	(122)	-	272	148	124	54.4%	142		140



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Programme 6: Tourism, Arts and Entertainment									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Rental and hiring	10	12	-	22	22	-	100.0%	16	16
<b>Transfers and subsidies</b>	<b>45 293</b>	<b>169</b>	-	<b>45 462</b>	<b>45 237</b>	<b>225</b>	<b>99.5%</b>	<b>46 418</b>	<b>46 417</b>
Provinces and municipalities	325	-	-	325	100	225	30.8%	-	-
Municipalities	325	-	-	325	100	225	30.8%	-	-
Municipal bank accounts	325	-	-	325	100	225	30.8%	-	-
Departmental agencies and accounts	44 926	-	-	44 926	44 926	-	100.0%	46 376	46 376
Departmental agencies	44 926	-	-	44 926	44 926	-	100.0%	46 376	46 376
Households	42	169	-	211	211	-	100.0%	42	41
Social benefits	7	129	-	136	136	-	100.0%	42	41
Other transfers to households	35	40	-	75	75	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>14</b>	<b>13</b>
Machinery and equipment	2	-	-	2	-	2	-	14	13
Other machinery and equipment	2	-	-	2	-	2	-	14	13
<b>Payments for financial assets</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>9</b>	<b>9</b>	<b>-</b>	<b>100.0%</b>	<b>7</b>	<b>7</b>
<b>Total</b>	<b>60 142</b>	<b>-</b>	<b>(107)</b>	<b>60 035</b>	<b>58 148</b>	<b>1 887</b>	<b>96.9%</b>	<b>59 670</b>	<b>59 339</b>

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6.1 Tourism Growth and Development									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	14 845	(178)	(107)	14 560	12 902	1 658	88.6%	13 229	12 902
Compensation of employees	9 014	-	-	9 014	8 554	460	94.9%	9 064	8 774
Goods and services	5 831	(178)	(107)	5 546	4 348	1 198	78.4%	4 165	4 128
<b>Transfers and subsidies</b>	367	169	-	536	311	225	58.0%	42	41
Provinces and municipalities	325	-	-	325	100	225	30.8%	-	-
Households	42	169	-	211	211	-	100.0%	42	41
<b>Payments for capital assets</b>	2	-	-	2	-	2	-	14	13
Machinery and equipment	2	-	-	2	-	2	-	14	13
<b>Payments for financial assets</b>	-	9	-	9	9	-	100.0%	7	7
<b>Total</b>	15 214	-	(107)	15 107	13 222	1 885	87.5%	13 292	12 963

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6.2 Tourism Sector Transformation									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	2	-	-	2	-	2	-	2	-
Goods and services	2	-	-	2	-	2	-	2	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>					-			-	-
<b>Total</b>	2	-	-	2	-	2	-	2	-

6.3 Tourism Destination Marketing									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	44 926	-	-	44 926	44 926	-	100.0%	46 376	46 376
Departmental agencies and accounts	44 926	-	-	44 926	44 926	-	100.0%	46 376	46 376
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-				-				-
<b>Total</b>	44 926	-	-	44 926	44 926	-	100.0%	46 376	46 376

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Programme 7: Skills Development and Innovation										
	2019/20						2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Sub programme</b>										
1. Provincial Skills and Partnership	15 327	378	112	15 817	14 918	899	94.3%	33 879	33 258	
2. Skills Programme and Projects	46 040	(115)	1 953	47 878	47 875	3	100.0%	35 202	35 124	
3. Skills Incentives	2 951	(263)	(109)	2 579	2 262	317	87.7%	1 963	1 740	
<b>Total</b>	<b>64 318</b>	<b>-</b>	<b>1 956</b>	<b>66 274</b>	<b>65 055</b>	<b>1 219</b>	<b>98.2%</b>	<b>71 044</b>	<b>70 122</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>41 458</b>	<b>(75)</b>	<b>1 956</b>	<b>43 339</b>	<b>42 123</b>	<b>1 216</b>	<b>97.2%</b>	<b>57 603</b>	<b>56 746</b>	
Compensation of employees	16 183	-	-	16 183	14 969	1 214	92.5%	15 851	15 113	
Salaries and wages	15 049	(52)	-	14 997	13 872	1 125	92.5%	14 792	14 060	
Social contributions	1 134	52	-	1 186	1 097	89	92.5%	1 059	1 053	
Goods and services	25 275	(75)	1 956	27 156	27 154	2	100.0%	41 752	41 633	
Administrative fees	19	3	(9)	13	13	-	100.0%	28	23	
Advertising	300	-	-	300	300	-	100.0%	5 502	5 500	
Minor assets	10	-	(10)	-	-	-	-	-	-	
Catering: Departmental activities	502	(291)	(93)	118	118	-	100.0%	271	271	
Communication	133	(29)	-	104	104	-	100.0%	97	91	
Consultants: Business and advisory services	2 557	(558)	-	1 999	1 998	1	99.9%	1 461	1 460	
Contractors	80	(80)	-	-	-	-	-	154	153	
Entertainment	10	(4)	(2)	4	4	-	100.0%	3	3	
Consumable supplies	32	127	(14)	145	145	-	100.0%	14	12	
Consumable: Stationery, printing and office supplies	146	(21)	(98)	27	27	-	100.0%	138	122	
Operating leases	66	2	(19)	49	49	-	100.0%	54	54	
Transport provided: Departmental activity	-	-	-	-	-	-	-	115	115	
Travel and subsistence	369	(87)	(65)	217	216	1	99.5%	321	280	
Training and development	20 890	902	2 277	24 069	24 069	-	100.0%	32 917	32 897	
Operating payments	85	(1)	(9)	75	75	-	100.0%	314	299	

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Programme 7: Skills Development and Innovation									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities	76	(38)	(2)	36	36	-	100.0%	349	339
Rental and hiring	-	-	-	-	-	-	-	14	14
<b>Transfers and subsidies</b>	<b>22 801</b>	<b>75</b>	<b>-</b>	<b>22 876</b>	<b>22 873</b>	<b>3</b>	<b>100.0%</b>	<b>13 014</b>	<b>12 952</b>
Provinces and municipalities	164	-	-	164	164	-	100.0%	-	-
Municipalities	164	-	-	164	164	-	100.0%	-	-
Municipal bank accounts	164	-	-	164	164	-	100.0%	-	-
Higher education institutions	-	-	-	-	-	-	-	2 000	2 000
Households	22 637	75	-	22 712	22 709	3	100.0%	11 014	10 952
Social benefits	39	17	-	56	55	1	98.2%	8	8
Other transfers to households	22 598	58	-	22 656	22 654	2	100.0%	11 006	10 944
<b>Payments for capital assets</b>	<b>59</b>	<b>-</b>	<b>-</b>	<b>59</b>	<b>59</b>	<b>-</b>	<b>100.0%</b>	<b>427</b>	<b>424</b>
Machinery and equipment	-	-	-	-	-	-	-	17	15
Other machinery and equipment	-	-	-	-	-	-	-	17	15
Intangible assets	59	-	-	59	59	-	100.0%	410	409
<b>Total</b>	<b>64 318</b>	<b>-</b>	<b>1 956</b>	<b>66 274</b>	<b>65 055</b>	<b>1 219</b>	<b>98.2%</b>	<b>71 044</b>	<b>70 122</b>

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7.1 Provincial Skills and Partnership									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>15 063</b>	<b>355</b>	<b>112</b>	<b>15 530</b>	<b>14 633</b>	<b>897</b>	<b>94.2%</b>	<b>28 703</b>	<b>28 085</b>
Compensation of employees	11 266	(98)	-	11 168	10 272	896	92.0%	11 394	10 805
Goods and services	3 797	453	112	4 362	4 361	1	100.0%	17 309	17 280
<b>Transfers and subsidies</b>	<b>205</b>	<b>23</b>	<b>-</b>	<b>228</b>	<b>226</b>	<b>2</b>	<b>99.1%</b>	<b>5 160</b>	<b>5 158</b>
Provinces and municipalities	164	-	-	164	164	-	100.0%	-	-
Higher education institutions	-	-	-	-	-	-	-	2 000	2 000
Households	41	23	-	64	62	2	96.9%	3 160	3 158
<b>Payments for capital assets</b>	<b>59</b>	<b>-</b>	<b>-</b>	<b>59</b>	<b>59</b>	<b>-</b>	<b>100.0%</b>	<b>16</b>	<b>15</b>
Machinery and equipment	-	-	-	-	-	-	-	16	15
Intangible assets	59	-	-	59	59	-	100.0%	-	-
<b>Total</b>	<b>15 327</b>	<b>378</b>	<b>112</b>	<b>15 817</b>	<b>14 918</b>	<b>899</b>	<b>94.3%</b>	<b>33 879</b>	<b>33 258</b>

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7.2 Skills Programme and Projects									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>23 444</b>	<b>(167)</b>	<b>1 953</b>	<b>25 230</b>	<b>25 228</b>	<b>2</b>	<b>100.0%</b>	<b>26 937</b>	<b>26 921</b>
Compensation of employees	2 508	98	-	2 606	2 604	2	99.9%	2 759	2 752
Goods and services	20 936	(265)	1 953	22 624	22 624	-	100.0%	24 178	24 169
<b>Transfers and subsidies</b>	<b>22 596</b>	<b>52</b>	<b>-</b>	<b>22 648</b>	<b>22 647</b>	<b>1</b>	<b>100.0%</b>	<b>7 854</b>	<b>7 794</b>
Households	22 596	52	-	22 648	22 647	1	100.0%	7 854	7 794
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>411</b>	<b>409</b>
Machinery and equipment	-	-	-	-	-	-	-	1	-
Intangible assets	-	-	-	-	-	-	-	410	409
<b>Total</b>	<b>46 040</b>	<b>(115)</b>	<b>(1 953)</b>	<b>47 878</b>	<b>47 875</b>	<b>3</b>	<b>100.0%</b>	<b>35 202</b>	<b>35 124</b>

7.3 Skills Incentives									
Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>2 951</b>	<b>(263)</b>	<b>(109)</b>	<b>2 579</b>	<b>2 262</b>	<b>317</b>	<b>87.7%</b>	<b>1 963</b>	<b>1 740</b>
Compensation of employees	2 409	-	-	2 409	2 093	316	86.9%	1 698	1 556
Goods and services	542	(263)	(109)	170	169	1	99.4%	265	184
<b>Total</b>	<b>2 951</b>	<b>(263)</b>	<b>(109)</b>	<b>2 579</b>	<b>2 262</b>	<b>317</b>	<b>87.7%</b>	<b>1 963</b>	<b>1 740</b>



ANNUAL FINANCIAL STATEMENTS  
NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2020

**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 R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
	Administration *	59 477	56,914	2 563	4.31%
	Integrated Economic Development Services	67 040	66 271	769	1.15%
	Trade and Sector Development **	63 718	61 530	2 188	3.43%
	Business Regulation and Governance	9 223	9 058	165	1.79%
	Economic Planning ***	185 496	181 807	3 689	1.99%
	Tourism, Arts and Entertainment****	60 035	58 148	1 887	3.14%
	Skills Development and Tourism	66 274	65 055	1 219	1.84%

**\* Programme 1: Administration:** The underspending within Programme 1: Administration is a result of delays in the filling of vacancies within the Office of the HoD as well as Financial Management.

**\*\* Programme 3: Trade and Sector Development:** The underspending within Programme 3: Trade and Sector Development is a result of delays in filling of vacancies as well as the non-payment of transfers related to the Halal Cluster and Supply Chain Development Project.

**\*\*\* Programme 5: Economic Planning:** The underspending within Programme 5: Economic Planning on Compensation of Employees, is due to delays in the filling of vacancies. The under spending on Goods and Services is due increased complexity and uncertainty in delivery of three projects relating to Economic Infrastructure (Big Data), Green Economy (Waste Economy) and a Planning project within Economic Policy and Planning sub-programme.

**\*\*\*\* Programme 6: Tourism, Arts and Entertainment:** The underspending within the programme is due to delays in filling of vacancies as well as the delay in the delivery of Cycle Routes Infrastructure Project.

ANNUAL FINANCIAL STATEMENTS  
NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2020

4.2	Per programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
	<b>Current expenditure</b>				
	Compensation of employees *	139,508	131,943	7,565	5.42%
	Goods and services **	87,163	83,410	3,753	4.31%
	<b>Transfers and subsidies</b>				
	Provinces and municipalities ***	6,439	6,214	225	3.49%
	Departmental agencies and accounts	206,083	206,082	1	0.00%
	Public corporations and private enterprises ****	10,182	9,432	750	7.37%
	Non-profit institutions	32,538	32,538	-	0.00%
	Households	24,385	24,377	8	0.03%
	<b>Payments for capital assets</b>				
	Machinery and equipment *****	4,734	4,560	174	3.68%
	Software and intangible assets *****	121	118	3	2.48%
	<b>Payments for financial assets</b>	<b>110</b>	<b>109</b>	<b>1</b>	<b>0.91%</b>

\* **Compensation of employees:** The underspending within this economic classification relates primarily to delays in the filling of vacancies. It should be noted that at April 2019, the Department consisted of 222 staff members. This number rose to 231 staff member by December 2019. However, due to factors beyond the control of the Department, the number of staff members at the end of the financial year accounted for only 201 staff members.

\*\* **Goods and Services:** The primary driver for underspending for Goods and Services relates the under spending due increased complexity and uncertainty in delivery of a number of projects given the changes to the economic policy landscape

\*\*\* **Provinces and Municipalities:** The primary driver for underspending within the Provinces and Municipalities economic classification relates to delays in the delivery of cycle routes infrastructure.

\*\*\*\* **Public Corporations and Private Enterprises:** The primary driver for underspending within the Public Corporations and Private Enterprises economic classification relates to delays in the delivery of Halal Cluster and Supply Chain Development project.

\*\*\*\*\* **Payments for Capital Assets:** The primary driver for underspending for Machinery and Equipment and Intangibles relates to the implementation of the National Treasury cost containment circular which prescribes the efficient and effective management of the available budget.

ANNUAL FINANCIAL STATEMENTS  
STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>REVENUE</b>			
Annual appropriation	1	511 263	428 942
Departmental revenue	2	1 693	829
Aid assistance	3	3 848	4 571
<b>TOTAL REVENUE</b>		<b>516 804</b>	<b>434 342</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	131 943	125 926
Goods and services	5	83 410	106 436
Aid assistance	3	-	3 773
<b>Total current expenditure</b>		<b>215 353</b>	<b>236 135</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	278 643	186 573
Aid assistance	3	140	2 832
<b>Total transfers and subsidies</b>		<b>278 783</b>	<b>189 405</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	4 560	4 973
Intangible assets	8	118	415
<b>Total expenditure for capital assets</b>		<b>4 678</b>	<b>5 388</b>
Unauthorised expenditure approved without funding			
<b>Payments for financial assets</b>	6	<b>109</b>	<b>73</b>
<b>TOTAL EXPENDITURE</b>		<b>498 923</b>	<b>431 001</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>17 881</b>	<b>3 341</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		12 480	4 546
Departmental revenue and NRF Receipts	14	1 693	829
Aid assistance	3	3 708	(2 034)
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>17 881</b>	<b>3 341</b>

ANNUAL FINANCIAL STATEMENTS  
STATEMENT OF FINANCIAL POSITION  
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>23 535</b>	<b>7 706</b>
Cash and cash equivalents	9	22 822	7 193
Prepayments and advances	10	-	29
Receivables	11	713	484
<b>Non-current assets</b>		<b>304 018</b>	<b>303 951</b>
Investments	12	303 853	303 853
Receivables	11	165	98
<b>TOTAL ASSETS</b>		<b>327 553</b>	<b>311 657</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>23 508</b>	<b>7 725</b>
Voted funds to be surrendered to the Revenue Fund	13	12 480	4 546
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	103	81
Payables	15	5 655	43
Aid assistance unutilised	3	5 270	3 055
<b>TOTAL LIABILITIES</b>		<b>23 508</b>	<b>7 725</b>
<b>NET ASSETS</b>		<b>304 045</b>	<b>303 932</b>
<b>Represented by:</b>			
Capitalisation reserve		303 853	303 853
Recoverable revenue		192	79
<b>TOTAL</b>		<b>304 045</b>	<b>303 932</b>

ANNUAL FINANCIAL STATEMENTS  
**STATEMENT OF CHANGES IN NET ASSETS**  
 for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>Capitalisation Reserves</b>			
Opening balance		303 853	303 853
Transfers:			
Movement in Equity		-	-
Closing balance		<b>303 853</b>	<b>303 853</b>
<b>Recoverable revenue</b>			
Opening balance		79	128
Transfers:		113	(49)
Debts revised		(52)	-
Debts recovered (included in departmental receipts)		(10)	(94)
Debts raised		175	45
Closing balance		192	79
<b>TOTAL</b>		<b>304 045</b>	<b>303 932</b>

ANNUAL FINANCIAL STATEMENTS  
**CASH FLOW STATEMENT**  
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>517 105</b>	<b>434 638</b>
Annual appropriated funds received	1.1	511 263	428 942
Departmental revenue received	2	1 994	1 098
Interest received	2.2	-	27
Aid assistance received	3	3 848	4 571
Net (increase)/decrease in working capital		5 412	(237)
Surrendered to Revenue Fund		(6 550)	(10 081)
Surrendered to RDP Fund/Donor		(1 493)	(3 602)
Current payments		(215 353)	(236 135)
Payments for financial assets		(109)	(73)
Transfers and subsidies paid		(278 783)	(189 405)
<b>Net cash flow available from operating activities</b>	16	<b>20 229</b>	<b>(4 895)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(4 678)	(5 388)
Proceeds from sale of capital assets	2.3	32	19
(Increase)/decrease in non-current receivables	11	(67)	90
<b>Net cash flows from investing activities</b>		<b>(4 713)</b>	<b>(5 279)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		113	(49)
<b>Net cash flows from financing activities</b>		<b>113</b>	<b>(49)</b>
Net increase/(decrease) in cash and cash equivalents		15 629	(10 223)
Cash and cash equivalents at beginning of period		7 193	17 416
<b>Cash and cash equivalents at end of period</b>	17	<b>22 822</b>	<b>7 193</b>

ANNUAL FINANCIAL STATEMENTS  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

## Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

### 1 Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

### 2 Going concern

The financial statements have been prepared on a going concern basis.

### 3 Presentation currency

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

### 4 Rounding

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).

### 5 Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.

### 6 Comparative information

#### 6.1 Prior period comparative information

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

#### 6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

### 7 Revenue

#### 7.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.



The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

## 7.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

## 7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the department's debt write-off policy

# 8 Expenditure

## 8.1 Compensation of employees

### 8.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

### 8.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

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.

## 8.2 Other expenditure

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.

## 8.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.

## 8.4 Leases

### 8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

### 8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

ANNUAL FINANCIAL STATEMENTS  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
 for the year ended 31 March 2020

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

## 9 Aid Assistance

### 9.1 Aid assistance received

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.

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.

### 9.2 Aid assistance paid

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.

## 10 Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

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.

## 11 Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

Prepayments and advances are recognised in the Statement of Financial Performance if the amount is material and budgeted for as an expense in the year in which the actual prepayment or advance was made.

## 12 Loans and receivables

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.

## 13 Investments

Investments are recognised in the statement of financial position at cost.

## 14 Financial assets

### 14.1 Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

## 14.2 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

## 15 Payables

Payables recognised in the statement of financial position are recognised at cost.

## 16 Capital Assets

### 16.1 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

### 16.2 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

## 17 Provisions and Contingents

### 17.1 Provisions

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.

### 17.2 Contingent liabilities

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.

ANNUAL FINANCIAL STATEMENTS  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
 for the year ended 31 March 2020

### 17.3 Contingent assets

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.

### 17.4 Capital commitments

Capital commitments are recorded at cost in the notes to the financial statements.

## 18 Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

## 19 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

## 20 Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

## 21 Changes in accounting estimates and errors

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

## 22 Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

## 23 Principal-Agent arrangements

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.

## 24 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund (PRF) when the underlying asset is disposed and the related funds are received.

## 25 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

## 26 Related party transactions

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.

The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.

## 27 Public-Private Partnerships

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.

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.

## 28 Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

## 29 Transfers of functions

Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.

Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.

## 30 Mergers

Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.

Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

ANNUAL FINANCIAL STATEMENTS  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

## 1. Annual Appropriation

### 1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	2019/20			2018/19		
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation received	Funds not requested/ not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	59 477	59 477	-	58 446	58 446	-
Integrated Economic Development Services	67 040	67 040	-	46 208	46 208	-
Trade and Sector Development	63 718	63 718	-	47 659	47 659	-
Business Regulation and Governance	9 223	9 223	-	9 731	9 731	-
Economic Planning	185 496	185 496	-	136 184	136 184	-
Tourism, Arts and Entertainment	60 035	60 035	-	59 670	59 670	-
Skills Development and Innovation	66 274	66 274	-	71 044	71 044	-
<b>Total</b>	<b>511 263</b>	<b>511 263</b>	<b>-</b>	<b>428 942</b>	<b>428 942</b>	<b>-</b>

**Integrated Economic Development Services** received an increased budget allocation to implement interventions aligned to the SMME Booster Fund that provides financial assistance to qualifying beneficiaries.

**Trade and Sector Development** had an increased budget allocation due to additional funding for the Municipal District Unit establishment, Invest SA One Stop Shop, Film Promotion and Halal Promotion.

**Economic Planning** was allocated increased funding to Saldanha Bay IDZ as well as Wesgro for the establishment of the Atlantis SEZ.

**Skills Development and Innovation** decreased allocation can be primarily attributed to the completion and finalisation of the Apprenticeship Game Changer and the A21 Apprenticeship Model.

	Note	2019/20 R'000	2018/19 R'000
<b>2. Departmental revenue</b>			
Sales of goods and services other than capital assets	2.1	410	483
Interest, dividends and rent on land	2.2	-	27
Sales of capital assets	2.3	32	19
Transactions in financial assets and liabilities	2.4	1 584	615
Total revenue collected		2 026	1 144
Less: Own revenue included in appropriation	14	(333)	(315)
<b>Departmental revenue collected</b>		<b>1 693</b>	<b>829</b>

ANNUAL FINANCIAL STATEMENTS  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>2.1 Sales of goods and services other than capital assets</b>			
Sales of goods and services produced by the department	2	410	483
Administrative fees		391	464
Other sales		19	19
<b>Total</b>		<b>410</b>	<b>483</b>

*The decrease in administrative fees relates to the decrease in tour guide registrations during the year.*

<b>2.2 Interest, dividends and rent on land</b>	2		
Interest		-	27
<b>Total</b>		<b>-</b>	<b>27</b>

*Interest received relates to interest incurred on staff debt. The decrease in interest relates interest on debt recovered in the previous year.*

<b>2.3 Sale of capital assets</b>			
<b>Tangible assets</b>		32	19
Machinery and equipment	2	32	19
<b>Total</b>		<b>32</b>	<b>19</b>

*The increase in the proceeds from the sale of machinery and equipment relate to a number of assets reaching the end of its useful life, allowing staff to purchase IT equipment.*

<b>2.4 Transactions in financial assets and liabilities</b>	2		
Other Receipts including Recoverable Revenue		1 584	615
<b>Total</b>		<b>1 584</b>	<b>615</b>

*The increase is due to funds received from Manufacturing, Engineering and Related Services Sector Education and Training Authority (MerSeta) for the implementation of the Apprenticeship Game Changer.*

<b>3. Aid assistance</b>			
Opening Balance		3 055	8 691
Transferred from statement of financial performance		3 708	(2 034)
Transfers to or from retained funds			
Transferred and expended via PRF		(1 493)	(3 602)
<b>Closing Balance</b>		<b>5 270</b>	<b>3 055</b>

*Aid assistance relates to the funds received from the Government Technical Advisory Centre (GTAC) for the Work and Skills Programme as well as funds received from the Manufacturing, Engineering and Related Services Sector Education and Training Authority (MerSeta) for the implementation of the Apprenticeship Game Changer.*

*An amount of R1.493 million that was received from the Manufacturing, Engineering and Related Services Sector Education and Training Authority (MerSeta) was paid to Provincial Treasury to be appropriated.*

*The balance relates to a slower than expected uptake of learners by companies.*



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	Note	2019/20 R'000	2018/19 R'000
<b>3.1 Analysis of balance by source</b>			
Aid assistance from other sources		5 270	3 055
<b>Closing balance</b>	<b>3</b>	<b>5 270</b>	<b>3 055</b>
<b>Analysis of balance by source – 2019/20</b>			
	GTAC R'000	MerSeta R'000	Total R'000
Opening balance	2 584	471	3 055
Revenue	2 826	1 022	3 848
Expenditure	(140)	-	(140)
Transferred and expended via Provincial Revenue Fund	-	(1 493)	(1 493)
<b>Closing balance</b>	<b>5 270</b>	<b>-</b>	<b>5 270</b>
	Note	2019/20 R'000	2018/19 R'000
<b>3.2 Analysis of balance</b>			
Aid assistance unutilised		5 270	3 055
<b>Closing balance</b>	<b>3</b>	<b>5 270</b>	<b>3 055</b>
<b>3.3 Aid assistance expenditure per economic classification</b>			
Current		-	3 773
Transfers and subsidies		140	2 832
<b>Total aid assistance expenditure</b>		<b>140</b>	<b>6 605</b>

*The significant decrease in expenditure relates to a slower than expected uptake of learners by companies as a result of the economic downturn. The unutilised balance will be expended by the Skills Development Programme to further the upskilling of the unemployed in the Western Cape.*

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	Note	2019/20 R'000	2018/19 R'000
<b>4. Compensation of employees</b>			
<b>4.1 Salaries and Wages</b>			
Basic salary		94 699	90 008
Performance award		743	2 010
Service Based		76	71
Compensative/circumstantial		1 565	859
Other non-pensionable allowances		19 823	18 675
<b>Total</b>		<b>116 906</b>	<b>111 623</b>
<b>4.1 Salaries and Wages</b>			
<b>Employer contributions</b>			
Pension		11 286	10 695
Medical		3 731	3 590
Bargaining council		20	18
<b>Total</b>		<b>15 037</b>	<b>14 303</b>
<b>Total compensation of employees</b>		<b>131 943</b>	<b>125 926</b>
Average number of employee		211	218

*Increase in salaries and wages relates to the inflationary increase of 4.78% in terms of the wage agreement.*

*The decrease in Performance Awards relates to a policy change of a decremental adjustment of a percentage that can be allocated from the remuneration budget for the payment of performance bonuses from 2019/2020: 0.75% to 2020/2021:0.50%*

*The increase in Compensative/circumstantial relates primarily to delays in the filling of vacancies which resulted in the filling of contract appointments and or existing staff fulfilling functions in acting positions.*

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	Note	2019/20 R'000	2018/19 R'000
<b>5. Goods and services</b>			
Administrative fees		257	374
Advertising		7 051	12 892
Minor assets	5.1	666	157
Bursaries (employees)		387	721
Catering		2 009	1 628
Communication		947	1 099
Computer services	5.2	7 415	2 947
Consultants: Business and advisory services		24 464	35 152
Legal services		2	-
Contractors		779	1 415
Entertainment		50	55
Audit cost – external	5.3	3 119	3 025
Fleet services		702	647
Consumables	5.4	1 643	1 617
Operating leases		137	302
Property payments	5.5	3	1
Rental and hiring		491	679
Transport provided as part of the departmental activities		-	115
Travel and subsistence	5.6	2 401	3 410
Venues and facilities		1 458	1 788
Training and development		27 896	36 602
Other operating expenditure	5.7	1 533	1 810
<b>Total</b>		<b>83 410</b>	<b>106 436</b>

**Administrative fees, Operating leases, Rental and Hiring and Venues and facilities,** - Decrease in expenditure due to the implementation of the National Treasury cost containment circular which prescribes the efficient and effective management of the available budget. Projects are done internally with Departmental resources.

**Advertising** - Decrease due to a reprioritisation of projects towards training within the Skills Development Programme

**Bursaries (employees)** - Decrease in applications from staff for further tertiary studies.

**Catering** - Increase in expenditure relate to increased Departmental promotional activities such as Economic Advocacy, Energy Water Waste Forum and Western Cape Funding Fair.

**Consultants** - Decrease due to a reclassification of expenditure towards transfer payments. The full details of the consultants and project assignments are listed in Part D (Table 3.15) of the annual report.

**Contractors** - Decrease due to reduction in support of projects related to exhibitions and expose.

**Legal Services** - The increase is in relation to state attorney fees incurred in the collection of staff debt.

**Fleet Services** - Increased expenditure relates to an increased service delivery footprint by the Department across the Province.

**Transport provided as part of the departmental activities** - Decreased expenditure due to transport provided to learners as part of the Career Awareness Programme in the prior year.

**Training and development** - Consists of employee and non-employee expenditure. Employee expenditure costs were incurred for the professional development of staff within the Department whilst non-employee expenditure relates to training for service excellence, customer service, tourist guides training within the tourism sector and competency based modular and ICT technical skills within the Skills Development Programme. The decrease is due to the finalisation and completion of the Apprenticeship Game Changer Project.

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	Note	2019/20 R'000	2018/19 R'000
<b>5.1 Minor assets</b>	5		
Tangible assets		666	157
Machinery and equipment		666	157
<b>Total</b>		<b>666</b>	<b>157</b>

Increase in expenditure due to the replacement and upgrading of computer peripherals and office furniture during the year which relates to a number of assets reaching the end of its useful life. During 2019/20 financial year the Department purchased 187 minor assets.

<b>5.2 Computer services</b>	5		
SITA computer services		336	361
External computer service providers		7 079	2 586
<b>Total</b>		<b>7 415</b>	<b>2 947</b>

Increase in expenditure is due to the licences for data subscriptions in Research and Development as well as expenditure related to the development of an operating system for the ICAN Learn Project and expenditure related for the clearance of data on obsolete computer equipment.

<b>5.3 Audit cost – External</b>	5		
Regularity audits		3 119	3 025
<b>Total</b>		<b>3 119</b>	<b>3 025</b>

<b>5.4 Consumables</b>	5		
Consumable supplies		783	522
Household supplies		110	78
Building material and supplies		242	142
IT consumables		346	240
Other consumables		85	62
Stationery, printing and office supplies		860	1 095
<b>Total</b>		<b>1 643</b>	<b>1 617</b>

<b>5.5 Property payments</b>	5		
Municipal services		3	1
<b>Total</b>		<b>3</b>	<b>1</b>

The increase in Municipal services is due to an increase in the electricity tariffs.

<b>5.6 Travel and subsistence</b>	5		
Local		2 094	2 693
Foreign		307	717
<b>Total</b>		<b>2 401</b>	<b>3 410</b>

Decrease in local and foreign expenditure due to the implementation of the National Treasury cost containment circular which prescribes the efficient and effective management of the available budget.

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	Note	2019/20 R'000	2018/19 R'000
<b>5.7 Other operating expenditure</b>	5		
Resettlement costs		27	30
Other *		1 506	1 780
<b>Total</b>		<b>1 533</b>	<b>1 810</b>

\*Other includes printing costs incurred for the organisation's strategic publications such as the Annual Performance Plan, Annual Report, Marketing & Awareness publications.

Decrease due to a reprioritisation of projects from marketing and awareness towards training within the Skills Development Programme.

## 6. Payments for financial assets

Material losses through criminal conduct		18	-
Theft	6.3	18	-
Other material losses written off	6.1	45	11
Debts written off	6.2	46	62
<b>Total</b>		<b>109</b>	<b>73</b>

### 6.1 Other material losses written off

#### Nature of losses

Asset discrepancies (7 cases)		11	-
Damage to car rental (5 cases)		16	7
Damage to government vehicle (2 cases)		16	1
Damage to computer laptop (1 case)		2	3
<b>Total</b>		<b>45</b>	<b>11</b>

In accordance with the Departmental debt policy all material losses written off are investigated and referred to the State Attorney. These debts have been written off upon the recommendation of the State Attorney.

### 6.2 Debts written off

6

#### Nature of debts written off

Debt accounts written off (9 cases)		46	62
<b>Total debt written off</b>		<b>46</b>	<b>62</b>

Debts are written off in accordance with the Departmental debt policy. These debts have been analysed internally and/or handed over to the State Attorney and have been found to be irrecoverable. These debts relate to GG vehicle damage (1 case) and salary overpayments (8 case) of former employees.

### 6.3 Details of theft

6

#### Nature of theft

Theft of equipment (1 case)		15	-
Theft of printing cartridges (1 case)		3	-
<b>Total</b>		<b>18</b>	<b>-</b>

During the year the above cases were written off upon the recommendation of the State Attorney.

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## 7. Transfers and subsidies

	Note	2019/20 R'000	2018/19 R'000
Provinces and municipalities	Annexure 1A	6 214	-
Departmental agencies and accounts	Annexure 1B	206 082	148 035
Higher education institutions	Annexure 1C	-	2 000
Public corporations and private enterprises	Annexure 1D	9 432	7 877
Non-profit institutions	Annexure 1E	32 538	17 374
Households	Annexure 1F	24 377	11 287
<b>Total</b>		<b>278 643</b>	<b>186 573</b>

*Provinces and Municipality – The increase relates to payments made to Municipalities in support of SMME Infrastructure Development Programmes.*

*Departmental agencies and accounts*

*The increase relates to funding provided to Western Cape Tourism Investment & Trade Promotion Agency (Wesgro) for the incubation of the Atlantis SEZ (Special Economic Zone) and Saldanha Bay Industrial Development Zone Licencing Company (LiCo) for the funding of lease agreements.*

*Increase in Non-Profit Institutions relates payments made to beneficiaries of the SMME Booster Fund Initiative.*

*Increase in Households relate to stipends paid to learners on the Artisan Development Programme and Work Readiness Programme.*

## 8. Expenditure for capital assets

<b>Tangible assets</b>		<b>4 560</b>	<b>4 973</b>
Machinery and equipment	27	4 560	4 973
<b>Intangible assets</b>		<b>118</b>	<b>415</b>
Software	28	118	415
<b>Total</b>		<b>4 678</b>	<b>5 388</b>

*Decrease in tangible assets due to the implementation of the National Treasury cost containment circular which prescribes the efficient and effective management of the available budget.*

*The decrease in intangible assets relate to the once off purchase of software relating to Data Management within the Skills Development.*

### 8.1 Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>			
Machinery and equipment	4 560	-	4 560
<b>Intangible assets</b>			
Software	118	-	118
<b>Total</b>	<b>4 678</b>	<b>-</b>	<b>4 678</b>

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	Voted funds R'000	Aid assistance R'000	Total R'000
<b>8.2 Analysis of funds utilised to acquire capital assets – 2018/19</b>			
<b>Tangible assets</b>	<b>4 973</b>	<b>-</b>	<b>4 973</b>
Machinery and equipment	4 973	-	4 973
<b>Intangible assets</b>	<b>415</b>	<b>-</b>	<b>415</b>
Software	415	-	415
<b>Total</b>	<b>5 388</b>	<b>-</b>	<b>5 388</b>

	2019/20 R'000	2018/19 R'000
<b>8.3 Finance lease expenditure included in Expenditure for capital assets</b>		
<b>Tangible assets</b>	<b>2 315</b>	<b>2 201</b>
Machinery and equipment	2 315	2 201
<b>Total</b>	<b>2 315</b>	<b>2 201</b>

*The increase expenditure relates to increases in the GMT tariff rates for the year.*

## 9. Cash and cash equivalents

Consolidated Paymaster General Account	26 132	14 369
Disbursements	(3 370)	(7 236)
Cash on hand	60	60
<b>Total</b>	<b>22 822</b>	<b>7 193</b>

*The Consolidated Paymaster General account comprises of the bank account which includes unspent voted funds and aid assistance paid into the Department's bank account on 31 March 2020.*

## 10. Prepayments and advances

Travel and subsistence	-	29
<b>Total</b>	<b>-</b>	<b>29</b>

*Decrease in travel and subsistence comprise of advances for overseas travel undertaken in March in the previous year.*



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**10.1 Prepayments (Expensed)**

	Balance as at 1 April 2019 R'000	Less: Received in the current year R'000	Add or Less: Other R'000	Add: Current Year pre- payments R'000	Balance as at 31 March 2020 R'000
Goods and services	2 363	(2 363)	-	5 682	5 682
<b>Total</b>	<b>2 363</b>	<b>(2 363)</b>	<b>-</b>	<b>5 682</b>	<b>5 682</b>

*Prepayments (expensed) relate annual subscriptions to various publications, training and costs incurred for the Western Cape Funding Fair.*

	Balance as at 1 April 2018 R'000	Less: Received in the current year R'000	Add or Less: Other R'000	Add: Current Year pre- payments R'000	Balance as at 31 March 2019 R'000
<b>Prepayments (Expensed)</b>					
Goods and services	2 506	(2 506)	-	2 363	2 363
Transfers and subsidies	1 275	(1 275)	-	-	-
<b>Total</b>	<b>3 781</b>	<b>(3 781)</b>	<b>-</b>	<b>2 363</b>	<b>2 363</b>

**10.2 Advances paid (Expensed)**

	Balance as at 1 April 2019 R'000	Less: Received in the current year R'000	Add or Less: Other R'000	Add: Current Year pre- payments R'000	Balance as at 31 March 2020 R'000
Public entities	5 350	(5 350)	-	-	-
<b>Total</b>	<b>5 350</b>	<b>(5 350)</b>	<b>-</b>	<b>-</b>	<b>-</b>

*Advances (expensed) relate to transfer payments to Wesgro for the Air Access project and WTM tourism Investors Summit and the purchase of a motor vehicle from Government Motor Transport.*

	Annexure	Balance as at 1 April 2018  R'000	Less: Received in the current year  R'000	Add or Less: Other  R'000	Add: Current Year pre- payments  R'000	Balance as at 31 March 2019  R'000
Advances paid (Expensed)						
Public entities	7	2 980	(2 980)	-	5 350	5 350
Total		2 980	(2 980)	-	5 350	5 350

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	Note	2019/20			2018/19		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
<b>11. Receivables</b>							
Claims recoverable	11.1	115	-	115	36	-	36
Recoverable expenditure	11.2	353	-	353	253	-	253
Staff debt	11.3	245	165	410	195	98	293
<b>Total</b>		<b>713</b>	<b>165</b>	<b>878</b>	<b>484</b>	<b>98</b>	<b>582</b>

	Note	2019/20 R'000	2018/19 R'000
<b>11.1 Claims recoverable</b>	Annex 4		
Provincial departments		115	36
<b>Total</b>		<b>115</b>	<b>36</b>

*Claims recoverable refers to transactions between Departments that have not been settled within the financial year.  
The cases above relates to performance bonus (1 case) and salary (2 cases) claims.*

<b>11.2 Recoverable expenditure (disallowance accounts)</b>	11		
Disallowance damages and losses		353	253
<b>Total</b>		<b>353</b>	<b>253</b>

*Included in the amount are three (3) cases relating to government vehicles and seventeen (17) cases relating to equipment that is still under investigation.*

<b>11.3 Staff debt</b>	11		
Debt accounts		396	293
Salary reversal		14	-
<b>Total</b>		<b>410</b>	<b>293</b>

**Staff debt comprises of the following:**

	Number of cases	Value R'000
Assets	6	117
Bursary	2	71
Salary overpayments	23	200
Tax debt (PAYE)	7	8

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	Note	2019/20 R'000	2018/19 R'000
<b>11.4 Impairment of receivables</b>			
Estimate of impairment of receivables		156	100
<b>Total</b>		<b>156</b>	<b>100</b>

*All debts are individually reviewed for the possibility of impairment. The impairment includes debtors that were handed over to the State Attorney for recovery.*

*The following criteria was used for the impairment test of receivables:*

- *Non-payment by debtors that have shown no indication of recoverability for a period longer than 12-months.*
- *Debtors handed over to the State Attorney for collection and no indication of recovery is evident.*

## 12. Investments

### Non-Current

#### Shares and other equity

Cape Town International Convention Company (SOC) Limited RF	303 790	303 790
Saldanha Bay IDZ Licencing Company (SOC) Limited	63	63
<b>Total</b>	<b>303 853</b>	<b>303 853</b>

#### Analysis of non-current investments

Opening balance	303 853	303 853
Additions in cash	-	-
<b>Closing balance</b>	<b>303 853</b>	<b>303 853</b>

#### Number of shares

Cape Town International Convention Company (SOC) Limited RF	60 425	60 425
Saldanha Bay IDZ Licencing Company (SOC) Ltd (no par value shares)	120	120
<b>Total non-current</b>	<b>60 545</b>	<b>60 545</b>

*On 28<sup>th</sup> March 2014, the Cape Town International Convention Company SOC Limited RF ("CTICC") issued a notice of fresh subscription offer letter to all shareholders. The Department acquired additional shares in the Cape Town International Convention Centre during prior years. The funds that were raised were used to expand the existing capacity of the CTICC facilities. At reporting date, the Provincial Government of the Western Cape has a shareholding of 23.24% (2018: 23.2%) in the Cape Town International Convention Centre Company (Pty) Ltd.*

*On 1 April 2017, the Department became a 100% shareholder in Saldanha Bay IDZ Licencing Company (Pty) Ltd (LiCo). The shareholding comprises of 120 no par value shares. The purpose of Saldanha Bay IDZ Licencing Company (Pty) Ltd (LiCo) is to establish and fulfil the purpose of a Special Economic Zone within the greater Saldanha Bay area.*

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	Note	2019/20 R'000	2018/19 R'000
<b>12.1 Impairment of investments</b>			
Estimate of impairment		592	107 508
<b>Total</b>		<b>592</b>	<b>107 508</b>

The Department assesses at each reporting date whether there is any indication that the impairment loss may no longer exist or has reversed. The indicators for the impairment is a recoverable value lower than carrying value. The impairment above is calculated based on the revised assessment by the CTICC taking the following information into account.

The CTICC is a cash-generating entity established for the purposes of hosting events. The CTICC 2 building was established to enhance the capabilities of the CTICC to host additional and larger events to further contribute to the company's revenue streams. As such, the impairment testing process applicable to cash-generating assets has been applied by CTICC.

During the review, CTICC considered the impact of the delays in construction of CTICC 2, as well as the consequential delay and reduction in expected cash flows from that asset as indicators of potential impairment. During the year, a portion of the CTICC 2 building cost, which was included as part of assets in progress, was capitalised.

CTICC views the building and assets in progress as forming part of a single cash-generating unit together with the existing CTICC building and, therefore, it is not possible to estimate the recoverable amount for the CTICC 2 centre as an individual asset.

CTICC estimated the recoverable amount by calculating the value in use of the cash-generating unit (being CTICC 1 and 2 combined) of R512 866 595 (2018: R490 617 296) and comparing it to the carrying value of the relevant assets in that cash-generating unit of R515 414 731 (2018: R953 216 302) at the date of impairment testing.

Therefore, CTICC has recognised an impairment loss of R2 548 136 (2018: R462 599 006) and has been disclosed in the impairment line item on the Statement of Financial Performance of CTICC.

The impairment loss is significantly lower than the prior year's amount as the impairment test was done on the combined buildings for the first time, as CTICC 2 was partially brought into use during that year, thus, requiring a significant impairment of R462 599 006.

Based on the revised assessment, the investment in the CTICC reflects an impairment loss and the Department's portion of the impairment is calculated at 23.24%.

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

Opening balance	4 546	6 041
Transfer from statement of financial performance	12 480	4 546
Paid during the year	(4 546)	(6 041)
<b>Closing balance</b>	<b>12 480</b>	<b>4 546</b>

The closing balance relates to the unspent funds as at 31 March 2020.

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

Opening balance	81	2 977
Transfer from Statement of Financial Performance	1 693	829
Own revenue included in appropriation	333	315
Paid during the year	(2 004)	(4 040)
<b>Closing balance</b>	<b>103</b>	<b>81</b>

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	Note	2019/20 R'000	2018/19 R'000
<b>15. Payables – current</b>			
Clearing accounts	15.1	5 655	43
<b>Total</b>		<b>5 655</b>	<b>43</b>
<b>15.1 Clearing accounts</b>	15		
Description			
Salary: Income Tax		1	3
Salary: Pension Fund		2	-
Exchequer Grant Account		2 966	40
Exchequer Grant Account - GTAC		2 686	-
<b>Total</b>		<b>5 655</b>	<b>43</b>

*Exchequer Grant Account relates to the erroneous overfunding of the Department by Provincial Treasury as at 31 March 2020.*

<b>16. Net cash flow available from operating activities</b>			
Net surplus/(deficit) as per Statement of Financial Performance		17 881	3 341
Add back non cash/cash movements not deemed operating activities		2 348	(8 236)
(Increase)/decrease in receivables		(229)	(260)
(Increase)/decrease in prepayments and advances		29	(20)
Increase/(decrease) in payables – current		5 612	43
Proceeds from sale of capital assets		(32)	(19)
Expenditure on capital assets		4 678	5 388
Surrenders to Revenue Fund		(6 550)	(10 081)
Surrenders to Revenue Fund (Adjusted Estimate)		(1 493)	(3 602)
Own revenue included in appropriation		333	315
<b>Net cash flow generated by operating activities</b>		<b>20 229</b>	<b>(4 895)</b>
<b>17. Reconciliation of cash and cash equivalents for cash flow purposes</b>			
Consolidated Paymaster General account		26 132	14 369
Disbursements		(3 370)	(7 236)
Cash on hand		60	60
<b>Total</b>		<b>22 822</b>	<b>7 193</b>

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	Note	2019/20 R'000	2018/19 R'000
<b>18. Contingent liabilities and contingent assets</b>			
<b>18.1 Contingent liabilities</b>			
<b>Liable to</b>	<b>Nature</b>		
Claims against the department	Annex 3	115	115
<b>Total</b>		<b>115</b>	<b>115</b>

*Bazz Collection (Pty) Ltd owned by Mr Bazil Mia formed part of the second intake of businesses on the Long Street Kiosk programme and signed a Memorandum of Agreement on the 21 February 2017 after the department explained the content of the agreement. Subsequent to the termination of the agreement Bazz Collection claimed they suffered damages for stock damaged by a leaking drain in the kiosk reported on the 14 March 2017.*

*The matter is still under legal review and administered by the state attorneys office and legal services.*

*The Department of the Premier (Corporate Services Centre) has confirmed that all Procedure on Incapacity Leave and Ill-Health Retirement (PILIR) cases have been finalised and approved by the Head of the Department. There are 3 PILIR cases under investigation which were not finalised by the Department of the Premier as at 31 March 2020.*

**18.2 Contingent assets**

*At this stage, the Department is not able to reliably measure the contingent asset in terms of the Government Housing Scheme of the Individually Linked Savings Facility (ILSF) relating to resignations and termination of service.*

**19. Capital commitments**

Computer equipment	-	23
Furniture and office equipment	-	9
<b>Total</b>	<b>-</b>	<b>32</b>

*The Modified Cash Standard has been revised in respect of the disclosure of commitments, which only includes commitments for capital expenditure.*

*In the 2018/19 Annual Financial Statements, current and capital commitments amounted to R9,269,671, which consisted of Capital Commitments of R32,626 and Current Commitments of R9,237,044.*

*The Current Commitments as at 31 March 2020 R726,537.*

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			2019/20 R'000	2018/19 R'000
<b>20. Accruals and payables not recognised</b>				
<b>20.1 Accruals</b>				
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
<b>Listed by economic classification</b>				
Goods and services	625	41	666	896
<b>Total</b>	<b>625</b>	<b>41</b>	<b>666</b>	<b>896</b>
	<b>Note</b>		<b>2019/20 R'000</b>	<b>2018/19 R'000</b>
<b>Listed by programme level</b>				
Programme 1			621	386
Programme 2			2	4
Programme 3			12	3
Programme 4			-	11
Programme 5			9	85
Programme 6			15	52
Programme 7			7	355
<b>Total</b>			<b>666</b>	<b>896</b>

*Reduction in accruals due to improved project management and cash flow management practices.*  
*Material accruals comprise of audit fees.*

<b>20.2 Payables not recognised</b>				
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
<b>Listed by economic classification</b>				
Goods and services	82	8	90	59
Transfers and subsidies				
Capital assets				
<b>Total</b>	<b>82</b>	<b>8</b>	<b>90</b>	<b>59</b>
	<b>Note</b>		<b>2019/20 R'000</b>	<b>2018/19 R'000</b>
<b>Listed by programme level</b>				
Programme 1			1	23
Programme 2			16	-
Programme 3			-	-
Programme 4			3	4
Programme 5			-	10
Programme 6			3	-
Programme 7			67	22
<b>Total</b>			<b>90</b>	<b>59</b>



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	Note	2019/20 R'000	2018/19 R'000
<b>20.2 Payables not recognised (continued)</b>			
<b>Included in the above totals are the following:</b>			
Confirmed balances with other departments	Annex 5	11	45
<b>Total</b>		<b>11</b>	<b>45</b>

*Material payables not recognised comprise of stipends for the Artisan Development Programme.*

## 21. Employee benefits

Leave entitlement *	4 519	4 474
Service bonus	2 858	2 837
Performance awards **	539	748
Capped leave	547	1 087
Other ***	31	129
<b>Total</b>	<b>8 494</b>	<b>9 275</b>

*\*Included in the 2019/20 disclosure for leave entitlement is the credit amount of R216 012 for leave owed to the Department for those employees who went over their leave credits.*

*\*\*Performance awards are calculated at 0.5% of the 2020/21 budget for Compensation of Employees for the Department.*

*\*\*\* Other refers to employees related accruals and long service awards at the reporting date.*

## 22. Lease commitments

### 22.1 Operating leases

	Machinery and equipment R'000	Total R'000
<b>2019/20</b>		
Not later than 1 year	63	63
Later than 1 year and not later than 5 years	32	32
<b>Total lease commitments</b>	<b>95</b>	<b>95</b>
<b>2018/19</b>		
Not later than 1 year	170	170
Later than 1 year and not later than 5 years	86	86
<b>Total lease commitments</b>	<b>256</b>	<b>256</b>

*The operating leases relate to the photocopy machine (1) in the Department as at 31 March 2020.*

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22.2 Finance leases

	Machinery and equipment R'000	Total R'000
<b>2019/20</b>		
Not later than 1 year	14	14
Later than 1 year and not later than 5 years	-	-
<b>Total lease commitments</b>	<b>14</b>	<b>14</b>
<b>2018/19</b>		
Not later than 1 year	37	37
Later than 1 year and not later than 5 years	14	14
<b>Total lease commitments</b>	<b>51</b>	<b>51</b>

*The finance leases relate to 3 contracts for mobile devices in the Department as at 31 March 2020.*

22.3 Finance lease commitments

*As determined by the National Accountant General, the arrangement between the Department of Economic Development and Tourism and GMT constitutes finance leases. The obligation in respect of the finance leases are presented below:*

	Within 1 year R'000	2 - 5 years R'000	More than 5 years R'000	Total R'000
<b>2019/20</b>	2 510	1 842	-	4 352
<b>Total lease commitments</b>	<b>2 510</b>	<b>1 842</b>	<b>-</b>	<b>4 352</b>
<b>2018/19</b>	1 824	1 014	-	2 838
<b>Total lease commitments</b>	<b>1 824</b>	<b>1 014</b>	<b>-</b>	<b>2 838</b>

*The Department of Economic Development and Tourism leased 29 vehicles from GMT as at 31 March 2020 (March 2019: 27). Daily tariffs are payable on a monthly basis, covering the operational costs, capital costs of replacement of vehicles, and the implicit finance costs.*

*The implicit Interest is based on Provincial Treasury's approved tariffs for GMT. The department uses the vehicle for most of the useful life of the vehicle. The agreement does not provide for contingent lease payments, and at the end of the useful life as determined by the lessor, the vehicles are returned where it is sold on auction for the benefit of the lessor.*

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	Note	2019/20 R'000	2018/19 R'000
<b>23. Irregular expenditure</b>			
<b>23.1 Reconciliation of irregular expenditure</b>			
Opening balance	Annexure 8	7 977	7 477
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		-	500
Less: Prior year amounts condoned		-	-
Less: Current year amounts condoned		-	-
<b>Closing balance</b>		<b>7 977</b>	<b>7 977</b>
<b>Analysis of awaiting condonation per age classification</b>			
Current year		-	500
Prior years		7 977	7 477
<b>Total</b>		<b>7 977</b>	<b>7 977</b>

*The comparative figure relates to irregular expenditure that was identified after additional guidance on transfer payments was received from National Treasury. The reason for the classification as irregular expenditure was due to National Treasury guidance indicating specific instances where transfer payments did not apply and therefore a Supply Chain Management process should have been followed. As the Supply Chain Management process was not followed, the transaction resulted in irregular expenditure.*

*At year end the Department had 5 cases of irregular expenditure cases relating to the prior year which has been referred to Provincial Treasury for condonation as listed Annexure 8.*

## 24. Related party transactions

### List related party relationships

*The Department of Economic Development and Tourism occupies a building free of charge and parking space to government officials at an approved fee that is not market related. This is managed by the Department of Transport and Public Works.*

*All Provincial Departments within the Western Cape are related parties.*

*The Department and Provincial Treasury fall into the same Minister's portfolio.*

*The Department of Economic Development and Tourism received corporate services from the Corporate Services Centre of the Department of the Premier in the Western Cape Province with effect from 1 November 2010 in respect of the following service areas:*

- *Information and Communication Technology*
- *Organisation Development*
- *Provincial Training (transversal)*
- *Human Resource Management*
- *Enterprise Risk Management*
- *Internal Audit*
- *Provincial Forensic Services*
- *Legal Services*
- *Corporate Communication*

*The Department of Economic Development and Tourism make use of government motor vehicles managed by Government Motor Transport (GMT) based on tariffs approved by the Department of Provincial Treasury.*

*Department of Economic Development and Tourism received Security Advisory Services and Security Operations from the Department of Community Safety in the Western Cape.*

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**24. Related party transactions (continued)**

*The Department has Economic Development and Tourism has two (2) public entities under its control:*

- Western Cape Tourism Investment & Trade Promotion Agency (Wesgro)
- Saldanha Bay Industrial Development Zone Licencing Company (SBIDZ LiCo)

*Mr S Fourie (Head of Department) is an ex-officio member of the Wesgro Board and is currently a non-executive director of the Cape Town International Convention Company SOC Limited RF (Convenco)*

	No. of Individuals	2019/20 R'000	2018/19 R'000
<b>25. Key management personnel</b>			
Officials:			
Management *	12	17 480	14 830
<b>Total</b>		<b>17 480</b>	<b>14 830</b>

*\*Management includes the remuneration of all officials on salary level 14 and above who have significant influence over the financial and operation policy decisions of the department.*

**26. Non-adjusting events after reporting date**

*The World Health Organization declared COVID-19 a pandemic on 11 March 2020. In response, the South African Government classified COVID-19 as a national disaster and issued additional regulations and directions to curtail the disaster. The Department has assessed the impact of the COVID 19 pandemic that resulted in a country lock down. No further reporting of information in the 2019/20 Annual Financial Statements is deemed material due to COVID 19.*

*This pandemic could potentially have a negative impact on CTICC and the departments disclosure of its portion of impairment on investment.*

*The Western Cape Government (WCG) is in the process of establishing a provincially owned company (the Atlantis Special Economic Zone) to unlock the underlying economic value of existing and underutilized infrastructure.*

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## 27. Movable Tangible Capital Assets

### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>15 433</b>	<b>-</b>	<b>2 245</b>	<b>(1 480)</b>	<b>16 198</b>
Computer equipment	15 433	-	1 766	(1 256)	9 292
Furniture and office equipment	8 782	-	180	(71)	4 355
Other machinery and equipment	4 246	-	299	(153)	2 551
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>15 433</b>	<b>-</b>	<b>2 245</b>	<b>(1 480)</b>	<b>16 198</b>

*Information on GG Vehicle Finance lease assets for the current and comparative years are disclosed in an annexure to the AFS.*

#### Movable Tangible Capital Assets under investigation

	Number	Value R'000
<b>Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:</b>		
Machinery and equipment	1	17

*Assets under investigation relate to an asset discrepancy identified during the stock take (physical verification) and referred to Loss Control for further investigation.*

### 27.1 Additions

#### ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	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>MACHINERY AND EQUIPMENT</b>	<b>4 560</b>	<b>-</b>	<b>(2 315)</b>	<b>-</b>	<b>2 245</b>
Transport assets	2 288	-	(2 288)	-	-
Computer equipment	1 766	-	-	-	1 766
Furniture and office equipment	180	-	-	-	180
Other machinery and equipment	326	-	(27)	-	299
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>4 560</b>	<b>-</b>	<b>(2 315)</b>	<b>-</b>	<b>2 245</b>

*Additions are mainly attributed to the purchase of computer equipment and non-cash addition of vehicles for operational requirements.*

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27.2 Disposals

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020**

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>713</b>	<b>767</b>	<b>1 480</b>	<b>32</b>
Computer equipment	713	543	1 256	32
Furniture and office equipment	-	71	71	-
Other machinery and equipment	-	153	153	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>713</b>	<b>767</b>	<b>1 480</b>	<b>32</b>

*Included in the above are disposals to Non-Governmental Organisations (NGO) and staff in line with the Disposal Management Policy. The affected assets have reached the end of its useful lives. Cash received relates to proceeds from staff as per the Disposal Management policy.*

27.3 Movement for 2018/19

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>14 507</b>	<b>-</b>	<b>2 321</b>	<b>(1 395)</b>	<b>15 433</b>
Computer equipment	8 543	-	1 422	(1 183)	8 782
Furniture and office equipment	3 894	-	479	(127)	4 246
Other machinery and equipment	2 070	-	420	(85)	2 405
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>14 507</b>	<b>-</b>	<b>2 321</b>	<b>(1 395)</b>	<b>15 433</b>

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27.4 Minor assets

**MOVEMENT IN MINOR ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020**

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	35	5 741	5 776
Additions	-	666	666
Disposals	-	(303)	(303)
<b>TOTAL MINOR ASSETS</b>	<b>35</b>	<b>6 104</b>	<b>6 139</b>
Number of R1 minor assets	-	116	116
Number of minor assets at cost	10	2 680	2 690
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>10</b>	<b>2 796</b>	<b>2 806</b>

*The number of R1 minor assets relates to assets transferred from the Department of Transport and Public Works for no consideration.*

**Minor Assets under investigation**

	Number	Value R'000
Included in the above total of the minor assets per the asset register are assets that are under investigation:		
Machinery and equipment	-	-

**MOVEMENT IN MINOR ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	35	5 749	5 784
Additions	-	159	159
Disposals	-	(167)	(167)
<b>TOTAL MINOR ASSETS</b>	<b>35</b>	<b>5 741</b>	<b>5 776</b>
Number of R1 minor assets	-	120	120
Number of minor assets at cost	10	2 600	2 610
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>10</b>	<b>2 720</b>	<b>2 730</b>

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**27.5 Movable assets written off**

**MOVEMENT IN MINOR ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020**

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Assets written off	-	126	126
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>126</b>	<b>126</b>

*Assets written off relate to assets which have been lost or stolen during the year.*

**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2019**

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Assets written off	-	225	225
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>225</b>	<b>225</b>

**27.6 S42 Movable capital assets**

**MAJOR ASSETS TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2020**

	Intangible assets	Machinery and equipment	Total
No. of Assets	1	2	3
Value of the assets (R'000)	9	51	60

**MINOR ASSETS TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2020**

	Intangible assets	Machinery and equipment	Total
No. of Assets	-	2	2
Value of the assets (R'000)	-	5	5

**MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2019**

	Intangible assets	Machinery and equipment	Total
No. of Assets	-	1	1
Value of the assets (R'000)	-	16	16

**MINOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2019**

	Intangible assets	Machinery and equipment	Total
No. of Assets	-	3	3
Value of the assets (R'000)	-	7	7



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## 28. Intangible Capital Assets

### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	2 242	-	118	(9)	2 351
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>2 242</b>	<b>-</b>	<b>118</b>	<b>(9)</b>	<b>2 351</b>

*Additions relate to the capitalisation of the OMS Development Maintenance and Support Service as well as Adobe Acrobat Pro 11.*

#### Intangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable intangible capital assets per the asset register are assets that are under investigation:		
Software	-	-

### 28.1 Additions

#### ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash R'000	Non-cash R'000	(Development work in progress – current costs) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
SOFTWARE	118	-	-	-	118
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>118</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118</b>

### 28.2 Disposals

#### DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
SOFTWARE	-	9	9	-
<b>TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>9</b>	<b>9</b>	<b>-</b>

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28.3 Movement for 2018/19

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	1 188	-	1 064	(10)	2 242
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	1 188	-	1 064	(10)	2 242

29 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2019

	Opening balance 1 April 2018	Prior period error	Current Year WIP	Ready for use (Assets to the AR) ) / Contracts terminated	Closing balance 31 March 2019
Note	R'000	R'000	R'000	R'000	R'000
Annexure 6					
Intangible assets	649	-	205	(854)	-
TOTAL	649	-	205	(854)	-

30. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

As per the requirements of the B-BBEE Act, the department has obtained its certification and is B-BBEE compliant.

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## ANNEXURE 1A

### STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds With-held	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000	R'000	%	R'000	R'000
Cape Agulhus Municipality	1 495	-	(150)	1 345	1 345	-	-	1 345	-	1 345	0.0%	-	-
Laingsburg Municipality	1 483	-	-	1 483	1 483	-	-	1 483	-	1 483	0.0%	-	-
Oudtshoorn Municipality	1 437	-	-	1 437	1 437	-	-	1 437	1 437	-	100.0%	-	-
Witzenburg Municipality	1 685	-	-	1 685	1 685	-	-	1 685	1	1 684	0.0%	-	-
Swellendam Municipality	100	-	-	100	100	-	-	100	-	100	0.0%	-	-
West Coast District Municipality	164	-	-	164	164	-	-	164	164	-	100.0%	-	-
<b>TOTAL</b>	<b>6 364</b>	<b>-</b>	<b>(150)</b>	<b>6 214</b>	<b>6 214</b>	<b>-</b>	<b>-</b>	<b>6 214</b>	<b>1 602</b>	<b>4 612</b>		<b>-</b>	<b>-</b>

*The unspent funds by the Municipalities is as a result of the impact of Covid-19 on the ability of Municipalities to deliver on infrastructure projects.*

## ANNEXURE 1B STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2018/19 Final Appropriation
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
South African Broadcasting Corporation (SABC) **	5	-	-	5	4	80%	4
Saldanha Bay IDZ Licencing Company	74 187	-	-	74 187	74 187	100%	55 632
Wesgro	129 213	-	1 039	130 252	130 252	100%	92 399
Productivity SA *	-	-	1 639	1 639	1 639	100%	-
<b>TOTAL</b>	<b>203 405</b>	<b>-</b>	<b>2 678</b>	<b>206 083</b>	<b>206 082</b>		<b>148 035</b>

Unspent portion relating to the above:

Saldanha Bay IDZ Licencing Company

Wesgro

-

12 688

**12 688**

\* Productivity SA is a National entity of the Department of Labour and not a public entity of the Department.

\*\* SABC is a National entity of the Department of Communications and Digital Technologies (DCDT) and not a public entity of the Department.

## ANNEXURE 1C STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2018/19 Final Appropriation
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Boland College	-	-	-	-	-	-	-	2 000
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 000</b>

## ANNEXURE 1D

## STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

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NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION			TRANSFER		Capital	Current	2018/19
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Private Enterprises</b>								
Agri-processing and oil & gas – Supplier Development Programme (beneficiaries)	750	-	-	750	-	-		5 821
Agri Western Cape	2 520	-	(2 520)	-	-	-		-
Daytime Move Trading (Pty) Ltd	187	-	-	187	187	100.0%		-
Edge Growth Access (Pty) Ltd	2 012	-	-	2 012	2 012	100.0%		-
Fix Forward (Pty) Ltd	867	-	-	867	867	100.0%		-
Labit Consulting (Pty) Ltd	777	-	-	777	777	100.0%		-
Launchlab (Pty) Ltd	1 589	-	-	1 589	1 589	100.0%		-
Township Revitalisation Project	4 000	-	-	4 000	4 000	100.0%		1 500
Waste Economy	-	-	-	-	-	-		556
<b>TOTAL</b>	<b>12 702</b>	<b>-</b>	<b>(2 520)</b>	<b>10 182</b>	<b>9 432</b>	<b>92.6%</b>	<b>-</b>	<b>7 877</b>

# ANNEXURE 1E

## STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

### ANNUAL FINANCIAL STATEMENTS ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION			EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	
	R'000	R'000	R'000	R'000	R'000	
<b>Transfers</b>						
Asisa Foundation	-	-	1 354	1 354	1 354	-
Cape Digital Foundation	-	-	-	-	-	550
Cape Information and Technology Initiative (CITI)	2 142	-	-	2 142	2 142	500
Clotex	791	-	-	791	791	-
False Bay College *	-	-	616	616	616	-
Genesis Community IT Initiative	450	-	300	750	750	400
National Empowerment Fund **	10 000	-	-	10 000	10 000	5 000
Western Cape Economic Development Partnership	11 325	-	-	11 325	11 325	10 924
Qhubeka Charity	643	-	(603)	40	40	-
South African Renewable Energy Business Incubator (SAREBI)	695	-	-	695	695	-
The Innovator Enterprise Trust	-	-	1 166	1 166	1 166	-
The South African Education and Environment Project (SAEP)	474	-	-	474	474	-
True North	985	-	-	985	985	-
Violence Prevention Through Urban Upgrade (VPUU)	1 400	-	800	2 200	2 200	-
<b>TOTAL</b>	<b>28 905</b>	<b>-</b>	<b>3 633</b>	<b>32 538</b>	<b>32 538</b>	<b>17 314</b>

\* False College is a higher education institution of the Department of Higher Education, the Department supported the Centre for Entrepreneurship Rapid Incubator Hub.

\*\* The National Empowerment Fund is a schedule 3A Public Entity of the Department of Trade and Industry.

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## ANNEXURE 1F STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Bursaries (non-employees)	22 596	-	52	22 648	22 647	100%	10 944
Donations and gifts (including Prize money for winners of Western Cape Entrepreneurship Expo, Summit and Awards)	394	-	40	434	434	100%	219
Leave gratuity (12 employees have left the public service during the year)	64	-	553	617	612	99%	123
Injury on duty	2	-	7	9	9	100%	1
Refund and remuneration: Payment as an act of grace	20	-	-	20	20	100%	-
Pension penalty	-	-	656	656	655	100%	-
<b>TOTAL</b>	<b>23 076</b>	<b>-</b>	<b>1 308</b>	<b>24 384</b>	<b>24 377</b>		<b>11 287</b>

## ANNEXURE 1G STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20	2018/19
		R'000	R'000
<b>Received in kind</b>			
Cape Town Stadium	2 x VIP Suite tickets to HSBC 7's rugby	4	-
Provincial Treasury	Exclusive Books gift voucher	-	1
South African Table Grape Industry	4.5Kg Grapes & promotional book	1	-
UI Path	2 x Rocket Book Everlast	2	-
<b>TOTAL</b>		<b>7</b>	<b>1</b>

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# ANNEXURE 1H

## STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	PAID BACK ON/ BY 31 MARCH R'000	CLOSING BALANCE R'000
<b>Received in cash</b>						
Government Technical Advisory Centre (GTAC)	Work and Skills Programme	2 584	2 826	(140)	-	5 270
The Manufacturing Engineering and Related Services and Training Authority (MerSeta) *	Apprenticeship Game Changer	471	1 022	-	1 493	-
<b>TOTAL</b>		<b>3 055</b>	<b>3 848</b>	<b>(140)</b>	<b>1 493</b>	<b>5 270</b>

\* The amount received from the Manufacturing, Engineering and Related Services Sector Education and Training Authority (MerSeta) was paid to Provincial Treasury to be appropriated.



## ANNEXURE 2

### STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

Name of Public Entity	State Entity's PFMA Schedule type (state year end if not 31 March)	% Held		Number of shares held		Cost of investment R'000		Net Asset value of investment R'000		Profit/(Loss) for the year R'000		Losses guaranteed Yes/No
		19/20	18/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	
<b>National/Provincial Public Entity</b>												
Saldanha Bay IDZ	3D	100	100	120	120	63	63	737 450	457 088	280 361	119 990	
Licensing Company Soc Limited												
<b>Subtotal</b>		<b>100</b>	<b>100</b>	<b>120</b>	<b>120</b>	<b>63</b>	<b>63</b>	<b>737 450</b>	<b>457 088</b>	<b>280 361</b>	<b>119 990</b>	
<b>Other</b>												
Cape Town International Convention Centre	30 June	23.2	23.2	60 425	60 425	303 790	303 790	240 461	237 560	2 901	(72 502)	
<b>Subtotal</b>		<b>23.2</b>	<b>23.2</b>	<b>60 425</b>	<b>60 425</b>	<b>303 790</b>	<b>303 790</b>	<b>240 461</b>	<b>237 560</b>	<b>2 901</b>	<b>(72 502)</b>	
<b>TOTAL</b>				<b>60 545</b>	<b>60 545</b>	<b>303 853</b>	<b>303 853</b>	<b>977 911</b>	<b>694 648</b>	<b>283 262</b>	<b>47 488</b>	

The financial year end for the CTICC is 30 June and the calculation for the net asset and profit & loss is based on 30 June 2019 financial year end and therefore there is a timing difference between the Department and CTICC.

## ANNEXURE 3 STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

Nature of Liability	Opening Balance	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable	Closing Balance
	1 April 2019 R'000	R'000	R'000	R'000	31 March 2020 R'000
<b>Claims against the department</b>					
Bazz Collections	115	-	-	-	115
<b>TOTAL</b>	<b>115</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115</b>

Bazz Collection (Pty) Ltd owned by Mr Bazil Mia formed part of the second intake of businesses on the Long Street Kiosk programme and signed a Memorandum of Agreement on the 21 February 2017 after the department explained the content of the agreement. Subsequent to the termination of the agreement Bazz Collection claimed they suffered damages for stock damaged by a leaking drain in the kiosk reported on the 14 March 2017.

The matter is still under legal review and administered by the state attorneys office and legal services.

## ANNEXURE 4 CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2019/20	
							Receipt date up to six (6) working days after year end	
	31/03/2020 R'000	31/03/2019 R'000	31/03/2020 R'000	31/03/2019 R'000	31/03/2020 R'000	31/03/2019 R'000	Amount	R'000
<b>Department</b>								
Government Motor Transport	-	-	38	-	38	-	-	-
Western Cape Department of Health	-	-	9	9	9	9	-	-
Western Cape Department of Social Development	-	22	-	-	-	22	-	-
Western Cape Department of the Premier	106	-	-	-	106	-	-	-
<b>TOTAL</b>	<b>106</b>	<b>22</b>	<b>47</b>	<b>9</b>	<b>153</b>	<b>31</b>	<b>-</b>	<b>-</b>

## ANNEXURE 5 INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2019/20	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	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	R'000
<b>DEPARTMENTS</b>								
Current								
Western Cape Department of the Premier	479	45	11	-	490	45	31/03/2020	480
Western Cape Department of Health	-	58	-	-	-	58		-
Government Motor Transport	11	-	-	-	11	-		-
<b>TOTAL</b>	<b>490</b>	<b>103</b>	<b>11</b>	<b>-</b>	<b>501</b>	<b>103</b>	<b>-</b>	<b>480</b>

A payable to Provincial Treasury amounting to R5,652 million is included in note 15 and not included in the annexure.

## ANNEXURE 6 MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2019					
	Opening balance		Prior period error	Current Year Capital WIP	
	R'000	R'000		R'000	R'000
				Ready for use (Asset register) / Contract terminated	Closing balance
				R'000	R'000
<b>SOFTWARE</b>					
Computer software	649	-	-	205	(854)
<b>TOTAL</b>	<b>649</b>	<b>-</b>	<b>-</b>	<b>205</b>	<b>(854)</b>

## ANNEXURE 7 INTER-ENTITY ADVANCES PAID

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
<b>PUBLIC ENTITIES</b>						
Government Motor Transport	-	650	-	-	-	650
Wesgro	-	4 700	-	-	-	4 700
<b>TOTAL</b>	-	<b>5 350</b>	-	-	-	<b>5 350</b>

## ANNEXURE 8 IRREGULAR EXPENDITURE TO THE AFS

IRREGULAR EXPENDITURE ANNEXURE TO THE AFS			
Description	Stage of completion	No. of cases	Total
Alleged irregular expenditure - identified by Institution (A)			
Current year occurrences - 2019/20 Jump			
Prior year occurrences	Stage 1	1	1,314,690.00
Alleged irregular expenditure - identified by Auditors (B)			
Current year occurrences			
Prior year occurrences			
<b>Total Alleged irregular expenditure - Jump</b>		<b>1</b>	<b>1,314,690.00</b>

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Total confirmed irregular expenditure - 2018/19 CHTP, ASEZ, Koketso, Capaciti & Casidra	Stage 2	5	7,976,520.00
IE - no losses incurred - 2018/19 CHTP, ASEZ, Koketso, Capaciti & Casidra	Stage 3	5	7,976,520.00
IE - resulted in losses	Stage 3		
IE - determination in-progress - 2019/20 Jump	Stage 3	1	1,314,690.00
IE - recovered/referred for recovery	Stage 5		
IE - irrecoverable and written-off	Stage 5		
IE - referred to PFS for further investigation - 2018/19 Koketso	Stage 4	1	1,388,520.00
IE - referred to PFS for further investigation - 2019/20 Jump	Stage 1	1	1,314,690.00
IE - referred to HRF for disciplinary process	Stage 6		
IE - referred for condonation/ condoned - CHTP, ASEZ, Capaciti & Casidra	Stage 7	4	6,588,000.00
IE - not condoned and removed by AO/AA	Stage 7		

## ANNEXURE 9

### MOVABLE TANGIBLE CAPITAL ASSETS: TRANSPORT ASSETS

Transport assets as per finance lease register year ended 31 March 2020:

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
GG Motor vehicles	5 863		1 138	(110)	6 891
<b>TOTAL</b>	<b>5 863</b>		<b>1 138</b>	<b>(110)</b>	<b>6 891</b>

Transport assets as per finance lease register year ended 31 March 2019:

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
GG Motor vehicles	5 696		329	(162)	5 863
<b>TOTAL</b>	<b>5 696</b>		<b>329</b>	<b>(162)</b>	<b>5 863</b>

*As at 31 March 2020 the department used 29 (2019: 27) motor vehicles which were under a financing arrangement unique to the Western Cape and this annexure enhances the minimum requirement in terms of the Modified Cash Standard.*

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