

ECONOMIC DEVELOPMENT DEPARTMENT

# ANNUAL REPORT

2018 / 2019



economic  
development

Economic Development Department  
REPUBLIC OF SOUTH AFRICA



ECONOMIC DEVELOPMENT DEPARTMENT

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# **ANNUAL REPORT**

2018 / **2019**



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**PART**

**A**

**GENERAL  
INFORMATION**





## 1. GENERAL INFORMATION

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## 2. LIST OF ABBREVIATIONS

<b>AGSA</b>	Auditor-General of South Africa
<b>AO</b>	Accounting Officer
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>BRICS</b>	Brazil, Russia, Indian, China and South Africa
<b>CFO</b>	Chief Financial Officer
<b>DFI</b>	Development Finance Institution
<b>EU</b>	European Union
<b>EXCO</b>	Executive Committee
<b>GDP</b>	Gross Domestic Product
<b>HOD</b>	Head of Department
<b>IDC</b>	Industrial Development Corporation
<b>ISAs</b>	International Standards on Auditing
<b>ITAC</b>	International Trade Administration Commission of South Africa
<b>Manco</b>	Management Committee
<b>MEC</b>	Member of the Executive Council
<b>MPAT</b>	Management Performance Assessment Tool
<b>MTBPS</b>	Medium-Term Budget Policy Statement
<b>MTEF</b>	Medium-Term Expenditure Framework
<b>MTSF</b>	Medium-Term Strategic Framework
<b>NDP</b>	National Development Plan
<b>NGP</b>	New Growth Path
<b>PFMA</b>	Public Finance Management Act
<b>PICC</b>	Presidential Infrastructure Coordinating Commission
<b>PAA</b>	Public Audit Act of SA
<b>RMC</b>	Risk Management Committee
<b>SCM</b>	Supply Chain Management
<b>SDIP</b>	Service Delivery Improvement Plan
<b>SMME</b>	Small, Medium and Micro Enterprise
<b>SMS</b>	Senior Management Service





### 3. HIGHLIGHTS FOR THE FIFTH ADMINISTRATION

(1 April 2014 to 31 March 2019)

#### Economic Highlights

Annualised Real GDP Growth (%)	<b>1.1%</b>
Total employment (net change)	<b>1 237 000 more jobs</b>
Inward Foreign Direct Investment (nominal)	<b>R219.1 billion</b>
Total infrastructure spending (nominal)	<b>R1.3 trillion</b>

#### EDD and Agency Highlights

IDC funding approvals (net)	<b>R71.1 billion</b>
IDC funding disbursements	<b>R60.4 billion</b>
IDC funding approvals to black industrialists	<b>R26.0 billion</b>
Jobs supported through IDC funding (net created or retained)	<b>105 000</b>
Penalties imposed by competition authorities	<b>R2.8 billion</b>
Investment commitments obtained through competition settlement agreements	<b>R14.7 billion</b>
Economic value facilitated to historically disadvantaged persons through competition settlement agreements	<b>R20 billion (approximately)</b>
Net jobs protected through public interest conditions in mergers (as reported by Competition Commission)	<b>141 568</b>



## 4. 2018/19 ECONOMY HIGHLIGHTS

For the period 1 April 2018 to 31 March 2019  
(unless otherwise stated), the following key economic indicators applied:

	2018/19	2017/18
Employment	declined by 86 000	grew by 165 000
Total employment, March 2019	16 291 000	16 378 000
GDP growth	0.8% calendar year	1.4%
Size of economy (Nominal GDP)	R4.9 trillion calendar year	R4.7 trillion
Inward Foreign Direct Investment	R70.6 billion calendar year	R26.7 billion
Total Infrastructure Spending	R255.1 billion (estimate)	R236.2 billion
Jobs growth since NGP adoption to March 2019	2 644 000	2 730 000



## 5. EDD AND AGENCY HIGHLIGHTS FOR 2018/19

PICC - monitored infrastructure projects (March 2019)	323
Jobs on PICC projects, March 2019	162 958
IDC funding approvals, (net), 2018/19	R13,1 billion
IDC funding disbursements, 2018/19	R11,8 billion
IDC funding approvals for Black-empowered companies, 2018/19	R8,3 billion
IDC funding approvals to Black Industrialists, 2018/19	R6,0 billion
IDC funding approvals to women-empowered companies, 2018/19	R3,0 billion
IDC funding to youth-empowered enterprises	R823 million
Jobs supported through IDC funding (net created and retained), 2018/19	19 178
Penalties imposed by the Competition Authorities, 2018/19	R334 million
Mergers with employment and other public-interest conditions imposed by Competition Commission, 2018/19	27
ITAC tariff increases, 2018/19	2
ITAC rebates	12
EDD staff numbers, March 2019	105
Budget spent: EDD, Competition Commission, Competition Tribunal, and ITAC	R1,04 billion
Frontline KPIs achieved	100%



## 6

FOREWORD  
BY THE MINISTER

**Mr. Ebrahim Patel**  
Minister of Trade and Industry

It is my pleasure to table the 2018/19 Annual Report of the Economic Development Department (EDD) to Parliament. This is the final report of EDD, which is now being merged to form the Department of Trade, Industry and Competition.

The report sets out the results of EDD's work in the last year of the 5th Administration in South Africa.

**Over the 5th Administration, the work of EDD and its agencies resulted in investment commitments of R86 billion to support new enterprises and improved infrastructure; R50 billion of economic value to black South Africans facilitated through BEE commitments in competition settlements and targeted funding by the IDC; and more than 183 000 direct jobs created or retained.**

Over the past five years, the economy grew by a real annualised rate of 1.1%, with 1.2 million net new jobs created. However, over the last twelve months, GDP growth was 0.6% while employment numbers declined by 86 000.

The recovery in foreign direct investment was encouraging with inward FDI totalling R70.6 billion in 2018 – some

R 43.9 billion more than in 2017. The 57% increase in South African inward FDI was significant in a year when global FDI fell by 13%. It was also the highest level of FDI into South Africa in five years. Over the five years of the administration, inward FDI amounted to R219 billion.

In October 2018, South Africa hosted the inaugural Investment Conference in support of the President's investment mobilisation drive to attract \$100 billion new investment by 2023. The Ministry, Department and the Industrial Development Corporation played an important role in organising the event, where about R300 billion was committed for investment over the next five years. Substantial work on changing the investment narrative was carried out during the year, including engagement with a number of South African CEOs, foreign investors at events like the World Economic Forum in Davos, representatives of the finance sector, and foreign ambassadors.

In the period of this review, Parliament made major amendments to the Competition Act and EDD negotiated public interest agreements in key mergers. It hosted thought leaders, began policy dialogues in key areas such as that of the social economy and the drones industry, explored the implications for South Africa of the Fourth Industrial Revolution, hosted a number of small business imbizos across the country and conducted coordination and unblocking efforts to ensure maximal policy impact.



The following highlights are relevant:

A raft of proposed amendments to competition legislation went through detailed public consultation, including more than six months of discussion at the National Economic Development and Labour Council (NEDLAC) with business and labour; and subsequently two separate periods of public engagement at sessions of the Portfolio and Select Committees in Parliament. These consultations led to a balanced piece of legislation, and will enable the competition authorities to address issues of access to markets by all South Africans, particularly SMEs.

The Competition Amendment Act was signed into law on 13 February 2019.

South Africa's approach to public interest in merger transactions is attracting greater interest from other jurisdictions as competition authorities in different parts of the world seek to address issues of market concentration and the balance between the gains to shareholders through large corporate mergers and the impact these have on local economies and communities.

In the period under review, the Ministry and Department engaged and finalised public interest conditions relating to a third transaction involving the acquisition of Chevron's assets in South Africa, including the oil refinery in Cape Town, and the Caltex service station network. A number of commitments were obtained from the merger parties: the Company's head office remain in South Africa; there be no merger-related retrenchments and aggregate levels of employment will be maintained for a period of five years; R6 billion to be invested over five years at the Refinery; a R220 million supplier development fund be established; the level of BBBEE ownership be increased to at least 35%; and at least 73% of the service station network be locally owned.

During the year, the Competition Commission continued work in four market inquiries namely private healthcare; data services; public passenger transport; and the grocery retail sector. It is expected that these market inquiries will be concluded during the 2019/20 financial year, with important implications for the levels of participation by small and medium enterprises in the respective sectors, as well as the cost to consumers for goods and services procured.

The Commission also continued its work on mergers, cartels and abuse of dominance over the year. A total of 348 mergers were notified to the Commission, most

of which were approved (45 mergers were approved with public interest conditions). The Commission completed 30 cartel investigations, of which 18 were referred to the Competition Tribunal for adjudication. Ten abuse of dominance cases were investigated, one of which was referred to the Tribunal. In cases adjudicated by the Tribunal, penalties of R334 million were imposed in 2018/19, bringing the total value of penalties imposed for uncompetitive conduct to R2.8 billion over the period of the 5th Administration. Investment commitments obtained through competition settlement agreements over the period of the 5th Administration amounted to R14.7 billion, while commitments in respect of broad-based black economic empowerment, obtained through competition settlement agreements over the five-year period, will result in roughly R20 billion in economic value facilitated to historically disadvantaged persons.

Economic infrastructure expansion is a key enabler of higher growth and broader inclusion. In 2018/19, EDD provided secretariat services to the Presidential Infrastructure Coordinating Commission (PICC) which supports implementation of the National Infrastructure Plan. Currently, 323 projects are tracked quarterly and sustain more than 160 000 jobs. They range from projects in the construction of power plants, to schools, hospitals, roads, port development, water pipelines and new bus route systems. Over the five years of the administration, total public spending on infrastructure amounted to R1.3 trillion.

The Department worked closely with the dti in 2018/19 to support the local steel industry, which has been under pressure for some time due to low global prices.

Measures included extending the supply contract between Highveld Steel - where the only railway lines in Africa are produced - and ArcelorMittal South Africa, saving local jobs.

The Preferential Price System (PPS), which requires scrap metal exporters to first offer scrap for sale to local buyers before considering exports, was extended and the ground for introducing an export tax on scrap metal was laid. These measures ensure that local steel beneficiation is supported as a crucial component of growing a range of industrial value chains. The Department received 15 written comments and 8 letters regarding the extension of the PPS, the vast majority of which supported the renewal of the policy directive. In one submission, one the company's remarked: "the existence of [the company] and its 288 employees was solely due to the implementation of the PPS policy".



To address challenges faced by sugar farmers, EDD coordinated an engagement between government and stakeholders across the sugar value chain in May 2018 to determine a path forward for the industry. Following this meeting, ITAC recommended a 20% increase the import tariff which was implemented in July 2018. The increase in the tariff resulted in an almost immediate reduction in imported sugar from non-SACU countries, provide some relief to the industry. In addition, the industry has made a commitment to invest substantial sums to effect transformation.

The Industrial Development Corporation (IDC) approved R13.1 billion and disbursed R11.8 billion in industrial funding over the 12-month period. This investment will create 14 620 new jobs and retain 4 558 existing jobs. Funding for Black Industrialists amounted to R6 billion and funding to youth and women-empowered businesses amounted to R823 million and R3 billion, respectively. IDC funding crowded in a further R20.1 billion in private sector investment across a range of sectors.

For the five years of the 5th Administration, the IDC approved R71.1 billion and disbursed R60.4 billion, with 105 000 jobs expected to be created or retained as a result of this funding. In 2015, I set five-year targets for the IDC for funding for Black Industrials (R23 billion) and for women- and youth-empowered enterprises (R4.5 billion each). With a year still left, the IDC has met the targets for women- and youth-empowered enterprises, with R9.5 billion and R5.1 billion approved respectively. The Corporation approved R21.4 billion for black industrialists over the period and is on track to meet the R23 billion target by the end of this financial year.

The Department facilitated a number of measures to promote investment or economic inclusion, including the establishment of a training centre at Highveld Steel, at which Afgri trains micro farmers, improved storage discounts in grain silos for small-scale farmers and the introduction of small suppliers into the Massmart Supplier Development pipeline.

To support township enterprises, the Ministry and Department hosted a number of small business imbizos across the country, in Sutherland, Khayelitsha, Ottery, Nkangala District, Kimberley, and eHlanzeni. The imbizos provided an opportunity for small business owners to engage government agencies, including the Companies

and Intellectual Property Commission (CIPC), SARS, the IDC, Small Enterprise Development Agency (SEDA), Small Enterprise Finance Agency (SEFA) and the National Empowerment Fund (NEF). At the Khayelitsha imbizo, for example, 48 small business entrepreneurs attended, 10 of which were issued business registration certificates by CIPC and 7 issued tax clearance certificates by SARS.

Finally, the work of EDD is also a reflection of the contributions of the various agencies and the Department and their dedicated staff as well as the support and assistance of the Parliamentary Portfolio and Select Committees of Economic Development. I would like to convey my sincere gratitude to each of them. I would also like to thank Madala Masuku who served as Deputy Minister during the period.

A handwritten signature in black ink, appearing to read 'Ebrahim Patel', with a long horizontal stroke extending to the right.

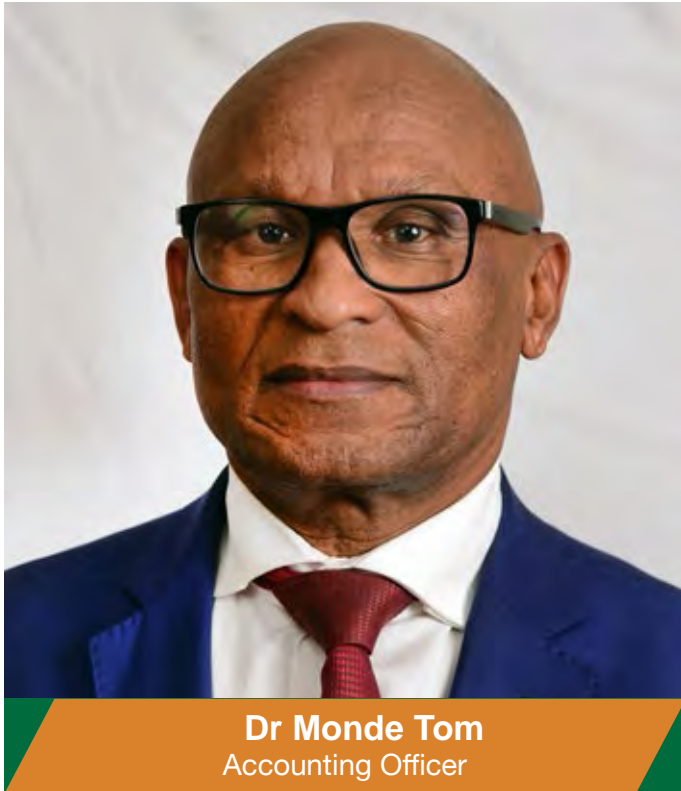
**Mr Ebrahim Patel**

Minister responsible for Trade, Industry and Competition





## 7. REPORT OF THE ACCOUNTING OFFICER



**Dr Monde Tom**  
Accounting Officer

### 7.1 Overview of Departmental Performance

During the year, EDD focussed on its mandate of facilitating better integration of economic initiatives across government and providing oversight of specified public institutions to enable meaningful economic transformation and inclusive growth. The work of the Department this reporting period included supporting job creation initiatives, inclusive growth, industrialisation and social inclusion through policy development and facilitating major investments and unblocking.

The Economic Development Department achieved an unqualified Audit Opinion commonly referred to as a Clean Audit. The Clean Audit outcome was testimony to the journey the EDD has taken since its establishment in 2009 in conjunction with the intensive efforts to obtain operational efficiencies and maturing internal control environment. Highlights from programmes 2 (Growth Path and Social Dialogue) and 3 (Investment,

Competition and Trade) in terms of MTSF (Medium Term Strategic Framework) outcomes and the NDP (National Development Plan) include, among others:

- Research reports in the labour market covering demand/supply analysis, sector analysis on agriculture and manufacturing and Africa trade analysis for Botswana, Ethiopia and Nigeria
- EDD held a roundtable and a conference on the social economy as well as a policy dialogue on the drones industry value chain
- EDD provided entity oversight by holding quarterly sessions with the IDC and Economic Regulators to assess financial and performance indicators. The Minister also provided strategic oversight to the entities
- The Department coordinated the extension of the Preferential Price System for scrap metals and process of introducing an export tax for scrap metal. See more details under Trade Authorities below.
- EDD supported provinces to align their strategies with national objectives and held provincial forums with small businesses to facilitate resolutions to their challenges
- A number of unblockings were facilitated during the year and covered a range of sectors involving companies in the clothing and textile, steel, retail and agriculture sectors.

### 7.2 Organisational Development

The Department utilised available financial and human resources to deliver the best products during the year. The constrained fiscal position continued to exert pressure on resources in the Department to deliver the required work without exceeding the expenditure ceiling.

In 2018/19, APP deliverables were organised around 3 programmes, 6 strategic objectives, 23 key performance indicators (KPI) with 182 planned products/ targets. EDD met its performance targets and delivered 199 products in 2018/19 and a total of 97% of the budget allocation was spent.





### Performance against 2018/19 KPIs is summarised below:

KPI	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	TOT
Target	1	1	4	4	2	3	10	3	64	8	4	30	4	4	14	3	4	4	1	3	4	2	5	182
Achieved	1	1	4	7	2	3	10	3	71	8	5	30	4	5	14	3	4	4	1	5	5	4	5	199
Exceeded	0	0	0	3	0	0	0	0	7	0	1	0	0	1	0	0	0	0	0	2	1	2	0	17

The improvement in the Department's way of working enhanced operational efficiency and improved evidence-based reporting on predetermined objectives. Internal capacity was further strengthened by the appointment of an acting DDG in the later part of the year to manage operations in Programme 3.

The provision of strong governance and compliance support services was enhanced, resulting in the delivery of efficient, cost-effective, and transparent services. EDD relied on the MPAT outcomes as an output that measures governance and accountability as well as management practices and compliance with key prescripts such as the Public Service Act and Regulations, Public Finance Management Act, Protected Disclosures Act, etc. The Department was expected to systematically address scores lower than the target identified in the preceding year and maintain the target or achieve higher scores. Improvements were achieved in various areas and the targeted MPAT score was met in 2018/19. The Department reported a rating level of 3 on governance and accountability.

## 7.3 Development Finance Institutions

The work of the IDC continues to deepen inclusion and to extend opportunity. In the past year, the IDC approved R13,1 billion and disbursed R11,8 billion. This funding resulted in 14 620 jobs created and 4 558 jobs retained (a total of 19 178 jobs facilitated). Funding for Black Industrialists amounted to R6,0 billion and funding to youth and women-empowered businesses amounted to R823 million and R3,0 billion, respectively.

## 7.4 Competition Authorities

The Competition Commission dealt with a range of cases this year, including those where the Department participated on the basis of public interest. While 13 436 jobs were lost in the process, the total jobs retained amounted to 6 080. The cases affecting public interest were 27. The net effect on jobs was therefore a negative 7 356.

The Competition Authorities will require more resources for the implementation of the Competition Amendment Act (Act 18 of 2018) and efforts are being made to address this issue. The Competition Tribunal heard 217 cases, issued orders in 180 matters and imposed fines of R334 million on 45 firms.

The four market inquiries into Private Healthcare, the Grocery Retail Market, Public Passenger Transport Market and Data Market are all on track and are expected to be finalised in 2019/20 financial year.

Major work was undertaken on proposed amendments to the Competition Act. The President signed the Competition Amendment Bill into law on 13 February 2019. The main focus of the Act is economic transformation. The Amendments provide for an extension of the mandate of the competition authorities and the executive, to help open up the economy to SMEs and firms owned by black South Africans, through addressing high levels of economic concentration, limited transformation in the South African economy and abuse of market power by dominant firms. The Department commissioned State of Readiness Reports on two aspects: regulation-readiness and institutional readiness. Work is underway with regard to identifying sections in the Act that can be proclaimed.

## 7.5 Trade Authorities

The Economic Development Department worked extensively with National Treasury and the Department of Trade and Industry in exploring the introduction of an export tax on scrap metal. The export tax on scrap metal serves as an alternative to the current Price Preference System ("PPS"). The changes are geared towards ensuring improvement in the availability of quality scrap metal at affordable prices for foundries and mills in the domestic market resulting in enhanced investment, jobs and industrialisation.

ITAC aimed to perform 1 500 scheduled and unscheduled 1 000 inspections of import and export shipment sites or documentation. We are pleased to report that ITAC Enforcement conducted 2 560 scheduled and



unscheduled inspections and verifications for the period 1 April 2018 to 31 March 2019 – with 393 Automotive Production and Development Programme (APDP) verifications conducted, and 1 417 rebate and drawback permits issued.

## 7.6 EDD Budget

The EDD revenue collected in the 2018/19 financial year amounted to R147 million from dividends and payments made under the Voluntary Rebuilding Programme (VRP) Settlement Agreement by the construction industry (classified below as 'Fines, penalties and forfeits'). The table below reflects the breakdown of the Departmental receipts.

### 7.6.1 DEPARTMENTAL RECEIPTS

Penalties collected by the Competition Commission are not reflected in the Annual Financial Statements of the EDD, which is in line with the reporting requirements of the Office of the Accountant General.

For the 2018/19 financial year, the Commission collected R905,8 million in penalties, and R847 million was transferred to the National Revenue Fund by year end via the EDD. An amount of R96 million has been received directly by the EDD from the companies which are part of the VRP Settlement Agreement and transferred to National Revenue Fund. Dividends are received from the Industrial Development Corporation (IDC) as part of investment and transferred to the National Revenue Fund via the EDD. An amount of R50 million was received by the EDD.

#### Departmental Receipts

Departmental receipts	2018/19			2017/18		
	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
Sale of goods and services other than capital assets	49	32	17	21	31	(10)
Fines, penalties and forfeits	234 000	96 247	137 753	301 067	117 400	183 667
Interest, dividends and rent on land	50 860	50 462	398	20 200	50 123	(29 923)
Financial transactions in assets and liabilities	55	14	41	50	6	44
<b>Total</b>	<b>284 964</b>	<b>146 755</b>	<b>138 209</b>	<b>321 338</b>	<b>167 560</b>	<b>153 778</b>

The estimated amount of R234 000 includes collections for two financial years. The estimated amount is based on two financial year projected collections. During the 2018/19 financial year, the collected amount was R96 million instead of R117 million and during the 2017/18 financial year the full R117 million was collected.

### 7.6.2 DEPARTMENTAL EXPENDITURE PER PROGRAMME

The budget allocation for the 2018/19 financial year was R1,07 billion against which expenditure of R1,04 billion (i.e. 97% of the budget) was incurred. The Departmental cost drivers comprise mainly transfer payments to the agencies (i.e. Competition Commission, Competition Tribunal and ITAC). Approximately 87% (R937,5 million) of the expenditure consisted of transfers to these Departmental agencies. The remaining funds were utilised for operational expenses in the Department.



The table below reflects the Department's expenditure against the programmes.

#### Departmental expenditure against programmes

Programme Name	2018/19			2017/18		
	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	87 759	86 619	1 140	85 117	83 666	1 451
Growth Path and Social Dialogue	30 502	30 158	344	31 736	31 125	611
Investment, Competition and Trade	954 336	927 233	27 103	797 384	797 259	125
Total	1 072 597	1 044 010	28 587	914 237	912 050	2 187

#### 7.6.3 VIREMENTS

Virements of R4,4 million were approved by the National Treasury to reallocate funds to assist the International Trade and Administration Commission with funding requirements for the Price Preference System to avoid a regulatory gap while the export tax option was being reviewed. An additional Virement of R1,5 million was done to fund the Compensation of employees which was expected to have an overspend due to the cost of living adjustment which was not considered when the ceiling was set.

#### 7.6.4 UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE

All supply chain management processes and systems were and are still in place to prevent irregular expenditure. EDD incurred fruitless and wasteful expenditure related to performance rewards for prior years. Refer to AFS note.

#### 7.6.5 GIFTS AND DONATIONS

Gifts and donations received in kind during 2018/19 are shown in the table below:

Organisation	Gifts or Donation
Waltons Stationers	Small note book and 2 black pens
Business Day	Cup, pen and note book
Tiso Blackstar Group	Pen, diary and mug
Joel Transport	6 Wall calendars, 6 pens, 4 rulers and 1 diary
High Commissioner of Pakistan	1 Bottle of non-alcoholic wine and 1 box of chocolates
XL Nexus Travel	6 Wall clock watches, 9 candle holders and 7 set of shopping bags
Waltons Stationers	3 Calendars, 1 ruler and 1 executive note pad with 2 black pens
Shumba Inc	4 Diaries and 4 desk calendars

#### 7.6.6 EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

No exemptions were requested and/or approved for the Department in terms of the Public Finance Management Act (PFMA) and Treasury Regulations.

#### 7.6.7 EVENTS AFTER THE REPORTING DATE

No events took place after the reporting date of 31 March 2019 that would impact on the financial position of the EDD.



## 7.7 Future Plans

The Department will embark on a process to realign APP KPI targets to achieve better operational efficiency and product impact in preparation for the 2019/20 APP tabling.

The EDD will continue to intensify its coordination role by contributing to an overarching framework on spatial economic development, including value chains in township economies. The Department will work with provinces to ensure the implementation of social accords and related agreements, such as the outcomes of the 2018 Jobs Summit and the Social Economy Policy.

## 7.8 Conclusion

The Department continues to refine its systems to ensure operational efficiencies and effectiveness. A culture of staff accountability is being entrenched.

**Dr Monde Tom**

Accounting Officer

Economic Development Department

Date: 31 July 2019



## 8. 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 judgment 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 2019.

A handwritten signature in black ink, appearing to be 'Dr Monde Tom', written over a horizontal line.

**Dr Monde Tom**

Accounting Officer

Economic Development Department

Date: 31 July 2019



## 9. STRATEGIC OVERVIEW

### 9.1 Vision

Creating decent work for all through meaningful economic transformation and inclusive growth.

### 9.2 Mission

The Economic Development Department (EDD) aims to:

- Co-ordinate the contributions of government departments, state entities and civil society to effect economic development;
- Improve alignment between economic policies, plans of the state, its agencies, government's political and economic objectives and mandate; and
- Promote government's goal of advancing economic development via the creation of decent work opportunities.

### 9.3 Values

The EDD promotes the Constitution, with special reference to the chapters on human rights, cooperative governance and public administration. EDD upholds the following values:

- Promotion of decent work for all citizens (opportunity to work and quality of employment),
- Social partnership and dialogue,
- Equity and development, and
- Sustainability (environment, social and economic).

## 10. LEGISLATIVE AND OTHER MANDATES

The EDD was established in 2009 when the state conducted a macro-reorganisation of state institutions under Schedule 1 of the Public Service Act of 1994 (as amended by the Public Service Amendment Act 30 of 2007).

**The EDD administers the following legislation:**

- The Industrial Development Corporation Act, 1940, (Act No. 22 of 1940)
- The Competition Act, 1998, (Act No. 89 of 1998) as amended
- The International Trade Administration Act, 2002, (Act No. 71 of 2002)
- EDD also has responsibilities under the Infrastructure Development Act, 2014 (Act No. 23 of 2014).

**The following policy frameworks guide the Annual Performance Plan of the Department:**

- State of the Nation Address
- National Development Plan
- New Growth Path
- National Infrastructure Plan
- Industrial Policy Action Plan
- Agriculture Policy Action Plan
- Medium-Term Strategic Framework 2014 - 2019
- Delivery Agreement on Outcome 4: Decent employment through inclusive economic growth
- Delivery Agreement on Outcome 5: Skilled and capable workforce to support inclusive growth
- Delivery Agreement on Outcome 6: Efficient, competitive and responsive infrastructure
- Delivery Agreement on Outcome 7: Vibrant, equitable, sustainable rural communities
- Framework for South Africa's Response to the International Economic Crisis (2010).

**Accords that the Department facilitates and monitors:**

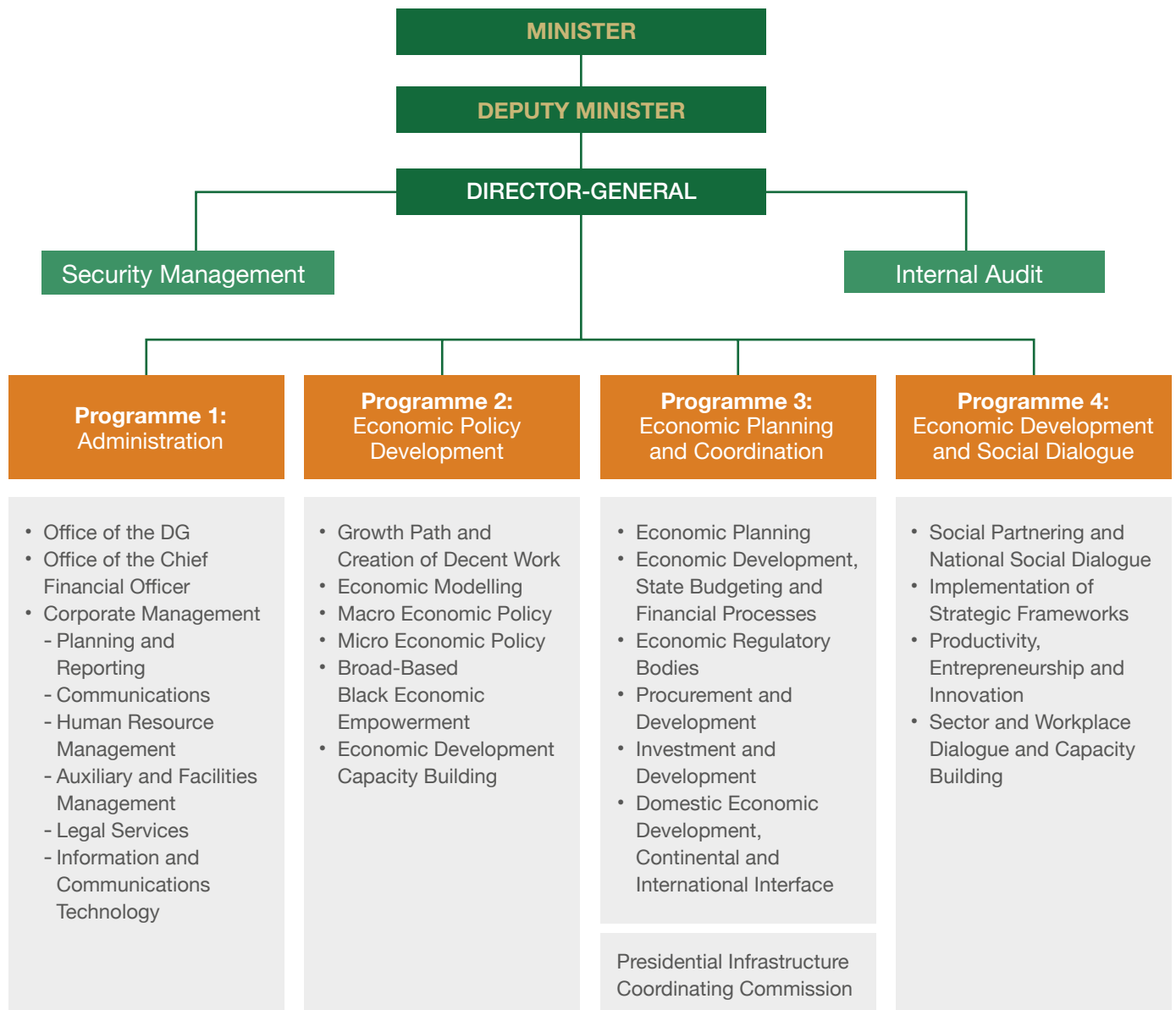
- Basic Education Accord
- National Skills Accord
- Local Procurement Accord
- Green Economy Accord
- October 2012 Social Accord
- Youth Employment Accord.

**The EDD participates in, supports or convenes the following coordinating structures:**

- The EDD coordinates, integrates and provides technical support, monitoring and evaluation functions, secretariat services and inter-governmental coordination to the PICC
- The EDD, together with the **dti**, convenes the MinMec/Technical MinMec with provincial members of the Executive Council (MECs) and economic development departments
- The EDD supports the **dti** in its convening of the Outcome 4, Technical Implementation Forum
- The EDD is a member of the Economic Sectors, Employment and Infrastructure Development (ESEID) Cluster.



## 11. ORGANISATIONAL STRUCTURE



The reporting within the Department is managed through the budget structure, which has three programmes. The above is the approved 2009 organisational structure. The 2018/19 Annual Performance Plan was designed according to the budget structure, therefore, the EDD is reporting against the approved APP budget structure. Configuration of the budget structure is as follows:

- Programme 1: Administration
- Programme 2: Growth Path and Social Dialogue
- Programme 3: Investment, Competition and Trade.





## 12. ENTITIES REPORTING TO THE MINISTER

The table below indicates the entities that reported to the Minister in the 2018/19 financial year.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
The Competition Commission	The Competition Act, 1998 (Act No. 89 of 1998, as amended)	The Department transfers money to the entity for it to be able to fulfil its mandate	The Competition Commission is the investigative and enforcement arm of the Competition Act and investigates mergers and / or anti-competitive conduct and refers its findings to the Competition Tribunal for a decision
The Competition Tribunal	The Competition Act, 1998 (Act No. 89 of 1998, as amended)	The Department transfers money to the entity for it to be able to fulfil its mandate	The Competition Tribunal adjudicates on mergers and prohibited practice cases. Prohibited practice cases involve anti-competitive outcomes achieved either through co-ordinated conduct between competing firms or through unilateral conduct by a dominant firm
The International Trade Administration Commission of South Africa (ITAC)	The International Trade Administration Act, 2002 (Act No. 71 of 2002), save for item 2 of Schedule 2 of this Act read with section 4(2) of the Board of Tariffs and Trade Act (Act No. 107 of 1986), is administered by the Minister of Trade and Industry	The Department transfers money to the entity for it to be able to fulfil its mandate	ITAC aims to create fair trade conditions that will boost South Africa's economic development and growth by establishing an efficient and effective system for the administration of international trade, including tariff investigations; trade remedies; and import and export control.
Industrial Development Corporation (IDC)	The Industrial Development Corporation Act, 1940, (Act No. 22 of 1940)	<p>IDC generates the bulk of the funding required for investment through internal profitability and dividends, and borrowing funds</p> <p>It manages some funds on behalf of the EDD (e.g. Agro-processing Competitiveness Scheme) and the dti (e.g. Manufacturing Competitiveness Enhancement Scheme, Clothing and Textiles Competitiveness Programme, etc)</p>	<p>IDC's objective is to lead industrial capacity development with the primary outcome to create direct and indirect employment opportunities</p> <p>IDC's main activities focus on the provision of industrial financing to support sustainable industrialisation, job creation and empowerment</p> <p>It develops projects in priority industries, provides non-financial support of businesses, manages funds on behalf of government, undertakes economic research and provides support and capacity to government</p>







# 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 predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to the Report of the Auditor General, published in **Part E: Financial Information**.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service Delivery Environment

The South African economy grew by 0,8 per cent in 2018, lower than the revised 1,4 per cent in 2017. This low growth did not help much with the elevated unemployment levels that remained at 27,6 per cent in the final quarter of the fiscal year 2018/19 – leaving 6,2 million able and willing people unable to find work.

The transition from the fifth to the sixth administration brings with it the opportunity to attend to refining the capacity of the state to deal with the above-mentioned problem and its socio-economic consequences. President Ramaphosa has made it clear that he wishes to take measures to strengthen his cabinet and rationalise the focus of government. In that process this will reinvigorate the vigour with which economic matters are addressed. This process will further provide an opportunity to strengthen the state's coordination and collaboration capabilities.

During the preceding year, EDD coordinated the participation of government in the economy and promoted social dialogue between developmental partners in pursuit of a jobs rich and inclusive growth. Work included harnessing opportunities for small businesses in the economy, taking further actions to challenge anti-competitive behaviour, supported localisation and unblocked investment.

### 2.2 Service Delivery Improvement Plan

As the Department continues to refine mechanisms for integration and co-ordination across the state and social partners in general to ensure improved service delivery, it has reviewed its Service Delivery Improvement Plan



(SDIP) and submitted it to the **dpsa**.

#### Main services and standards

Main Services	Beneficiaries	Current/Actual Standard of Service	Desired Standard of Service	Actual Achievement
Provide support to provincial economic development departments to align their plans to the MTSF	Provincial economic development departments	Review of provincial Annual Performance Plans (APPs) with a view to have them aligned to the MTSF	Review of provincial Annual Performance Plans (APPs) with a view to have them aligned to the MTSF	APPs of all the nine provinces were reviewed and assessed for alignment with the MTSF
Improve and monitor industrial funding targets for identified jobs drivers and for township economies	Private sector, township enterprises	Conducted surveys on township enterprises to measure the impact of sefa, IDC and NEF (National Empowerment Fund) funding	Measure and analyse the impact of the programmes	<p>Case study on impact of DFI funding; Quarterly reports done on industrial financing; EDD hosted workshops, forums and imbizos which addressed enterprise development; Promoted township enterprises and facilitated access to DFIs and relevant departments in order to apply for financing.</p> <p>The Minister held a consultative conference on the draft green paper on Social Economy following EDD's work with various partners, including the International Labour Organisation (ILO), the Government of Flanders IDC, and various government departments.</p>
Engagements to support the strengthening of economic regulators	Competition Commission, Competition Tribunal and ITAC, business and labour users	Analysis of APP, strategic plans, evaluation of the Annual Reports and quarterly performance reports. Amendments to regulations	Implementation of the governance framework policy	<p>The governance framework policy is being implemented and there is continuous monitoring and evaluation of the entities. The Minister played an active strategic oversight role over the entities including reviewing their APPs, Strategic Plans and Annual Reports, as well as meeting with leadership to provide strategic guidance.</p> <p>The Competition Amendment Bill was signed into law by the President, Mr Cyril Ramaphosa, on 13 February 2019. The amended law is intended to strengthen the work of the Competition authorities and boost economic inclusion. Draft regulations in terms of the Competition Amendment Act were published for comment.</p>



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

Current/Actual Arrangements	Desired Arrangements	Actual Achievements
Engagements with stakeholders	Ministers, MECs and Legislatures	Engagements with provinces through Technical MinMec
	Economic Cluster	The Director-General attended the Economic Cluster meetings while the Minister attended the Inter-Ministerial Committee meetings
	Sectoral Networks	Engagements at Nedlac on the carbon tax, sugar tax and the Jobs Summit. Engagement with stakeholders in the Social Economy sector
	Public Engagements	Engagements through the leadership of the Minister and Deputy Minister, involved public meetings, forums, road-shows; conferences and community visits

### Service delivery information tool

Current/Actual Information Tools	Desired Information Tools	Actual Achievements
The website	Captured information related to the Department on the internet and intranet	Information intended for internal and external stakeholders is regularly updated and posted on to the intranet and internet
Brochures	Developed brochures for use by potential beneficiaries/ stakeholders	Social accords have been distributed to stakeholders at various events

### Complaints mechanism

Current/Actual Complaints Mechanism	Desired Complaints Mechanism	Actual Achievements
Telephonic, electronic and personal interfaces	Complaints management system on the Departmental website with email addresses and other contact details	The Department has a dedicated email address on the website for stakeholders to lodge complaints. This is in addition to a list of telephone contacts and a fax number, which also appear on the website. Incoming calls are handled by the Communications Unit, which directs callers with complaints to Ministry. All electronic complaints are directed to Ministry through a dedicated email address. Once received, these complaints are then distributed to relevant units for action or follow-up.

## 2.3 Organisational Environment

The EDD was established on 7 July 2009, in terms of the Public Service Act, 1994 (Proclamation 103 of 1994) following President Zuma's creation of the new portfolio on Economic Development on 10 May 2009 and the appointment of Mr Ebrahim Patel as Minister. The EDD aims to support decent work and stronger economic growth and reduce inequality.

For the 2018/19 financial year, the EDD had three budget programmes. In order to enhance organisational efficiency and promote teamwork and the sharing of skills, the Department continues to refine its way of working. An acting DDG was appointed late in 2018 to coordinate the work of Programme 3 and drive the implementation of the APP for that programme.





## 2.4 Key Policy Developments and Legislative changes

### Competition Amendment Act (Act 18 of 2018)

The Competition Amendment Bill was signed into law by the President on 13 February 2019. This followed EDD gazetting the initial Draft Competition Amendment Bill during December 2017 and subsequent extensive stakeholder engagement, presentations to Cabinet and the Parliamentary process. The Competition Amendment Act addresses two key structural challenges in the South African economy that limit the rate of growth and the level of economic inclusion: the first being high level of concentration where a small number of large dominant firms account for the bulk of sales in a given market; the second being the racially skewed pattern of ownership in the economy.

#### The most significant amendments to the Act are to:

- Enhance the market inquiry process to empower the Commission to consider features of markets, including high levels of concentration and limited economic transformation and take any remedial action that is reasonable and practicable to address such features of a market that prevent, restrict or distort competition
- Increasing penalties for firms that engage in prohibited conduct and providing greater clarity on what constitutes prohibited conduct
- Ensure scrutiny of the impact of mergers on the spread of ownership, including black South Africans and workers' in the firms concerned, as a public interest issue

- Provide greater grounds for exemptions which allow for legitimate collaboration between firms where that collaboration may have a positive impact on employment or industrial expansion, and also provide the Minister with greater grounds for designation of industries which foster greater economic development, transformation and growth
- Establish the rights and process in the Competition Act, for evaluating a foreign firm's proposed acquisition of a domestic firm, where the merger may have an adverse impact on national security
- Enable the Commission to research and report on the impact of merger conditions and behavioural or structural remedies so that all stakeholders are informed about how the competition regime achieves the purposes of the Act, and
- Streamline and enhance various procedures governing the work of the competition authorities and the Minister in competition matters.

The amendments also aim to enhance the policy and institutional framework of the competition authority as well as procedural mechanisms for the administration of the Act. The amendments are designed to improve policy coherence and promote institutional and procedural efficiency. With the signing of the Competition Amendment Act (Act 18 of 2018), the Department commissioned two streams of work with regard to implementing the Act - development of Regulation and an assessment of the state of readiness of the Competition Authorities to implement the changes.



## READINESS ASSESSMENT WORK UNDERTAKEN

### Work Stream 1

The first panel focused on regulations required in the Competition Amendment Act. Draft regulations were developed on 21 December 2018, the Minister made a call on all interested parties, through a gazette, to provide representation and comment on the first draft set of regulations together with the general approach to the regulations, the wording, and any preferences for the options which had been presented in the regulations. Submissions were received from large and small businesses, trade unions, economists, lawyers and competition experts. Submissions spanned a range of sectors, including ICT, medical services, agriculture, automotive; clothing; retail; chemical industry; banking and insurance; agriculture and agro-processing; and energy. The majority of submissions supported the regulations. They supported government's attempt to develop a more inclusive economy and promote development. There was an acceptance of the need for intervention and protection against the worst abuses.

To allow for stakeholders to get more information on the Draft Regulations, as well as engage further on the Draft Regulations, EDD held stakeholder forums. The first forum targeted small businesses and was held at the IDC on 25 January 2019. A total of 61 participants attended from a range of sectors, including retail; agriculture/ farming; maritime; agro-processing; clothing and textile; film and creative sector; energy sector; services – catering and insurance; services – training/ development; automotive; construction; steel and metal; social economy; as well as the Black Business Council and Nafcoc.

A total of 72 interested parties attended the second stakeholder consultation forum, held at the IDC on 8 February 2019. This targeted engagement was with big businesses, legal experts and consultants. A number of stakeholders from smaller businesses, business representative bodies and trade unions also attended given their interest on the Draft Regulations. Further work to produce a second draft of regulations will continue into the new financial year.

### Work Stream 2

The second work stream focused on whether the operations of the Competition Authorities were ready to implement the Amendment Act. The Terms of Reference of this Panel were to review the following areas and recommend steps to address them:

1. Changes to the Competition Act and its impact on the financial, human resource and systems requirements of the Competition Commission ("the Commission") and the Competition Tribunal ("the Tribunal").
2. The contents of the report by the Auditor General of South Africa on the Commission and its implications for ensuring that the Commission is able to procure the appropriate legal and economic analysis resources given that litigation is a core function of the Commission.
3. The budgetary challenges facing the Commission in light of its expanded workload and mandate, including its funding model, scope to improve efficiencies and procedures that will assist with the work of the Commission.
4. Bottlenecks in the Commission and Tribunal processes flowing from the greater case-load of the competition authorities in the past five years.
5. Challenges flowing from the greater focus on prohibited practices and the criminalisation of cartel actions, including the need to ensure security of persons and Commission property.
6. Guidelines and insights flowing from litigation over the past ten years, including on Commission capacity, resources and procedures.
7. Protocols on confidentiality requirements within the Ministry when information is accessed in terms of new provisions in the law; and
8. Internal systems in place within the Ministry regarding participation of the Minister in mergers (s17 of the Act) and accessing of confidential information (s44 of the Act).

The first draft report was concluded in December 2018, with various iterations of the report worked through and to be implemented during the 2019/20 financial year.



### 3. STRATEGIC OUTCOME ORIENTED GOALS

The work of the Economic Development Department (EDD) is directed at facilitating better integration of economic initiatives across government and providing oversight to specified public institutions to enable meaningful economic transformation and inclusive growth. This section highlights key achievements EDD has made towards its 5-year target set out in its Strategic Plan.

EDD's **first strategic objective** is to ensure good governance in the administration of the Department. EDD has attained a Clean Audit and has worked to improve the level of governance and accountability achieved. The Management Performance Assessment Tool (MPAT) is a DPME (Department of Planning, Monitoring and Evaluation) measure which includes evaluation of service delivery improvement mechanism; management structures; audit committee; professional ethics; fraud prevention; internal audit; risk management; corporate governance; ICT and Promotion of Administrative Justice Act (PAJA). This contributes to Outcome 12 of the MTSF: "A combination of empowered political and administrative leadership, effective oversight, increased and focused support to address the weaknesses in the control environment of spending agencies (including their capacity and organisational constraints), will improve financial governance and in that way decrease the number of negative audit outcomes."

MPAT scores range from 1 to 4 with a 1 being a department being non-compliant with legal or regulatory requirements and 4 being a department working in a SMART fashion. EDD's MPAT scores on governance and accountability have improved and in 2018/19 received a score of 3 for the previous year (2017/18).

EDD's **second strategic objective** is to coordinate jobs drivers and implementation of the New Growth Path (NGP) economic strategy in support of the National Development Plan. The Department coordinated the Investment Conference in October 2018 at the Sandton Convention Centre as part of the President's drive to raise R1,2 trillion in new investments over a five-year period. Over 1 500 delegates attended the conference from 35 countries. There were 50 panellists as well as 23 ministers and envoys who spoke at the conference. The total amount of investment pledges received were R290 billion. Further achievements include hosting a round table and a conference on the social economy to facilitate the development of a social economy green paper. A policy dialogue on the drones industry value chain development

was also held. EDD undertook research on African regional integration with specific focus on the trade analysis between South Africa, on the one hand, and Botswana, Ethiopia and Nigeria on the other. Provinces were supported with aligning their focus with national objectives, hosting a Technical MinMec to implement MinMec resolutions and hosting provincial forums and roadshows on small businesses. The work done under this strategic objective also supports Outcome 4 of the MTSF: "The NDP provides a long-term vision through 2030 for accelerating GDP growth so that unemployment and inequality can be reduced and for creating a more inclusive society. This will be achieved through diligent implementation of implementation plans and programmes, in particular the New Growth Path (NGP) the Industrial Policy Action Plan (IPAP) and the National Infrastructure Plan."

Our **third strategic objective** is to facilitate social dialogue and implementation of social accords. Key achievements here include an update on the implementation of all the social accords, supporting distressed companies as part of workplace social dialogue to participate in the training layoff scheme as well as work done in advancing the Jobs Summit. Initiatives supporting implementation of the Youth Employment Accord include work to support entrepreneurship and enterprise development by the Deputy Minister and the Department as well as funding by the IDC for women and youth-empowered businesses. The IDC approved R3,0 billion industrial funding (loans/equity) to women and funded youth-empowered business to the tune of R823 million in the past year. Our integrated operation and reporting approach allow for collaborative strategy objective attainment. Some of the interventions on youth and women are also reported in strategic objective 6. This work also supports Outcome 4: "Workplace conflict is reduced and collaboration between government, organised business and organised labour improves." and "...support the improvement of social partner engagement with a greater emphasis on industry and workplace level cooperation." "Employment intensive programmes and initiatives will receive top priority, especially those that target the youth and women. Investment in new sources of growth will be encouraged and incentivised."

EDD's **fourth strategic objective** is to coordinate infrastructure development and strengthen its positive impact on the economy and citizens. EDD's work includes initiatives that unblocks infrastructure projects and promotes localisation. It also supports the work of the Presidential Infrastructure Coordinating Commission



(PICC) by providing secretariat services, collecting data and preparing reports, and unblocking obstacles which prevent the rollout of infrastructure required by the National Infrastructure Plan. The PICC brings key Ministers, Premiers and Metro Mayors together into a joint forum to promote infrastructure coordination and decision-making, headed by the President. The PICC at EDD coordinates the work of the 18 SIPs – having produced 71 SIP reports during 2018/19.

A number of reports provided to Cabinet, drawing on the data collected by the PICC, enabled the national executive to steer the country's multi-billion rand infrastructure programme. The work of this EDD Unit also includes the tracking of employment across the infrastructure programme, with youth employment data collected in a number of large projects.

Work has been done by the Department with National Treasury to improve the budget processes as they relate to infrastructure funding. This work involved the involvement of the Technical Project Management Unit (TPMU) of the PICC. The TPMU's participation in the Budget Facility for Infrastructure (BFI) process is in partnership with National Treasury as well as the Development Bank of Southern Africa (DBSA).

#### **The work of EDD and the PICC supports Outcome 6.**

EDD's **fifth strategic objective** is to promote productive investment, industrial financing and entrepreneurship for jobs and inclusive growth. The IDC approved R13,1 billion and disbursed R11,8 billion – resulting in 19 178 being supported (net jobs created and retained). Funding for Black Industrialists amounted to R6 billion. IDC funding crowded in a further R20 billion in private sector investment across a range of sectors including chemicals, metals, industrial infrastructure; tourism, ICT and media; new industries; and other manufacturing sectors such as clothing and textiles. EDD's oversight of the IDC and its activities support Outcome 4 "Government will implement measures to ensure the financial sector serves the real economy and people. This will necessitate the assessment of measures to increase the availability of industrial finance at competitive costs and for appropriate periods of time."

EDD's **sixth Strategic Objective** is to promote competition, trade and economic regulation in support of job creation, industrialisation and economic inclusion. EDD's work on mergers and acquisitions since 2010 has resulted in the mobilisation of investment, job creation and support for local production. Interventions in large mergers stand out – such as the Off The Shelf (OTS) /Chevron and Glencore/Chevron merger. EDD has continued to monitor the implementation of agreements that it had reached with companies and conditions approved therewith.

During this fiscal year, the Off The Shelf (OTS)/Chevron merger was approved by the Competition Tribunal with a number of conditions aimed at addressing identified public interest issues, including the preserving of jobs. After the merger, EDD further participated in the subsequent merger of Glencore South Africa Oil Investment and Chevron South Africa (CSA). The Minister then negotiated new public interest benefits. The merger was approved by the Competition Tribunal subject to specified conditions, such that Glencore shall ensure that the Chevron South Africa's head office remains in South Africa, that CSA shall not retrench any employees as a result of the merger, that CSA must, within a period of 5 years, invest R6 billion – over and above its current investment plans – to develop the Western Cape Refinery, and Glencore shall use reasonable endeavours to promote the export and sale of South African manufactured products through the service station network being built up by the Glencore group in Brazil, Mexico and Zimbabwe.

EDD works closely with ITAC and **the dti** to support the steel industry. EDD facilitated the extension of the bloom supply contract between Highveld Steel – the only structural steel railway lines producer in Africa – and ArcelorMittal South Africa, saving local jobs and also the industry. EDD and ITAC also supported the scrap industry through the extension of the PPS and the doing work on the future introduction of an export tax.

The work under this Strategic Objective also supports MTSF Outcome 4 "...lower price increases for key inputs fosters investment and economic growth" and sub outcome 2, no 15. "Analysis of trade flows against national economic goals and support the efficient administration of ITAC".





## 4. PERFORMANCE INFORMATION BY PROGRAMME

### 4.1 Programme 1: Administration

**Purpose:** Provide strategic leadership, management and support services to the Department.

#### Sub-programmes

- Ministry
- Office of the Director-General
- Corporate Management Services
- Financial Management.

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

The strategic intent of Programme 1 (Administration) is the identification and implementation of strategic interventions that will assist the Department to attain and maintain good governance through the efficient, economical and effective use of Departmental resources to deliver on Strategic Objectives.

For the 2018/19 financial year, the Administration Programme had two performance indicators and two products aimed at ensuring that the Department achieves an unqualified audit opinion and improvement in governance and accountability.

The Department achieved a **Clean** Audit Opinion for the 2017/18 financial year which provides comfort that the Department's financial statements fairly reflect the financial position of the Department and that financial management systems are in compliance with the law. Audit findings were included in an audit action plan for 2018/19 (referred to as the "Heat Map") for implementation

of corrective actions, and findings are systematically addressed and weaknesses identified in the preceding years' audit reports are improved.

Repeat audit findings were reduced in 2018/19 compared to the previous financial year (2017/18). The "Heat Map" was reviewed fortnightly to monitor progress made in addressing AGSA findings; the meetings are led and chaired by the office of the CFO.

The Department of Planning, Monitoring and Evaluation's Management Performance Assessment Tool (MPAT) assesses performance in terms of governance and accountability (G&A) every year. EDD's target of achieving a score of 3 on the MPAT assessment tool for 2018/19 was achieved. The Department scored well in the governance with respect to the functioning of its Legal Services, Supply Chain Management (SCM) acquisition; Human Resource Development (HRD) and Human Resource (HR) planning. Improvement plans were developed based on remaining areas of weakness.

#### ACHIEVEMENTS ON PERFORMANCE INDICATORS

The three tables below highlight the performance achievements on the Strategic Objective for Programme 1. They also provide audited performance achievements on key performance indicators (KPIs) for the periods 2015/16 to 2017/18. This serves as comparative data for performance achievements for the period under review, 2018/19.

#### Strategic Objectives

PROGRAMME 1: ADMINISTRATION					
Strategic Objectives	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement for 2018/19	Comment on deviations
Strategic Objective 1: To ensure good governance in the administration of the Department	Planned target achieved – see KPI 1  Planned target achieved – see KPI 2	Unqualified Audit Opinion	Clean Audit Opinion	-	
		Improvement in level of governance and accountability achieved	Planned target achieved – see KPI 2	-	-



### Audited actual achievements for 2015/16 to 2017/18

PROGRAMME 1: ADMINISTRATION			
Performance Indicator	Actual achievement 2015/16	Actual achievement 2016/17	Actual achievement 2017/18
KPI 1: Audit opinion obtained in respect of the previous financial year	1	2	1 Clean Audit Opinion
KPI 2: G&A MPAT level obtained for previous year	1	2	1 Level 2.9 obtained for G&A by MPAT

### 2018/19 Performance achievements verified by AGSA

PROGRAMME 1: ADMINISTRATION				
Performance Indicator	Planned target 2018/19	Actual achievement 2018/19	Deviation from Planned Target to Actual Achievement 2018/19	Comment on Deviations
KPI 1: Audit Opinion obtained in respect of the previous financial year	1 Unqualified Audit Opinion	1 Clean Audit Opinion	-	Recorded improvement in KPI 1
KPI 2: G&A MPAT level obtained for previous year	1 Level three obtained for G&A by MPAT	1 Level 3 obtained for G&A by MPAT	-	-

KPIs 1 and 2 changed from 2016/17 to 2018/19. This was reported on extensively in the 2017/18 APP.

All planned targets were achieved. Reasons for deviations are provided in the table above.

### Strategy to overcome areas of under performance

There were no under-achievements in this programme for the year under review.

### Changes to planned targets

There were no in-year changes to planned targets and indicators for the period under review.

The EDD implemented its 2018/19 APP as tabled in Parliament.

### Linking performance with budgets

From the Departmental adjusted budget of R88 million, total expenditure for Administration for the year 2018/19, was R87 million or 99% of the programme budget.



### Sub-programme expenditure

Sub-Programme Name	2018/19			2017/18		
	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
Ministry	29 198	27 052	2 146	21 090	20 884	206
Office of the Director-General	11 885	12 042	(157)	12 125	11 008	1 117
Corporate Management Services	36 138	36 601	(463)	39 586	38 905	681
Financial Management	10 538	10 924	(386)	12 316	12 869	(553)
Total	87 759	86 619	1 140	85 117	83 666	1 451

## 4.2 Programme 2: Growth Path and Social Dialogue

**Purpose:** Strengthen the economic development capacity of government. Review and develop the alignment of economic development policies aimed at broadening participation in the economy to create decent work opportunities.

**Strategic Objective 2:** Co-ordinate jobs drivers and implementation of the New Growth Path economic strategy in support of the National Development Plan.

**Strategic Objective 3:** Facilitate social dialogue and implementation of social accords

### Sub-programmes:

- Growth Path Jobs Drivers
- Social Dialogue, Productivity and Innovation

Efforts to ensure inclusive growth in the South African economy over the past fiscal year have not gone far enough to address key development challenges - unemployment, poverty and inequity. This is predominantly because (i) investment levels are low, (ii) despite being acknowledged as the main source of economic growth – no radical shift towards supporting small enterprises, especially in townships and rural areas, has occurred, they still face debilitating bureaucracy and (iii) the overall functioning of the public sector, particularly in a co-ordinated manner and in collaboration with other social partners, has still not been achieved.

As we enter the sixth administration and to complement the leaner government structure, there has to be a particular focus on economic policy coordination, social dialogue and collaborations as well as the tracking of policy

implementation. A centrally co-ordinated macroeconomic and sector policy making process as well as a centrally co-ordinated economic regulatory regime will ensure that policy-making and implementation are not pursued in isolation by government departments and agents. This would ease the current widespread economic policy inconsistencies in the country.

Programme 2: “Growth Path and Social Dialogue” – has 6 Key Performance Indicators and 26 products. The work covered in the APP under this programme includes initiatives and activities such as:

- Research on broad policy areas of the NGP/ economic development including broad analysis of jobs performance,
- Advocacy on socio-economic policy development
- Work undertaken by the Ministry and the Department or its agencies to promote the jobs drivers identified in the New Growth Path
- Reporting on the implementation of commitments in the social accords
- Actions taken by EDD and its agencies to support black youth or women with access to employment or entrepreneurship; funding, and project unblocking
- Use MinMec (Ministers and Members of Executive Councils) meetings as a co-ordinating tool across all provinces
- Support to provinces in the form of strategy and implementation plans alignment with national priorities as well as project and local economic development support
- Social dialogue interventions.





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

EDD met its planned targets in this programme for the year. It achieved 29 products across 6 KPIs. Key areas of its work in this area during the fiscal year 2018/19 are highlighted below.

EDD's analysis of the **spatial economy** formed the basis for the policy contribution onto the current process of responding to the low economic growth trap, revising the National Spatial Development Framework as well as coordinating the development of a national township economy. The latter activity entails working with provincial structures as well as other social partners to make recommendations for a presidential initiative to better co-ordinate the township economy in South Africa.

EDD assessed the demand and supply sides of the **labour market** and found that (i) available employment opportunities are geared more towards people with higher levels of education (i.e. post-matric education) and skills; (ii) most of the occupations in demand are in services and manufacturing; (iii) occupations linked to the ICT industry have the highest demand of any profession in the economy; and (v) the wholesale and retail trade sector may offer the best opportunities for addressing unemployment in the short term, since some of the required skills can be acquired faster than for other industries.

**Sector analysis** work covered the agriculture and manufacturing sectors. The Department co-ordinated the introduction of a dollar-based reference pricing for sugar to support the sugar industry. Chickpeas were introduced as a new pilot value chain product in Limpopo. As part of workplace social dialogue, small farmers in Limpopo and Mpumalanga were assisted with the resolution of their electricity billing problems.

The Department undertook research and contributed to the debate at the Manufacturing Indaba on whether a million jobs would be created in the sector within the next decade. EDD raised concerns with the stickiness of domestic manufactured goods prices on the upside that requires improved production efficiencies. It is likely that more than a million jobs will be created from the manufacturing sector by 2027. However, these jobs are most likely to be induced by the manufacturing sector in the services sector.

### EXAMPLE OF ENTERPRISE DEVELOPMENT FACILITATED

The Department engaged a steel manufacturer in Gauteng on enterprise development and succeeded in facilitating an 8-month R230 000 start-up loan for equipment and an R80 000 per month empowerment intervention giving the wooden pallet manufacturing business to a small black-owned company. The manufacturer use the pallets to store semi-finished casting products.

**Economic stimulus co-ordination** by the Department and Ministry included preplanning work contributing to the stimulus package announced by President Ramaphosa, assessment of provincial contribution to the national stimulus package, co-ordinating setting up an intergovernmental illicit economy task team and co-ordinating the Investment Conference.

EDD co-ordinated the establishment of the intergovernmental illicit economy task team in September 2018. The initial meeting was attended by the **dti**, ITAC, National Treasury and SARS. The intergovernmental illicit economy task team has met five times and has developed short and long-term actions focusing on increasing raids as well as search and seizures for illegal imports of clothing and textiles, tobacco, alcohol and fuel. Recent estimates released by SARS show that the overall amount of illegal imports busts increased from about R2,5 billion in 2017/18 to around R3,7 billion in 2018/19.

The Department co-ordinated the investment conference in October 2018 at the Sandton Convention Centre as part of the President's drive to raise R1,2 trillion in new investments over the next four years. Over 1 500 delegates attended the conference from 35 countries. There were 50 panellists as well as 23 ministers and envoys who spoke at the conference. The total amount of investment pledges received were R290 billion.

**Africa trade analysis work** included Botswana, Ethiopia and Nigeria this year. The High Commissioner of Botswana was also engaged with a view of introducing new participants or enhancing existing exports from South Africa into that country. The key areas of exports across these three countries are aluminium plates, sheets and strips; animal feed; citrus fruits; cars; diamonds; ferro-alloys; flat-rolled products of iron or non-alloy steel; insecticides; maize; primary plastics; refined oil; tractors; trucks and truck parts. In the case of Botswana it was also advised to look into pineapple skin, medicine and sugar as export commodities.



**Social accords** and social dialogue included an update on the implementation of all the social accords, supporting distressed companies as part of workplace social dialogue to participate in the training layoff scheme as well as work done in advancing the jobs summit. Progress has been made on the implementation of the social accords, however, an update of the accords and a fresh recommitment by social partners is now required. Reporting, particularly by non-government social partners, has been irregular thus limiting the available understanding on implementation. EDD formed part of the central coordination of the Jobs Summit and coordinated one of the government caucus working groups at Nedlac.

**Provincial support** this year entailed engaging with provincial officials to align provincial strategies and policies to national objectives as well as direct participation by both the Deputy Minister and the Minister at provincial forums and roadshows that provided guidance on how to resolve business challenges. Development finance institutions and relevant government departments were always in attendance to provide live support to small businesses. Often other Deputy Ministers accompanied the EDD Deputy Minister. Progress with implementing MinMec resolutions in conjunction with provinces was also recorded this year. Some of the provincial engagements are highlighted in the box below.

Province	Activity	Small businesses engaged
Eastern Cape	EDD supported the DM (deputy Minister) to launch the Ndlambe Local Municipality LED Forum. The Department also co-ordinated the first meeting of the forum.	57
Free State	The DM was supported to host entities at an informal business forum.	149
Gauteng	EDD supported the DM in a panel of Deputy Ministers who hosted a cyber-security business awareness engagement. EDD further collaborated with the provincial economic development department in engaging informal businesses in a workshop.	181
KwaZulu-Natal	EDD supported the DM in engaging youth in Durban, co-operatives in Pietermaritzburg, a business chamber in Durban and provided guidance on setting up a new macadamia precinct in Port Shepstone.	86
Limpopo	Youth SMMEs were trained in Capricorn District in collaboration with the Department of Telecommunications and Postal Services under the ISP programme. In Vhembe District youth trainees received training on ICT readiness and regulation space.	56
Mpumalanga	EDD supported the DM to engage with Youth In Business in Dr Pixely ka Isaka Seme Local Municipality and the Department contributed to the Mining, Engineering and Investment Conference in eMalahleni. The DM also hosted a Fly Ash Business Breakfast in Nkangala District Municipality with small businesses.	125
Northern Cape	EDD provided guidance at a provincial colloquium held to develop an economic blue print for the province. The DM also hosted a youth enterprise funding indaba in Kimberley to address low levels of industrial finance.	186
North West	EDD supported the DM in engaging SMMEs in Matlosana Local Municipality.	231
Western Cape	EDD supported the Minister to host imbizos at Khayelitsha and Sutherland. The DM engaged small businesses in Beaufort West and the Department hosted a small business roadshow in Paarl.	252



**Support to women and youth** included the co-ordination of enterprise development and funding support for co-operatives in KwaZulu-Natal and Limpopo. The IDC's funding for women-empowered businesses was R3,0 billion during the year. Funding to youth-empowered businesses was R823 million bringing IDC's cumulative funding of youth businesses to R5,2 billion from April 2015 to March 2019.

**Policy proposals** developed this fiscal year were on the green paper on the social economy as well as an assessment on the Fourth Industrial Revolution (4IR) readiness and proposing a particular approach in developing the drones industry.

The Department produced a report detailing the administrative set-up of the social economy project, hosted a consultative social economy round table, created a consultative framework and hosted a policy conference to introduce the social economy green paper. Approximately 250 social economy participants were consulted at both events and the provincial consultative process is now underway.

EDD assessed the country's readiness on 4IR and found that South Africa's 4IR readiness in terms of the three selected sectors, namely, information and communication technology, manufacturing and transport, is nascent at best.

The need to fast-track the development of an integrated transition framework for the 4IR, focusing on all aspects of the economy instead of the sectoral approach to strategy development, will gain traction with the establishment of the Presidential Commission on the 4IR. Key among the areas of focus will be the need to improve labour force capabilities, particularly in critical thinking skills, digital skills and knowledge intensive employment.

A drones policy dialogue was convened and attended by relevant government and industry participants to explore the economic contribution by the drones industry. This industry was found to have the capability to create over 40,000 job opportunities in the next decade if harnessed correctly. Key challenges to be unblocked and opportunities to be pursued were identified for the attention of the task team that was formed.

## Strategic Objectives

PROGRAMME 2: GROWTH PATH AND SOCIAL DIALOGUE					
Strategic Objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from Planned Target to Actual Achievement for 2018/2019	Comment on deviations
<b>Strategic Objective 2:</b> Co-ordinate jobs drivers and implementation of the New Growth Path economic strategy in support of the National Development Plan	<p>4 Jobs drivers implementation co-ordinated and supported</p> <p>4 Initiatives on jobs and economic development</p> <p>15 Initiatives on the green economy, black women and youth and spatial, local and provincial development</p>	<p>1 Economic policy influenced or developed that prioritises jobs or further develops the NGP</p> <p>1 Additional co-ordinating structure developed and/or supported</p>	Planned target achieved. See KPI 3, 4 and 7	-	-
<b>Strategic Objective 3:</b> Facilitate social dialogue and implementation of social accords	<p>2 Initiatives on the implementation of social accords</p>	<p>Support 1 sector and 3 work places to implement social dialogue</p> <p>Monitoring the implementation of 1 accord</p>	Planned target achieved – see KPI 4, 5, 6 and 8.	-	-



## Audited Actual Achievements for 2015/16 to 2017/18

## PROGRAMME 2: GROWTH PATH AND SOCIAL DIALOGUE

Performance Indicator	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18
KPI 3: Number of reports and reviews on NGP framework, integration into economic policy and infrastructure programmes; and public policy advocacy on jobs and inclusive growth	5	5	4 Reports on: 1. Jobs performance in the economy 2. Analysing profile of the unemployed; and on public policy advocacy by the Minister on jobs/ inclusive growth 3. Inclusive Growth Symposium with Prof Stiglitz 4. Infrastructure input prices
KPI 4: Number of strategic support provided for the implementation of jobs drivers of the NGP	10	2	4 Reports on: 1. Agriculture value chain 2. Mining & metals value chain 3. 4th Industrial Revolution – knowledge based sectors 4. Regional integration
KPI 5: Number of initiatives to support the green economy and the implementation of the green economy accord	3	2	2 1 Report on implementation of the Green Economy Accord including a focus on the waste economy  1 Report on implementation of the Green Economy Accord - focus on renewables
KPI 6: Number of interventions/ reports on black women and youth with access to employment and entrepreneurship opportunities	4	3	3 1 Report on actions supporting women and youth to access employment and entrepreneurship  1 Report on progress on actions to give effect to the Youth Employment Accord  1 Report on youth entrepreneurship - hosting of youth entrepreneurs in Mangaung
KPI 7: Number of spatial, local and provincial initiatives supported to promote socio-economic development	9	10	10 9 reports on supporting provinces through the alignment of provincial economic development APPs with MTSF; meetings with provincial officials, forums with communities and road shows with public agencies: 1. Gauteng 2. Eastern Cape 3. Western Cape 4. North West 5. Northern Cape 6. Mpumalanga 7. Free State 8. KwaZulu-Natal 9. Limpopo  1 Report on provincial coordination of MinMec
KPI 8: Number of developmental and support programmes for more effective industrial relations and support for implementation of social accords	4	2	2 1 Report on the implementation of the Local Procurement Accord to Nedlac  1 Report on the implementation of the Mining Accord - distressed mining towns



## 2018/19 Performance achievements verified by AGSA

PROGRAMME 2: GROWTH PATH AND SOCIAL DIALOGUE				
Performance Indicator	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from Planned Target to Actual Achievement 2018/19	Comment on Deviations
KPI 3: Number of analytical and public policy advocacy reports on socio-economic development and the NGP produced	4 Reports	4 1 Report on socio-economic development and tracking the economic indicators 1 Report on Labour Market Analysis 1 Report on South Africa's readiness for the Fourth Industrial Revolution 1 Report on the Draft Social Economy Green Paper Consultation Conference	-	-
KPI 4: Number of reports on NGP jobs drivers and co-ordination structures	4 Reports	7 1 Report on a socio-economy co-ordination structure  1 Report on a chickpea project  1 Report on agriculture analysis and a case study on a dollar-based reference price of sugar  1 Report on the manufacturing sector and a case study on BSI Steel  1 Report on EDD's work to promote investment  1 Reports on Stimulus interventions covering: - Preplanning areas of work - Provincial responses - Illegal imports  1 Report on Social Economy Green Paper Consultation Survey	+3	More activities were covered than planned in this area
KPI 5: Number of reports on the implementation of the Green Economy Accord	2 Reports	2 1 Report on the analysis of the Industrial Development Corporation investment in green economy  1 Report on measures to facilitate participation in Green Economy initiatives	-	-





## PROGRAMME 2: GROWTH PATH AND SOCIAL DIALOGUE

Performance Indicator	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from Planned Target to Actual Achievement 2018/19	Comment on Deviations
KPI 6: Number of reports on black women and youth with access to employment and entrepreneurship opportunities	3 Reports	3 1 Report on co-operatives support in eNtumbane  1 Report on implementation of the Youth Accord  1 Report on support to women and youth cooperatives	-	-
KPI 7: Number of reports on support provided to provinces	10  9 Provincial reports on supporting the alignment of provincial economic development APPs with MTSF; meetings with provincial officials, forums with communities and road shows with public agencies:  1. Gauteng 2. Eastern Cape 3. Western Cape 4. North West 5. Northern Cape 6. Mpumalanga 7. Free State 8. KwaZulu-Natal 9. Limpopo  1 Provincial co-ordination report on MinMec	10  9 reports on support to provinces through the alignment of provincial economic development APPs with MTSF; meetings with provincial officials, forums with communities and road shows with public agencies:  1. Gauteng 2. Eastern Cape 3. Western Cape 4. North West 5. Northern Cape 6. Mpumalanga 7. Free State 8. KwaZulu-Natal 9. Limpopo  1 Provincial coordination report on MinMec	-	-
KPI 8: Number of reports on social dialogue interventions to save and create on implementation of Social Accords	3 Reports	3  1 Report on the Assessment of the Training Lay-off Scheme  1 Report on Jobs Summit  1 Report on social dialogue intervention on the sugary beverages tax to save jobs	-	-

Three extra products were done additionally in KPI 4.



### Strategy to overcome areas of under performance

There was no underperformance for this programme for the year's target - the Department achieved its target of 26 products in the programme.

### Changes to planned targets

There were no in-year changes to planned targets and indicators for the period under review. The EDD implemented its 2018/19 APP as tabled in Parliament.

### Linking performance with budgets

Expenditure for Programme 2 amounted to R30 158 000 or 99% of the adjusted programme budget of R30 502 000.

### Sub-programme expenditure

Sub- Programme Name	2018/19			2017/18		
	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
Growth Path and Job Drivers	21 131	22 220	(1 089)	22 786	22 308	478
Social Dialogue, Productivity and Innovation	9 371	7 938	1 433	8 950	8 817	133
<b>Total</b>	<b>30 502</b>	<b>30 158</b>	<b>344</b>	<b>31 736</b>	<b>31 125</b>	<b>611</b>

## 4.3 Programme 3: Investment, Competition and Trade

**Purpose:** Provide support for the coordination of infrastructure development. Provide oversight and coordinate policy of identified development finance institutions and economic regulatory bodies

### Sub-programme

- Development Investment, Industrial Funding and Entrepreneurship
- Competition, Trade and other Economic Regulation
- Infrastructure Development Coordination

**Strategic Objective 4:** Coordinate infrastructure development and strengthen its positive impact on the economy and citizens

**Strategic Objective 5:** Promote productive investment, industrial financing and entrepreneurship for jobs and inclusive growth

**Strategic Objective 6:** Promote competition, trade and economic regulation in support of job creation, industrialisations and economic inclusion

The implementation of the New Growth Path, the National Development Plan and government's MTSE Outcomes require coordinated infrastructure development as well as

the oversight of DFIs, the trade administration authority (ITAC) and the Competition Authorities, if we are to have the impact on inclusive growth and job creation envisioned. This is what Programme 3 seeks to achieve. It seeks to do so through 15 key performance indicators and 154 products aligned to Outcomes 4, 5 and 6 of the MTSE.

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

#### Strategic Objective 4

The Department, through the Technical Project Management Unit (TPMU) of the PICC Technical Unit provided support for the implementation of the National Infrastructure Plan, through the work of the Secretariat of the PICC. The PICC monitors and coordinates the National Infrastructure Plan comprising of 18 Strategic Integrated Projects (SIPs), where more than 323 projects are tracked quarterly. These projects sustain more than 160 000 jobs and comprise investment in public infrastructure which includes the construction of power plants, schools, hospitals, roads, port development, water pipelines and new bus route systems.



### The work of the PICC in the past year included:

- Fast tracking and facilitating the unblocking of 8 infrastructure projects forming part of the National Infrastructure Plan.
- Compiling 71 Cabinet-level progress reports on the Strategic Integrated Projects.
- Facilitating 30 PICC Council, Management Committee and Secretariat meetings, as well as reports into Cabinet-Makgotla and monthly SIP forums.
- Implementing 5 Cabinet and PICC strategic decisions, including areas of work focused on competition and transformation in the construction industry.
- Co-ordinating SIP 5 which covers the Saldanha-Northern Cape Development Corridor.
- Fast tracking and monitoring infrastructure projects identified by Cabinet, covering energy, higher education, health, transport logistics and water projects.
- Implementation of the PICC Decision to capacitate and institutionalise the PICC, with specific reference to the Technical Project Management Unit (TPMU).

### CASE STUDY: PICC TECHNICAL PROJECT MANAGEMENT UNIT (TPMU)

To support the National Infrastructure Plan, the PICC has assessed the State's capacity to build, finance, operate and maintain infrastructure projects, and consequently, Cabinet agreed that the PICC Technical Project Management Unit (TPMU) be established. Since inception in 2017, the unit has continuously increased its skills base, and is actively involved in several initiatives to expedite project delivery within the various structures of the PICC and state departments.

The mandate of the TPMU is to assist National Departments with:

1. The development and advancement of projects through the various preparation phases to achieve project readiness and ensure cost effective implementation (bankability work).
2. Funding and procurement strategies for projects based on feasibility reports and business plans.
3. Economic strategies relating to returns to the State in the form of increased economic activity, small business development, support to black industrialists, increased tax base, industrialisation and increased local content.
4. Review and/or produce Project Development strategies relating to social upliftment, job creation, support for more labour intensive local employment, measures to support poverty alleviation, basic services and addressing backlogs.
5. Institutional frameworks where projects may be directed to appropriate implementing agents, whilst considering appropriate longer term sustained capacity building needed across the state.
6. Improve and co-ordinate the work across the state in developing a single project list and bid book to support funding opportunities.
7. Active monitoring of projects in progress.

The Tirisano Construction Fund was established in August 2017 to give effect to the objectives of the Settlement Agreement signed in October 2016 between government and the seven construction companies fined for collusion relating to the 2010 Soccer World Cup stadia. The fund aims to enhance the transformation objectives of the construction industry through providing working capital to black-owned construction companies, bursaries to previously disadvantaged persons studying within the built environment, promoting social infrastructure and providing built environment professional services to government. During the 2018/19 financial year Operational Guidelines were finalised, allowing the Fund to call for, and consider, applications. A total of R74,1 million has been approved in the 2018/19 financial year – comprising R60 million towards the upgrade of ablution facilities at Department of Basic Education schools under the Social Infrastructure Build Programme of the Fund, R13,1 million

for Basic Education Programme (Maths and Science support for Grade 10 to 12 learners) and R1 million for engineering bursaries awarded to five 3rd year students to pay their outstanding study costs for 2018 and fund completion of their studies in 2019.

### Strategic Objective 5

The Minister of Economic Development, supported by officials of EDD, provided oversight to the work of the IDC. The Minister provided oversight on the IDC's Annual Report, and held a number of engagements with the IDC's management, staff and board in order to provide input on the IDC's Corporate Plan, its policies and to provide strategic guidance. The Minister also considered IDC applications for PFMA approval and addressed governance issues.



In 2018/19 the IDC approved R13,1 billion and disbursed R11,8 billion. This funding resulted in 14 620 jobs created and 4 558 jobs retained (a total of 19 178 jobs facilitated).

Funding for Black Industrialists amounted to R6 billion and funding to youth and women-empowered businesses amounted to R823 million and R3 billion, respectively. IDC funding crowded in a further R20 billion in private sector investment across a range of sectors including chemicals, metals, industrial infrastructure; tourism, ICT and media; new industries; and other manufacturing sectors such as clothing and textiles.

The EDD facilitated, fast-tracked and/or unblocked investment initiatives over the reporting period. Some of the unblocking support provided includes the following:

- Establishment of a training centre at Highveld Steel, at which Afgri trains micro farmers. During the 2018/19 fiscal year 53 micro farmers were trained.
- Strengthening of a chalk product, in order to allow the continued operations of a local company – Ceetar Automations Pty Ltd.
- Increased grain storage for small-scale or subsistence farmers by Afgri. This was a 2014 merger condition in the acquisition by AfgriGroupe Holdings (Pty) Ltd of the entire share capital of Afgri Ltd. During the 2018/19 fiscal year, EDD negotiated for this benefit to cover more small scale farmers and an increase in storage discount from 40% to 50%, resulting in storage discounts from R99 200 in 2017 to R336 391 in 2018.
- Inclusion of Pavati Packaging (pallet wraps) and Advance Brushware (producer of cleaning equipment) on the Massmart supplier chain at Fruitspot Stores (Pavati) and Builders Warehouse (Advance Brushware).
- Reduction of duty to 0% on Linear Low Density Polyethylene (LLDPE), allowing a reduction in input costs in the production of various types of plastic for South African plastic producers.

### CASE STUDY: INDUSTRIAL FUNDING

Ceetar Automations PTY LTD, a company based in Kanyamazane in Mpumalanga, received funding from National Youth Development Agency (NYDA) and Mpumalanga Economic Growth Agency (MEGA) to open a chalk manufacturing company. It is currently the only business manufacturing chalks in South Africa supplying 320 local schools and competing with imports from China, India and Vietnam. EDD, through SEDA, was able to get technical support to assist Ceetar Automations to harden the chalk and improve its manufacturing process and competitiveness.

### Strategic Objective 6

The Minister worked on significant competition issues during the period under review. Two such deliverables are highlighted here below:

During the 2018/19 financial year, the Off The Shelf (OTS)/Chevron merger was approved by the Competition Tribunal with a number of conditions aimed at addressing identified public interest issues, including preserving jobs after the merger. EDD further participated in the subsequent merger of Glencore/Chevron, following a merger between OTS and Glencore. The Minister negotiated new public interest benefits. The merger was approved by the Competition Tribunal subject to specified conditions, such that Glencore shall ensure that the Chevron South Africa's (CSA's) head office remains in South Africa, that CSA shall not retrench any employees as a result of the merger, that CSA must, within a period of 5 years, invest R6 billion, over and above its current investment plans, to develop the Western Cape Refinery and Glencore shall use reasonable endeavours to promote the export and sale of South African manufactured products through the service station network being built up by the Glencore group in Brazil, Mexico and Zimbabwe.

Comprehensive technical, consultative, administrative and parliamentary processes were undertaken in respect of the Competition Amendment Bill, 2018 - a three-year process that culminated in the President signing the Bill into law on 13 February 2019. This included consultations at the National Economic Development and Labour Council (NEDLAC) with Organised Business and Labour, various iterations on the proposed Bill, including SEIAS and revisions, as well as Parliament and Cabinet approval processes. Major work was undertaken following the signing (see section on legislation and policy).



## STRATEGIC OBJECTIVES

PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE					
Strategic Objectives	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from Planned Target to Actual Achievement for 2018/19	Comment on Deviations
<b>Strategic Objective 4:</b> Coordinate infrastructure development and strengthen its positive impact on the economy and citizens	Target achieved. See KPI 13	Driving SIP 5  Promote localisation	Target achieved. See KPI 13	-	-
	Target achieved. See KPI 10 and 14	Monitoring and unblocking of infrastructure projects	Target achieved. See KPI 10 and 14	-	-
	Target achieved. See KPI 9,10, 11, 12, 13	Enable economic assessments of 1 selected infrastructure project	Target achieved. See KPI 9,10, 11, 12, 13	-	-
	Target achieved. See KPI 12		Target achieved. See KPI 12		
<b>Strategic Objective 5:</b> Promote productive investment, industrial financing and entrepreneurship for jobs and inclusive growth	Target achieved. See KPI 18	Strategic oversight to help support achievement of 90% of agreed industrial funding target	Target achieved. See KPI 18	-	-
	Target achieved. See KPI 15, 16,17	Monitoring and unblocking of financing to increase the baseline	Target achieved. See KPI 15, 16,17	-	-
<b>Strategic Objective 6:</b> Promote competition, trade and economic regulation in support of job creation, industrialisation and economic inclusion	Target achieved. See KPI 20	4 Reports on mergers and acquisitions, market inquiries or abuse of dominance	Target achieved. See KPI 20	-	-
	Target achieved. See KPI 20	2 Reports on trade policy 8 reports on oversight engagements and initiatives to improve capacity of Competition Authorities and ITAC	Target achieved. See KPI 20  Target achieved. See KPI 20	-	-





## AUDITED ACTUAL ACHIEVEMENTS FOR 2015/16 TO 2017/18

PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE			
Performance Indicator	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18
<b>KPI 9:</b> Number of quarterly Cabinet-level progress reports of infrastructure Strategic Integrated Projects (SIPs)	72	72	69 SIP Reports
<b>KPI 10:</b> Number of infrastructure projects evaluated, unblocked, fast-tracked or facilitated or project assessments completed	22	9	8 Action minutes on: <ol style="list-style-type: none"> <li>1. Construction of Mbuqe Extension Senior Primary School</li> <li>2. WULA on Berg Project</li> <li>3. Borehole in Eastern Cape</li> <li>4. City of Cape Town intervention</li> <li>5. Eastern Cape Provincial Heritage Resources Authority</li> <li>6. De Hoop dam project unblocking in Jane Furse</li> <li>7. Limpopo Academic Hospital</li> <li>8. Butterworth emergency water scheme</li> </ol>
<b>KPI 11:</b> Number of Cabinet and PICC strategic decisions on infrastructure implemented	8	5	4 Action minutes on: <ol style="list-style-type: none"> <li>1. Ministerial engagement with SALGA</li> <li>2. Steel Development Fund</li> <li>3. Registration of Tirisano Trust Fund</li> <li>4. Raubex/WBHO/Stefanutti mergers</li> </ol>



## PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE

Performance Indicator	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18
<b>KPI 12:</b> Number of PICC meetings held and facilitated	30	31	<p>30</p> <p>5</p> <p>Record of meetings: PICC meetings held and facilitated</p> <p>2 PICC Secretariat meetings 3 SIP Coordinators Forums</p> <p>9</p> <p>Record of meetings: PICC meetings held and facilitated</p> <p>1 PICC Manco 1 PICC Secretariat meeting 1 Presentation to Cabinet Lekgotla 3 SIP Coordinators' Forums 1 Tirisano Board meeting 1 Gauteng Infrastructure Investment Conference 1 Minister's engagement with Technical Unit</p> <p>10</p> <p>Record of meetings: PICC meetings held and facilitated:</p> <p>2 PICC Manco meetings 1 PICC Presentation to Parliament 1 Tirisano Construction Fund – Trustees meeting 2 SIP Coordinator's Forums 1 PICC Secretariat 1 PICC Council 1 Minister's engagement with Technical Unit 1 PICC Engagement with SAICE</p> <p>6</p> <p>Record of meetings: PICC meetings held and facilitated:</p> <p>1 PICC meeting held 1 Tirisano Construction Fund meeting 1 Minister's engagement with PICC Technical Unit 1 Cabinet Lekgotla 1 SIP Coordinator's Forum 1 Ministers' engagement with President Ramaphosa on PICC</p>



PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE			
Performance Indicator	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18
<b>KPI 13:</b> Number of coordination actions to drive implementation of SIP 5 of the National infrastructure Plan	4	4	4  Record of coordination on:  1. SIP 5 Steering Committee meeting 2. Launch of Sunrise Energy LPG import terminal facility 3. Saldanha offshore supply base intervention 4. Vaal Gamagara
<b>KPI 14:</b> Number of reports on initiatives to increase localisation in the infrastructure and industrialisation programmes, including through the PPPFA, and local supplier development	8	3	4  Reports on:  1. Naledi Foundry (Benoni) 2. Cisco – building of local steel capacity 3. Developing railway capacity at the Highveld Structural Steel Mill 4. Massmart Supplier Development Program top-up
<b>KPI 15:</b> Number of investment initiatives facilitated, fast tracked and/or unblocked	16	13	14  Action minutes on:  1. Transformer Designation 2. LKA Enterprise Green Water Treatment Technology 3. Cofco International – Eskom 4. Duty on structural steel 5. WULA for OSHO Cement (Pty) Ltd 6. Da-Gama Textiles 7. AB InBev 8. PP Excel 9. Telkom Southern Networking 10. Pelchem 11. Silicon Smelters 12. Varsity Bread Licence 13. Proudly SA/ Massmart 14. Glodina
<b>KPI 16:</b> Number of reports produced on the funding allocations on township enterprises by DFIs and the government departments	3	4	3  Reports on:  1. sefa funding allocation for township enterprises and jobs impact 2. Township enterprise case studies 3. DFI and government funding
<b>KPI 17:</b> Number of reports on the level and impact of industrial finance by DFIs and departments	6	4	4  Reports on:  1. Level and impact of industrial funding by DFIs 2. Level and impact of IDC funding 3. IDC quarterly report 4. Level and impact of IDC funding



## PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE

Performance Indicator	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18
<b>KPI 18:</b> Number of Ministerial or departmental oversight engagements with the IDC held	8	4	4  Record of engagements  1. Ministerial engagement with IDC and departmental engagements 2. Ministerial engagement with IDC and Departmental strategic engagements with IDC 3. Ministerial/ Departmental strategic engagements with IDC 4. Record of engagement on Ministerial / Departmental engagement with IDC
<b>KPI 19:</b> Number of economic development opportunities identified through infrastructure projects	2	2	2  Action minutes on:  1. Scaw Metal 2. Eskom servitude over the Matla-Jupiter transmission line
<b>KPI 20:</b> Number of strategic initiatives to enhance the capacity, performance & outcomes of economic regulators held	2	2	3  Action minutes on:  1. Amendment of Competition Commission rules 2. Strategic engagement by the Minister to the capacity of the Competition Commission 3. Competition Bill Amendments
<b>KPI 21:</b> Number of reports on initiatives on mergers and acquisitions, market inquiries or abuse of dominance	4	11	11  Reports on  1. Market inquiry on LPG 2. Launch of the market inquiry in data costs 3. Coca-Cola public interest (B- BBEE) 4. Bayer/Monsanto merger 5. Coca-Cola Bottling SA (CCBSA) 6. Other mergers 7. Compliance 8. Old Mutual 9. Barnes/ Scaw 10. Chevron/ Sinopec 11. Amendments to Competition Act
<b>KPI 22:</b> Number of initiatives to ensure trade authorities and policies support industrialisation and employment	3	2	2  Action minutes on:  1. Scrap metal 2. Automotive Production and Development Programme (APDP) changes



PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE			
Performance Indicator	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18
<b>KPI 23:</b> Number of Ministerial/departmental oversight engagements with trade and competition authorities held	7	8	6  Records of engagement:  1. Quarterly reports and Departmental engagements 2. Ministerial oversight engagements 3. Quarterly reports and Departmental engagements 4. Record of engagement on Departmental engagements 5. Ministerial oversight engagements 6. Quarterly reports and Departmental engagements

### 2018/19 PERFORMANCE ACHIEVEMENTS VERIFIED BY AGSA

PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE				
Performance Indicator	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from Planned Target to Actual Achievement 2018/19	Comments on Deviations
<b>KPI 9:</b> Number of quarterly Cabinet-level progress reports of infrastructure Strategic Integrated Projects (SIPs)	64  SIP Reports	71  SIP Reports on the 18 SIP	+7	PICC overachieved
<b>KPI 10:</b> Number of infrastructure projects evaluated, unblocked, fast-tracked or facilitated or project assessments completed	8  Action minutes	8  Action minutes on:  1. Kuka Lion Ropeway 2. Zandvliet Waste Water Treatment Works (WWTW) Water Use License (WUL) 3. Sanral Infrastructure projects 4. Cape Town Water crisis 5. Dunnottar Rail Supplier Park 6. School Sanitation Infrastructure Reports 7. iThemba LABS – South African Isotopes Facility 8. Roggeveld Wind Farm	-	-





## PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE

Performance Indicator	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from Planned Target to Actual Achievement 2018/19	Comments on Deviations
<b>KPI 11:</b> Number of Cabinet and PICC strategic decisions on infrastructure implemented	4  Action minutes	5  Action minutes on: <ol style="list-style-type: none"> <li>1. VBS and Giyani Bulk Water Supply project</li> <li>2. Construction Settlement Agreement (Malatjie SIU)</li> <li>3. Presidential Infrastructure projects</li> <li>4. PICC institutionalisation and Budget Facility for Infrastructure (BFI)</li> <li>5. Tirisano Construction Fund Report</li> </ol>	+1	Cabinet and PICC decisions that had to be implemented given their importance to the National Infrastructure Programme



PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE				
Performance Indicator	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from Planned Target to Actual Achievement 2018/19	Comments on Deviations
KPI 12: Number of PICC meetings held and facilitated	7	8	+1	PICC meetings are scheduled based on operational requirements and the availability of PICC members
	Record of meetings Q1	Record of meetings: PICC meetings held and facilitated  4 PICC Secretariat meetings 3 SIP Coordinator's Forums 1 Tirisano Trustees meeting		
	8	6	-2	PICC meetings are scheduled based on operational requirements and the availability of PICC members
	Record of meetings Q2	Record of meetings: PICC meetings held and facilitated  2 SIP Coordinator's Forums 3 Tirisano Trustees meetings 1 Cabinet Lekgotla		
	7	7	-	-
	Record of meetings Q3	Record of meetings: PICC meetings held and facilitated:  1 PICC Head Briefings to Minister 3 SIP Coordinator's Forums 2 Tirisano Fund meetings 1 PICC presentation to National Treasury and World Bank Infrastructure		
	8	9	+1	PICC meetings are scheduled based on operational requirements and the availability of PICC members
	Record of meetings Q4	Record of meetings: PICC meetings held and facilitated:  1 PICC Council meeting 3 SIP Coordinator's Forums 2 Tirisano Trustees meeting 1 Tirisano Fund meeting 1 Cabinet Lekgotla meeting 1 Meeting with the Minister for the Department of Water and Sanitation		
KPI 13: Number of coordination actions to drive implementation of SIP 5 of the National infrastructure Plan	4	4	-	-
	Record of coordination	Record of coordination on:  1. Clanwilliam Dam 2. Clanwilliam Agreement 3. SIP 5 Steering Committee 4. Saldanha Bay IDZ and Transnet National Ports Authority (TNPA) Lease		



## PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE

Performance Indicator	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from Planned Target to Actual Achievement 2018/19	Comments on Deviations
KPI 14: Number of reports on initiatives to increase localisation in the infrastructure and industrialisation programmes, including through the PPPFA, and local supplier development	4 Reports	5 Reports on: 1. Royal Bafokeng project 2. Pedayahu Fly Ash project 3. Volvo localisation 4. Swazi Rail Link 5. AMSA/Highveld Contract	+1	Localisation efforts are facilitated and finalised as they are worked through and issues are resolved.
KPI 15: Number of investment initiatives facilitated, fast tracked and/or unblocked	14 Action minutes	14 Action minutes on: 1. Da Gama Textiles 2. Leong Jin Specialty Steel 3. SA Calcium Carbide (Pty) Ltd 4. Brika South Africa 5. B Braun project 6. Sheraton Textiles Holdings (Pty) Ltd 7. Pavati Packaging and Advance Brushware 8. West African Group customs tariff 9. Onomo Hotels Liquor License 10. Afgri grain storage 11. Fix Liquids Production (Pty) Ltd 12. Afgri / Highveld Training facility 13. Chalk product 14. Three (3) Investment projects - Moses Indibano Auto - Limpopo Department of Health - Water Hygiene Convenience (Leak - less Valve)	-	-



PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE				
Performance Indicator	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from Planned Target to Actual Achievement 2018/19	Comments on Deviations
KPI 16: Number of reports produced on the funding allocations on township enterprises by DFIs and government departments	3 Reports	3 Reports on:  1. The assessment of Cooperative Financial Institutions (CFIs): A model for township enterprises 2. Khayelitsha and Sutherlands 3. Promoting township enterprises and iconic sites: Cooperative banking and Vilakazi Street	-	-
KPI 17: Number of reports on the level and impact of industrial finance by DFIs and departments	4 Reports	4 Reports on:  1. Evaluative report on the performance of the IDC 2. Evaluative report on the performance of the IDC 3. Evaluative report on the performance of the IDC 4. Black Industrialists and Youth as well as the Quarterly Evaluative Report	-	-
KPI 18: Number of Ministerial or departmental oversight engagements with the IDC held	4 Record of engagements	4 Record of engagements  1. Quarterly oversight report 2. Quarterly oversight report and IDC Annual Report 3. Quarterly oversight report and Strategic Planning Session 4. Quarterly oversight report, IDC Appointment and Deputy Minister in Ndlambe and Ministerial meeting IDC engagements	-	-
KPI 19: Number of economic development opportunities identified through infrastructure projects	1 Action minute	1 Action minute on:  1. Ashton Langebaan	-	-



## PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE

Performance Indicator	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from Planned Target to Actual Achievement 2018/19	Comments on Deviations
KPI 20: Number of strategic initiatives to enhance the capacity, performance & outcomes of economic regulators held	3  Action minutes	5  Action minutes on:  1. Massmart SDF lessons 2. Settlement on Edcon and Agro 3. Competition Commission Bill enhancements to strengthen regulators 4. Competition Commission State of readiness 5. Competition Commission enhancements	+2	Ministerial decision to make amendments to the Competition Act to enhance the capacity of the regulator
KPI 21 Number of reports on initiatives on mergers and acquisitions, market inquiries or abuse of dominance	4  Reports	5  Reports on 1. Mergers Heinz and Robertsons 2. Off the Shelf (OTS) and Chevron merger 3. Competition Commission changes to legislation technical work 4. Mergers on Ekapa and APL Cartons 5. Chevron and Glencore merger	+1	Minister intervened in a number of mergers to represent the public interest. EDD also carried out compliance assessments on previous mergers in which EDD had intervened.
KPI 22: Number of initiatives to ensure trade authorities and policies support industrialisation, and employment	2  Action minutes	4  Action minutes on: 1. Trade report of Botswana - Growth episodes responses - Retail import penetration 2. Trade report of Ethiopia and Nigeria 3. Extension of PPS and export tax 4. Review selected ITAC tools	+2	Extension of the Price Preference System and introduction of Export Tax to protect the Steel Industry, as well as impact assessment of Tariffs to determine policy efficacy.





PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE				
Performance Indicator	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from Planned Target to Actual Achievement 2018/19	Comments on Deviations
KPI 23: Number of Ministerial/ Departmental oversight engagements with trade and competition authorities held	5  Records of engagement	5  Records of engagement:  1. Quarterly oversight and Annual reports 2. Quarterly oversight and Annual reports 3. Quarterly oversight and ITAC members 4. ITAC ministerial meeting 5. Competition Commission regulations state of readiness panel	-	-

(KPIs 9 to 23 changed from 2016/17 to 2017/18. This was reported on extensively in the 2017/18 APP).  
Reasons for deviations are provided in the deviation column above.

## STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

There was no underperformance in this programme. The target was 154 products and 168 products were delivered for the year. The Executive Authority requested that the quality and impact of the products by the Department be continuously improved in future financial years.

## CHANGES TO PLANNED TARGETS

There were no in-year changes to planned targets and indicators for the period under review. The EDD implemented its APP 2018/19 as tabled in Parliament.

## LINKING PERFORMANCE WITH BUDGETS

Actual expenditure for Programme 3 and its sub-programmes amounted to R927 233 000 or 97% of the adjusted programme budget of R954 336 000 for the 2018/19 financial year. Spending in this programme is driven mainly by transfer payments to the Departmental entities and agencies.



## SUB-PROGRAMME EXPENDITURE

Sub- Programme Name	2018/2019			2017/2018		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Development Investment, Industrial funding and Entrepreneurship	263 388	267 713	(4 325)	261 753	261 663	90
Competition, Trade and other Economic Regulation	425 836	425 531	305	396 133	395 913	220
Infrastructure Development Coordination	265 112	233 989	31 123	139 498	139 683	(185)
<b>Total</b>	<b>954 336</b>	<b>927 233</b>	<b>27 103</b>	<b>797 384</b>	<b>797 259</b>	<b>125</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 R'000	Amount spent by the public entity R'000	Achievements of the public entity R'000
Competition Commission	The Competition Commission is the investigative and enforcement arm of the Competition Act. It investigates mergers and/or anti-competitive conduct and reflects its findings to the Competition Tribunal for a decision	281 788	281 788	See Part A of this report
Industrial Development Corporation – for sefa, the PICC and two Funds administered by the IDC.	The Industrial Development Corporation is a national development finance institution with the objective of leading industrial capacity development. The corporation aligns its priorities with those identified in terms of government policies and programmes related to industrial development, including relevant elements of the NDP, the New Growth Path and the Industrial Policy Action Plan.	487 484	261 876	See Part A of this report



Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity R'000
Industrial Development Corporation – for <b>sefa</b> , the PICC and two Funds administered by the IDC.	<p><b>Sefa</b>- provides access to Small Medium and Micro Enterprises via Direct Lending and Intermediaries</p> <p>PICC- Through the PICC's secretariat, the Department provides support for the implementation of the National Infrastructure Plan and its 18 Strategic Integrated Projects, which include the construction of power plants, schools, health care facilities, roads, ports, water pipelines and bus route systems</p> <p>Steel Development Fund- to finance initiatives, which directly address competitiveness issues</p> <p>Tirisano fund- contribute to the transformation of the construction industry through the development and promotion of construction firms owned and managed by black people</p>			
Competition Tribunal	The Competition Tribunal adjudicates on mergers and prohibited practice cases that involve anti-competitive outcomes achieved either through co-ordinated conduct between competing firms or through unilateral conduct by a dominant firm	35 086	35 086	See Part A of this report
International Trade and Administration Commission of South Africa	ITAC aims to create fair trade conditions that will boost South Africa's economic development and growth. ITAC comprises three core business units, namely Tariff Investigations, Trade Remedy Investigations and Import and Export Control	106 584	106 584	See Part A of this report
<b>TOTAL</b>		<b>910 942</b>		

#### Transfers to IDC include:

- Sefa – R228 837 000
- PICC – R15 000 000
- Steel Development Fund – R30 000 000
- Tirisano Construction Fund – R213 647 000

## 5.2. Transfer Payments to all Organisations other than Public Entities

Not applicable



## 6. CONDITIONAL GRANTS

### 6.1 Conditional Grants and Earmarked Funds Paid

Not applicable

### 6.2 Conditional Grants and Earmarked Funds Received

Not applicable

## 7. DONOR FUNDS

### 7.1 Donour Funds Received

#### DONOR FUND: SOCIAL ECONOMY PROJECT

Name of donor	Government of Flanders
Full amount of the funding	EU 411,665 (R 5,960,909) EDD contributed R4,870,410 in-kind towards the project
Period of the commitment	Three years
Purpose of the funding	To develop a Social Economy Policy for South Africa
Expected outputs	Green Paper and White Paper on the Social Economy for South Africa
Actual outputs achieved	<ul style="list-style-type: none"> <li>- National Consultation Strategy</li> <li>- Draft Green Paper</li> <li>- National Consultation Workshop on the 27th and 28th of February 2019</li> <li>- Stakeholder database of entities within the Social Economy</li> </ul>
Amount received in current period (R'000)	R 2 597 000
Amount spent by the department (R'000)	R538 000
Reasons for the funds unspent	The underspending was mainly due to collaborations with other institutions which funded some of the costs incurred towards the project. The project plans to implement significant deliverables, such as the provincial consultations, during the next financial year, which will be large cost items
Monitoring mechanism by the donor	Progress reports are submitted to the donor and the National Treasury. The donor sits on the Project Steering Committee (PSC), along with National Treasury, which meets 4 times a year. The donor also interacts with the project as required between PSC meetings, as well as having an open invitation to the Intergovernmental Advisory (IGAC) as well as Expert Reference Panel (ERP) meetings which are held quarterly

## 8. CAPITAL INVESTMENT

### 8.1 Capital Investment, Maintenance and Asset Management Plan

The EDD commenced the 2018/19 financial year with movable tangible capital assets (including transport assets, computer equipment, furniture and office equipment, and other machinery) of R13.9 million and software worth R4.4 million. An amount of R59 000 was added during the financial year; whilst R331 000 worth of assets were disposed (this includes assets from the previous financial years). The EDD conducted quarterly asset verifications and compiled a disclosure note that reconciled to additions on the trial balance.

The EDD is housed within the dti campus and largely sources office equipment as part of the Public Private Partnership arrangement between the dti and the private partner. The Department conducts quarterly assets verifications to ensure that all assets are accounted for and are registered.





PART

C

GOVERNANCE





## 1. INTRODUCTION

The Department has a legislative responsibility, in terms of public service regulations and the PFMA, in ensuring good governance, ethics and accountability in the management of public finances and resources. Pursuant to this commitment, EDD has established governance structures that monitor the effective, efficient and economic use of state resources.

EDD maintained systems and processes which enhance its governance processes and compliance with legislative frameworks in the areas of Risk Management, Internal Audit, Information Technology, Budget, and Corporate Management.

## 2. RISK MANAGEMENT

According to the PFMA, the Accounting Officer must ensure that the Department develops and maintains effective, efficient and transparent systems of financial, risk management and internal controls. EDD's approved Risk Management Policy, Strategy and Implementation Plan is anchored on this regulated requirement.

The annual strategic risk assessment conducted in 2018 identified risks threatening the achievement of the Department's Strategic Objectives as well as new and emerging risks impacting on organisational performance. Management continued to monitor progress on the strategic and operational risks reported in various governance structures such as Manco and EXCO.

The established Risk Management Committee (RMC) operates separately from the Audit Committee. The responsibilities of the RMC include the review of management reports to determine the effectiveness of risk management processes within EDD. The quarterly meeting reports of the RMC are discussed at Audit Committee meetings and critical issues are escalated to the Accounting Officer.

The Department's Audit Committee continues to perform an oversight role regarding risk management processes and systems, and independently monitors the effective implementation of the risk management processes and systems by management.

The maturity levels of risk management are gradually improving in the Department with noticeable progress in the achievement of APP targets and key performance indicators. More effort will be placed in improving reporting mechanisms in the Department.

## 3. FRAUD AND CORRUPTION

EDD recognises fraud and corruption as a threat to the South African economy as it undermines good governance including the ethical and financial health of public institutions. EDD remains committed to the fight against fraud and corruption.

In the period under review, the Department continued to monitor adherence to and implementation of the approved Fraud Prevention Strategy and Plan, as well as the related Fraud Prevention Policy and procedures. The Department conducted a fraud risk assessment and compiled registers which were continuously monitored and progress was reported at relevant governance structures.

EDD recognises that there is a need for procedures to ensure that employees who make protected disclosure or who are whistle blowers are protected from reprisals as a result of their disclosure. The Whistle Blowing Policy of EDD is part of EDD's commitments towards a culture of openness and transparency in instilling ethical behaviour among its employees.

The reviewed EDD Whistle Blowing Policy was adopted by EXCO in 2018/19. The policy provides employees with significant information on procedures to be followed when making confidential disclosures or reporting incidents of suspected fraud and corruption. This is institutionalised through educational awareness creation campaigns implemented in the Department.

EDD remains committed to investigating all reported cases of fraud and corruption and supports and subscribes to the Public Service Commission's National Anti-Corruption Hotline (NACH) for reporting and gathering information related to incidents of suspected fraud and corruption.

When reports of suspected incidents of fraud and corruption are received through the whistle blowing mechanisms, preliminary investigations are initiated by the investigating officers appointed by the Accounting Officer, and internal disciplinary actions are instituted against defaulters, if found guilty. Reported cases are also referred to other law enforcement agencies, for further investigation and prosecution.



## 4. MINIMISING CONFLICT OF INTEREST

EDD adheres to the Financial Disclosure Framework for Senior Management Service (SMS) members and other designated groups which aims to prevent and detect conflicts of interest. The Public Service Regulations of 2016 and applicable directives require all SMS members of a Department and relevant designated groups to disclose their financial interests through the e - disclosure platform including their contemplation of doing other remunerative work.

The Department continued its efforts to ensure full compliance and the appointed Ethics Officers through Corporate Management, analysed and verified all disclosures against the Companies and Intellectual Property Commission (CIPC) database. Discrepancies detected are formally addressed in line with internal procedure. Employees are also required to disclose gifts received and these are recorded on the gifts register kept in the Office of the Chief Financial Officer.

## 5. CODE OF CONDUCT

The EDD adheres to the public service Code of Conduct which covers the relationship with the legislature and executive, the public, and employees within the Department and the public service at large, personal conduct and private interests. It requires public servants to act in the best interests of the public, to be honest when dealing with public money, and dissuade the abuse of their authority and position.

In addition, the Department provides a copy of the Code of Conduct to all employees upon their appointment. All employees are required to sign as affirmation upon receipt of this Code of Conduct. Corrective measures would be taken against employees who are not adhering to the Code of Conduct.

## 6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

EDD is housed within the **dti** campus and participates in the health and safety programmes of the **dti**, within the Campus. All maintenance, safety and hazardous issues were attended to by the **dti** through a Public Private Partnership contracted service provider.

## 7. PORTFOLIO COMMITTEES

The EDD had a total of twelve (12) briefings with the Portfolio and Select Committees on Economic Development (excluding entities).

### Presentations to the Portfolio Committee on Economic Development

Date	Purpose of Meeting
24 April 2018	Presentation to the Portfolio Committee on 2018/19 Annual Performance Plan Finance Section
12 June 2018	Presentation to the Portfolio Committee on Q4 2017/18 Performance Report
17 July 2018	Presentation to the Portfolio Committee on the Competition Amendment Bill, 2018
21 August 2018	Meeting with the Portfolio Committee on the Competition Amendment Bill, 2018 following the meeting on 17 July 2018
11 September 2018	Presentation to the Portfolio Committee: Reply to Oral and Written submission following public comments on the Competition Amendment Bill, 2018
2 October 2018	Response by Minister on PC amendments to the Competition Amendment Bill, 2018
11 October 2018	Presentation to the Portfolio Committee on the 2017/18 Annual Report
13 November 2018	Presentation to the Portfolio Committee on Q1 & Q2 2018/19 Performance Reports
27 November 2018	Presentation and Briefing by Minister of Economic Development and the IDC on the impact created by the Industrial Development Corporation's (IDC's) investment decisions on transformation and economic inclusion.

**Presentation to the Select Committee on Economic and Business Development**

Date	Purpose of Meeting
22 May 2018	Presentation to the Select Committee on the 2018/19 Annual Performance Plan
09 October 2018	Presentation to the Select Committee on Competition Amendment Bill 2018
19 November 2018	Response by Minister to the Select Committee on Oral and Written submission following public comments on the Competition Amendment Bill, 2018

Matters raised by the Parliamentary Committees were addressed as presented at the meeting as well as in subsequent responses to follow up questions. Meeting records are available from the Committee secretariat.

## 8. SCOPA RESOLUTIONS

There were no SCOPA resolutions related to the Department for the period under review.

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no prior audit modifications to audit reports. The Department has over the year put in place processes to address audit findings raised by external auditors and to define internal control measures to prevent the recurrence of these findings in the future and to review the adequacy of the controls environment.

The Department has an audit action plan called the “Audit Heat Map” which is intended to establish a road map for addressing audit findings. The established audit Heat Map tracks progress made on resolving the findings on a monthly basis.

In addition, follow-up meetings are held quarterly to resolve any bottlenecks or lack of progress. This is done to ensure that there is adequate follow through and finalisation of the corrective measures within the agreed timelines.

The status of each audit finding in the Audit Heat Map is presented to the Audit Committee for review every quarter. Periodically, the Audit Committee may instruct Internal Audit to provide independent confirmation that the findings are resolved as indicated by management.

## 10. INTERNAL CONTROL UNIT

The Department did not have an Internal Control Unit. Controls were managed through the policies and procedures of the Department and through segregation of duties.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal Audit Unit reported to the Accounting Officer administratively and to the Audit Committee functionally as required. The Unit followed a risk-based internal audit approach. The Rolling Three-Year Strategic and Annual Operation Internal Audit Plans were based on an assessment of the risks of the Department.

The Audit Plan was submitted to the Executive Committee (EXCO) before final approval by the Audit Committee. Using the risk assessment as a basis, audit reviews for the year included performance information, operational, compliance and follow-up audit reviews.

The Audit Committee comprised four (4) independent non-executive members, who operated in accordance with their approved charter. The Audit Committee had four (4) meetings during the year under review and played an essential part in the Department’s corporate reporting processes in relation to both financial and non-financial performance reporting. The Auditor-General South Africa, Internal Audit and the Accounting Officer were invited, amongst others, to attend the meetings.



The table below discloses relevant information on the Audit Committee members:

Name	Qualifications	Internal/ External	If Internal, Pos in the Dept.	Date Appointed	Date Resigned	No. of Meetings attended.
Mr. S. Simelane	<ul style="list-style-type: none"> <li>MBA</li> <li>B.Com (Hons)</li> <li>B. Com (Accounting)</li> </ul>	External	N/A	03/03/17	-	4
Dr D.P. Van Der Nest	<ul style="list-style-type: none"> <li>D. Tech (Internal Auditing)</li> <li>M. Com (Development Economics)</li> <li>B. Com Hons Economics</li> <li>Higher Education Diploma (H.E.D)</li> <li>B. Com (Accountancy)</li> </ul>	External	N/A	03/03/17	-	4
Ms A Malan	<ul style="list-style-type: none"> <li>PhD on Tourism Management (To be completed)</li> <li>M. Com (Economics) Cum Laude</li> <li>B. Com (Hons) Economics and Computer Science</li> <li>Higher Education Diploma (H.E.D)</li> <li>B. Sc. With Economics Subjects</li> </ul>	External	N/A	01/07/17	30/06/19 Contract Expiry	3
Ms S. Makhathini	<ul style="list-style-type: none"> <li>CA (SA)</li> <li>Post Grad Diploma in Accounting Science</li> <li>B. Compt (Hons) Accounting Science with Certificate of Theory in Accounting (CTA)</li> <li>B. Com Accounting</li> </ul>	External	N/A	17/05/17	-	2

## 12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2019.

### AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee is required to meet at least four (4) times per annum as per its approved terms of reference. During the year under review, four (4) meetings were held.

### AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has appropriate terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein. The Audit Committee reports that, during the year, it was presented with regular quarterly management reports to enable them to:

- Monitor the integrity, accuracy and reliability of the department's financial information; and
- Review all material information presented to the committee.

For the financial year ended 31 March 2019, the Audit Committee was presented with the following information for review:

- The Annual Financial Statements;
- All quarterly Financial Reports;
- Unaudited Annual Financial Statements before submission to the Auditor General South Africa (AGSA) on 31 May 2019;
- The management letter of the AGSA related to the audit of the final 2018/19 Annual Financial Statements;
- The appropriateness of accounting policies, practices and potential changes;
- Compliance with relevant laws and regulations;
- The Annual Report and predetermined objectives prior to submission to the AGSA and final publication; and
- The plans, work and reports of Internal Audit and the AGSA. The Audit Committee also conducted several independent meetings with the assurance providers.

The quarterly reporting on Performance Information, Information Technology Governance and the capacity of the ICT unit, and the effectiveness of the system of Risk Management and Governance, including fraud prevention requires improvement.



## THE EFFECTIVENESS OF INTERNAL CONTROL

The system of internal control is designed to provide reasonable cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. Internal Audit provides the Audit Committee and management with assurance that the controls are appropriate and effective. This is achieved by means of an appropriate quarterly reporting process, as well as the identification of corrective action and suggested enhancements to the controls and processes.

The results of the internal and external audits indicated that controls have been operating as intended in certain areas, while in others attention should be given to strengthen, improve and monitor the controls. Where control weaknesses and other matters were reported, the Audit Committee has considered management's responses to address the matters and to facilitate corrective actions, improvements and monitoring the controls and procedures. Implementation of such corrective actions is monitored and reported on.

The Risk Management Committee monitors and oversees the control of risk identification throughout the department. Risk management was a standing agenda item in the Audit Committee meetings and the Deputy Director: Risk Management/ Chief Director: Office of the Director General provided feedback on this process in two (2) out of four (4) meetings.

## INTERNAL AUDIT

The Internal Audit function conducts its affairs in terms of an approved Internal Audit Charter. The charter is reviewed on an annual basis. The Internal Audit Function follows a risk-based audit approach, whereby the Strategic Risk Assessment, Repeat Audit Findings and the Internal Audit Function's assessment of the risks drivers are taken into account. The Internal Audit Plan was formally adopted and approved by the Audit Committee. Progress on the execution of the plan was monitored and reported on at each Audit Committee meeting. The Audit Committee is therefore satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the Department in its Audit Plan. Furthermore, the Committee oversaw cooperation between the Internal and External Auditors.

## EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee has evaluated the department's financial statements for the year ended 31 March 2019 and concluded that there were no material misstatements and concurs with and accepts the conclusion of the AGSA on the Annual Financial Statements.

The Audit Committee is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

**Mr AS Simelane**

Chairperson of the Audit Committee  
Economic Development Department  
Date: 31 July 2019











# PART D

## HUMAN RESOURCE MANAGEMENT



# 1. INTRODUCTION

The information presented in respect of Human Resource Management is in line with the requirements applicable to all government departments as outlined in Regulation 31/III/1 of the Public Service Regulations, 2016.

# 2. OVERVIEW OF HUMAN RESOURCES

The Department employs staff on a permanent basis as well as through fixed term contracts for specific projects and secondments to access specific scarce skills and knowledge in relation to, for example, the PICC technical unit.

The EDD had a ratio of 48% women in Senior Management positions as at 31 March 2019 as compared to 52% men. The Department will work to ensure that the target of 50% women representation at Senior Management is met. Eight (8) Interns were enrolled during the 2018/19 financial year on a one-year Internship Programme and they were inducted accordingly. A Workplace Skills Plan was developed, submitted to PSETA, and is monitored on a monthly basis.

Fifteen (15) HR Policies were reviewed / developed and are in the process of consultation. Furthermore, Plans were developed, which include amongst others, the Employment Equity Plan, Human Resource Development Plan and others. The Department will ensure the implementation thereof. The collective bargaining and consultative structure is fully functional.

The Employee Assistance Programme continued to render 24 hour support services to all EDD employees and their family members. Through the Health Promotion Programme, HIV/AIDS Counselling and Testing Campaigns were conducted in partnership with GEMS.

# 3. HUMAN RESOURCES OVERSIGHT STATISTICS

## 3.1. Personnel Related Expenditure

The following tables summarise the final audited personnel related expenditure by programme and by salary band. In particular, it provides an indication of the following:

- Amount spent on personnel
- Amount spent on salaries, overtime, homeowner's allowances and
- Medical aid.

**Table 3.1.1 Personnel expenditure by programme for the period 01 April 2018 – 31 March 2019**

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	86 619	43 800	155	7 154	50.6%	730
Growth Path and Social Dialogue	30 158	28 569	0	-	94.7%	1 190
Investment, Competition and Trade	927 233	14 334	0	209	1.5%	683
<b>Total</b>	<b>1 044 010</b>	<b>86 703</b>	<b>155</b>	<b>7 363</b>	<b>8.3%</b>	<b>2 603</b>

**Table 3.1.2 Personnel costs by salary band for the period 01 April 2018 - 31 March 2019**

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Skilled (Levels 3-5)	2 096	2.4%	9	233
Highly skilled production (Levels 6-8)	11 339	13.1%	30	378
Highly skilled supervision (Levels 9-12)	25 963	29.9%	31	838
Senior management (Levels 13-16)	47 305	54.6%	35	1 352
<b>Total</b>	<b>86 703</b>	<b>100%</b>	<b>105</b>	<b>826</b>



**Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 01 April 2018 – 31 March 2019**

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	29 976	68.4%	202	0.5%	747	1.7%	1 180	2.7%
Growth Path and Social Dialogue	19 268	67.4%	0	0.0%	202	0.7%	513	1.8%
Investment, Competition and Trade	10 038	70.0%	0	0.0%	153	1.1%	260	1.8%
<b>Total</b>	<b>59 282</b>	<b>68.4%</b>	<b>202</b>	<b>0.2%</b>	<b>1 102</b>	<b>1.3%</b>	<b>1 953</b>	<b>2.3%</b>

**Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 01 April 2018 - 31 March 2019**

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (Levels 3-5)	1 015	48.4%	0	0.0%	79	3.8%	152	7.3%
Highly skilled production (Levels 6-8)	8 233	72.6%	161	1.4%	421	3.7%	837	7.4%
Highly skilled supervision (Levels 9-12)	20 113	77.5%	41	0.2%	201	0.8%	339	1.3%
Senior management (Levels 13-16)	29 921	63.3%	0	0.0%	401	0.8%	625	1.3%
<b>Total</b>	<b>59 282</b>	<b>68.4%</b>	<b>202</b>	<b>0.2%</b>	<b>1 102</b>	<b>1.3%</b>	<b>1 953</b>	<b>2.3%</b>

## 3.2. Employment and Vacancies

**Table 3.2.1 Employment and vacancies by programme as on 31 March 2019**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administration	71	60	15.4%	0
Economic Policy Development	17	15	11.8%	1
Economic Planning and Coordination	20	20	0	1
Socio Economic Development and Social Dialogue	8	8	0	0
<b>Total</b>	<b>116</b>	<b>103</b>	<b>11.2%</b>	<b>2</b>

\*The totals are excluding political office bearers


**Table 3.2.2 Employment and vacancies by salary band as on 31 March 2019**

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Skilled(3-5)	10	9	10%	0
Highly skilled production (6-8)	28	28	0	0
Highly skilled supervision (9-12)	40	35	12.5%	0
Senior management (13-16)	38	31	18.4%	2
<b>Total</b>	<b>116</b>	<b>103</b>	<b>11.2%</b>	<b>2</b>

NB: Due to the Budget cut which gave effect to the Cabinet decision to reduce allocations for compensation of employees, the EDD funded posts were reduced to 116.

**Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2019**

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administrative Related	21	19	9.5%	0
Communication and Information related	2	2	0	0
Economists	6	6	0	0
Finance and economics related	5	5	0	0
Financial and related professionals	8	7	12.5%	0
Financial clerks and credit controllers	3	3	0	0
Food services aids and waiters	2	2	0	0
Head of Department / Chief Executive Officer	1	0	100%	0
Human resources clerks	5	5	0	0
Human resources related	3	3	0	0
Information technology related	2	2	0	0
Light vehicle drivers	2	2	0	0
Logistical support personnel	5	5	0	0
Material-recording and transport clerks	3	2	33.3%	0
Messengers porters and deliverers	1	1	0	0
Other admin & related clerks and organisers	4	4	0	0
Other occupations	2	1	50%	0
Risk management and security services	1	0	100%	0
Secretaries & other Keyboard operating clerks	2	2	0	0
Security officers	1	1	0	0
Senior managers	25	20	20%	2
Statisticians and related professionals	2	1	50%	0
Trade/ Industry advisers & other related professions	10	10	0	0
<b>Total</b>	<b>116</b>	<b>103</b>	<b>11.2%</b>	<b>2</b>

NB: Due to the Budget cut which gave effect to the Cabinet decision to reduce allocations for compensation of employees, the EDD funded posts were reduced to 116.





### 3.3. Filling of SMS Posts

**Table 3.3.1 SMS post information as on 31 March 2019**

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0	1	100%
Salary Level 16	2	1	50%	1	50%
Salary Level 15	2	1	50%	1	50%
Salary Level 14	14	12	86%	2	14%
Salary Level 13	19	17	89%	2	11%
<b>Total</b>	<b>38</b>	<b>31</b>	<b>82%</b>	<b>7</b>	<b>18%</b>

**Table 3.3.2 SMS post information as on 30 September 2018**

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0	1	100%
Salary Level 16	2	2	100%	0	0
Salary Level 15	2	1	50%	1	50%
Salary Level 14	16	14	87%	2	13%
Salary Level 13	22	18	82%	4	18%
<b>Total</b>	<b>43</b>	<b>35</b>	<b>81%</b>	<b>8</b>	<b>19%</b>

**Table 3.3.3 Advertising and filling of SMS posts for the period 01 April 2018 – 31 March 2019**

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
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

The advertised post of Social Economy was not included as it does not form part of the approved organisational structure.





**Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - advertised within 6 months and filled within 12 months after becoming vacant for the period 01 April 2018 - 31 March 2019**

Reasons for vacancies not advertised within six months
The organisational structure was aligned to the future work of the Department and to the reduced budget available as a result of National Treasury adjustments.

**Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 01 April 2018 - 31 March 2019**

Disciplinary steps taken
None

### 3.4. Job Evaluation

**Table 3.4.1 Job Evaluation by Salary band for the period 01 April 2018 - 31 March 2019**

Salary band	Number of posts	Number of Jobs evaluated	% of Posts evaluated	Number of Posts upgraded	% of upgraded posts evaluated	Number of Posts downgraded	% of downgraded posts evaluated
Contract (Levels 3-5)	3	0	0	0	0	0	0
Contract (Levels 6-8)	2	0	0	0	0	0	0
Contract (Levels 9-12)	1	0	0	0	0	0	0
Contract (Band A)	1	0	0	0	0	0	0
Contract (Band B)	0	0	0	0	0	0	0
Contract (Band C)	0	0	0	0	0	0	0
Contract (Band D)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	7	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	26	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	39	0	0	0	0	0	0
Senior Management Service Band A	18	0	0	0	0	0	0
Senior Management Service Band B	14	0	0	0	0	0	0
Senior Management Service Band C	2	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
<b>TOTAL</b>	<b>116</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 01 April 2018 - 31 March 2019**

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



**Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 01 April 2018 – 31 March 2019**

Occupation	Number of employees	Job Evaluation level	Remuneration level	Reason for deviation	No of employees in dept.
Messengers porters and deliverers	0	0	0		
Human resources related	0	0	0		
Administrative	0	0	0		
Administrative	0	0	0		
Administrative	0	0	0		
Financial and related professionals	0	0	0		
<b>Total</b>	<b>0</b>				<b>0</b>
<b>Percentage of Total Employment</b>					

**Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 01 April 2018 – 31 March 2019**

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.5. Employment Changes

**Table 3.5.1 Annual turnover rates by salary band for the period 01 April 2018 – 31 March 2019**

Salary band	Number of employees at beginning of period-1 April 2018	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
<b>Skilled (Levels 3-5)</b>	6	0	0	0
<b>Highly skilled production (Levels 6-8)</b>	29	0	3	10%
<b>Highly skilled supervision (Levels 9-12)</b>	40	0	6	15%
<b>Senior Management Service Band A</b>	17	0	1	6%
<b>Senior Management Service Band B</b>	14	0	2	14%
<b>Senior Management Service Band C</b>	1	0	0	0
<b>Senior Management Service Band D</b>	0	0	0	0
<b>Contract (Levels 3-5)</b>	3	0	0	0
<b>Contract (Levels 6-8)</b>	2	0	0	0
<b>Contract (Levels 9-12)</b>	1	0	0	0
<b>Contract Senior Management Service Band A</b>	3	1	3	100
<b>Contract Senior Management Service Band B</b>	0	0	0	0
<b>Contract Senior Management Service Band C</b>	0	0	1	0
<b>Contract Senior Management Service Band D</b>	2	0	0	0
<b>Total</b>	<b>118</b>	<b>1</b>	<b>16</b>	<b>14%</b>

The total excluded officials appointed additional to the establishment.


**Table 3.5.2 Annual turnover rates by critical occupation for the period 01 April 2018 – 31 March 2019**

Critical occupation	Number of employees at the beginning of period - 1 April 2018	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related	22	0	2	9%
Finance and economics related	5	0	1	20%
Financial and related professionals	8	0	1	13%
Financial clerks and credit controllers	3	0	0	0
Food services aids and waiters	2	0	0	0
Head of Department/Chief Executive Officer	0	0	0	0
Human resources clerks	6	0	1	17%
Human resources related	3	0	0	0
Information technology related	2	0	0	0
Legal related	0	0	0	0
Light vehicle drivers	2	0	0	0
Logistical support personnel	6	0	1	17%
Material recording and transport clerks	2	0	0	0
Communication and Information related	2	0	0	0
Other admin & related clerks and organisers	4	0	0	0
Risk management and security services	1	0	1	100%
Secretaries & other keyboard operating clerks	2	0	0	0
Security officers	1	0	0	0
Senior managers	23	1	5	22%
Statisticians and related professionals	2	0	1	50%
Messenger services	1	0	0	0
Economist and other related professionals	6	0	0	0
Trade/industry advisors & other related profession	13	0	2	15%
Other occupation	2	0	1	50%
<b>TOTAL</b>	<b>118</b>	<b>1</b>	<b>16</b>	<b>14%</b>

**Table 3.5.3 Reasons why staff left the department for the period 01 April 2018 – 31 March 2019**

Termination Type	Number	% of Total Terminations
Death	0	0
Resignation	10	63%
Expiry of contract	3	19%
Dismissal – misconduct	1	6%
Retirement	0	0
Transfer to other Public Service Departments	2	13%
<b>Total</b>	<b>16</b>	<b>100%</b>
<b>Total number of employees who left as a % of total employment</b>		<b>15.5%</b>

**Table 3.5.4 Promotions by critical occupation for the period 01 April 2018 – 31 March 2019**

Occupation	Employees 1 April 2018	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	22	0	0	17	77%
Finance and economics related	5	0	0	4	80%
Financial and related professionals	8	0	0	6	75%
Financial clerks and credit controllers	3	0	0	3	100%
Food services aids and waiters	2	0	0	2	100%
Head of department/chief executive officer	0	0	0	0	0
Human resources clerks	6	0	0	5	83%
Human resources related	3	0	0	3	100%
Information technology related	2	0	0	2	100%
Legal related	0	0	0	0	0
Light vehicle drivers	2	0	0	1	50%
Logistical support personnel	6	0	0	5	83%
Material recording and transport clerks	2	0	0	1	50%
Communication and Information Related	2	0	0	1	50%
Other admin & related clerks and organisers	4	0	0	3	75%
Risk management and security services	1	0	0	1	100%
Secretaries & other keyboard operating clerks	2	0	0	1	50%
Security officers	1	0	0	1	100%
Senior managers	23	0	0	13	57%
Statisticians and related professionals	2	0	0	2	100%
Messenger services	1	0	0	0	0
Economist and other related professionals	6	0	0	4	67%
Trade/industry advisors & other related profession	13	0	0	7	54%
<b>TOTAL</b>	<b>118</b>	<b>0</b>	<b>0</b>	<b>82</b>	<b>69%</b>


**Table 3.5.5 Promotions by salary band for the period 01 April 2018 – 31 March 2019**

Salary Band	Employees 1 April 2018	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Skilled (Levels 3-5)	6	0	0	6	100%
Highly skilled production (Levels 6-8)	29	0	0	24	83%
Highly skilled supervision (Levels 9-12)	40	0	0	28	70%
Senior Management (Level 13-16)	32	0	0	22	69%
Contract (Levels 3-5)	3	0	0	1	33%
Contract (Levels 6-8)	2	0	0	1	50%
Contract (Levels 9-12)	1	0	0	0	0
Contract (Levels 13-16)	5	0	0	0	0
<b>Total</b>	<b>118</b>	<b>0</b>	<b>0</b>	<b>82</b>	<b>69%</b>

### 3.6. Employment Equity

**Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 1 April 2018 – 31 March 2019**

Occupational category	Male					Female					Total
	African	Coloured	Indian/Asian	Total Black	White	African	Coloured	Indian / Asian	Total blacks	White	
Legislators, senior officials and managers	8	0	2	10	0	9	0	0	9	2	21
Professionals	16	1	0	17	1	17	1	0	18	1	37
Technicians and associate professionals	4	0	0	4	0	18	2	1	21	0	25
Clerks	5	0	0	5	0	11	0	0	11	0	16
Plant and machine operators and assemblers	2	0	0	2	0	0	0	0	0	0	2
Labourers and related workers	1	0	0	1	0	2	0	0	2	0	3
Service shop and market sales workers	0	0	0	0	0	1	0	0	1	0	1
<b>Total</b>	<b>36</b>	<b>1</b>	<b>2</b>	<b>39</b>	<b>1</b>	<b>58</b>	<b>3</b>	<b>1</b>	<b>62</b>	<b>3</b>	<b>105</b>
Employees with disabilities	1	0	0	1	0	2	0	0	2	0	3

The total included employees appointed additional to the establishment



**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2019**

Occupational band	Male					Female					Total
	African	Coloured	Indian / Asian	Total Black	White	African	Coloured	Indian / Asian	Total blacks	White	
Top management	1	0	0	1	0	0	0	0	0	0	1
Senior management	10	1	1	12	1	12	0	0	12	3	28
Professionally qualified and experienced specialists and mid-management	10	0	0	10	0	13	1	1	15	0	25
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	7	0	0	7	0	26	2	0	28	0	35
Semi-skilled and discretionary decision making	2	0	0	2	0	4	0	0	4	0	6
Contract (Top Management )	1	0	1	2	0	0	0	0	0	0	2
Contract (Senior Management)	1	0	0	1	0	1	0	0	1	0	2
Contract (Professionally qualified and experienced specialists and mid-management)	0	0	0	0	0	1	0	0	1	0	1
Contract (Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents)	1	0	0	1	0	1	0	0	1	0	2
Contract (Semi-skilled and discretionary decision making)	3	0	0	3	0	0	0	0	0	0	3
<b>Total</b>	<b>36</b>	<b>1</b>	<b>2</b>	<b>39</b>	<b>1</b>	<b>58</b>	<b>3</b>	<b>1</b>	<b>62</b>	<b>3</b>	<b>105</b>

The total included employees appointed additional to the establishment.




**Table 3.6.3 Recruitment for the period 01 April 2018 to 31 March 2019**

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

**Table 3.6.4 Promotions for the period 01 April 2018 to 31 March 2019**

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

**Table 3.6.5 Terminations for the period 01 April 2018 to 31 March 2019**

Occupational band	Male					Female					Total
	African	Coloured	Indian / Asian	Total blacks	White	African	Coloured	Indian / Asian	Total blacks	White	
Top management	1	0	0	1	0	0	0	0	0	0	1
Senior management	3	1	0	4	0	1	1	0	2	0	6
Professionally qualified and experienced specialists and mid-management	5	0	0	5	0	1	0	0	1	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	1	0	2	0	0	2	0	3
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>10</b>	<b>1</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>16</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

**Table 3.6.6 Disciplinary action for the period 1 April 2018 to 31 March 2019**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian / Asian	White	African	Coloured	Indian / Asian	White	
<b>Misconduct</b>	1	0	0	0	0	0	0	0	1

**Table 3.6.7 Skills development for the period 1 April 2018 to 31 March 2019**

Occupational category	Male				Female				Total
	African	Coloured	Indian / Asian	White	African	Coloured	Indian / Asian	White	
Legislators, senior officials and managers	0	0	0	0	1	0	0	1	2
Professionals	5	0	0	0	4	0	1	0	10
Technicians and associate professionals	1	0	0	0	5	0	0	0	6
Clerks	1	0	0	0	1	0	0	0	2
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>20</b>
Employees with disabilities	1	0	0	0	0	0	0	0	1



### 3.7. Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

**Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2018**

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	0	0
Salary Level 16	2	2	2	100%
Salary Level 15	2	2	1	50%
Salary Level 14	14	14	13	93%
Salary Level 13	19	18	18	100%
<b>Total</b>	<b>38</b>	<b>35</b>	<b>34</b>	<b>97%</b>

**Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2018**

Reasons
ADG was appointed on a short-term contract.
CD: CM was on suspension.
Two (2) Directors and their supervisors concluded Performance Agreements after 31 May 2018.

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2018**

Reasons
None



### 3.8. Performance Rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

**Table 3.8.1 Performance rewards by race, gender and disability for the period 1 April 2018 to 31 March 2019**

Race and gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee (R'000)
<b>African</b>					
Male	3	34	9%	42	14
Female	4	58	7%	81	20
<b>Asian</b>			<b>0</b>	<b>0</b>	<b>0</b>
Male	0	2	0	0	0
Female	0	1	0	0	0
<b>Coloured</b>				<b>0</b>	
Male	0	1	0	0	
Female	1	3	33%	43	43
<b>White</b>				<b>0</b>	
Male	0	1	0	0	
Female	0	3	0	0	
<b>Total</b>	<b>8</b>	<b>103</b>	<b>8%</b>	<b>167</b>	<b>21</b>

**Table 3.8.2 Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2018 to 31 March 2019**

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure (R'000)
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (level 3-5)	1	9	11%	8	8	0
Highly skilled production (level 6-8)	4	28	14%	46	12	0
Highly skilled supervision (level 9-12)	3	35	9%	113	38	0
<b>Total</b>	<b>8</b>	<b>72</b>	<b>11%</b>	<b>167</b>	<b>21</b>	<b>0</b>


**Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2018 to 31 March 2019**

Critical occupation	Beneficiary Profile		Cost		
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administration related	1	19	5	43	43
Communication and Information related	0	2	0	0	0
Economists	0	6	0		
Financial and economics related	0	5	0	0	0
Financial and related profession	1	7	14	49	49
Financial clerks and credit controllers	0	3	0	0	0
Food service aids and waiters	0	2	0	0	0
Head of Department / Chief Executive Officer	0	0	0	0	0
Human resources clerk	0	5	0	0	0
Human resource related	0	3	0	0	0
Information Technology related	1	2	50	15	15
Light vehicle drivers	0	2	0	0	0
Logistical support personnel	0	5	0	0	0
Material recording and transport clerk	1	2	50	7	7
Messenger porter and deliverers	1	1	100	11	11
Other admin and related clerk and organisers	1	4	25	10	10
Other occupations	0	1	0	0	
Risk management and security services	0	0	0	0	
Secretaries and other keyboard operating clerks	1	2	50	11	11
Security officers	0	1	0	0	0
Senior managers	0	20	0	0	0
Statisticians and related professionals	0	1	0	0	0
Trade/ industry advisers and other related professions	1	10	10	21	21
<b>Total</b>	<b>8</b>	<b>103</b>	<b>8</b>	<b>167</b>	<b>21</b>



**Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 01 April 2018 to 31 March 2019**

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	18	0	0	0	0
Band B	0	14	0	0	0	0
Band C	0	1	0	0	0	0
Band D	0	2	0	0	0	0
<b>Total</b>	<b>0</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.9. Foreign Workers

**Table 3.9.1 Foreign workers by salary band for the period 01 April 2018 – 31 March 2019**

Salary band	01 April 2018		31 March 2019		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Senior Managers L13-16	3	75	3	75%	0	0
Highly skilled supervision (Lev. 9-12)	1	25	1	25%	0	0
Contract (level 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>100%</b>	<b>4</b>	<b>100%</b>	<b>0</b>	<b>0</b>

**Table 3.9.2 Foreign workers by major occupation for the period 01 April 2018 – 31 March 2019**

Major occupation	01 April 2018		31 January 2019		Change	
	Number	% of total	Number	% of total	Number	% Change
Senior Managers	3	75	3	75	0	0
Other professionals	1	25	1	25	0	0
<b>Total</b>	<b>4</b>	<b>100%</b>	<b>4</b>	<b>100%</b>	<b>0</b>	<b>0</b>





### 3.10. Leave Utilisation

**Table 3.10.1 Sick leave for the period 1 January 2018 to 31 December 2018**

Salary band	Total days	% Days with Medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)	Total number of employees using sick leave	Total number of days with medical certification
Skilled (Levels 3-5)	43	91%	4	4%	11	34	89	39
Highly skilled production (Levels 6-8)	233	79%	27	30%	7	339	89	183
Highly skilled supervision (Levels 9 -12)	219	66%	31	35%	7	625	89	144
Top and Senior management (Levels 13-16)	202	82%	23	26%	8	887	89	166
Contract (Levels 3-5)	12	92%	2	2%	6	10	89	11
Contract (Levels 6-8)	0	0	0	0%	0	0	0	0
Contract (Levels 9-12)	3	100%	1	1%	3	8	89	3
Contracts (Level 13-16)	2	100%	1	1%	2	8	89	2
<b>Total</b>	<b>714</b>	<b>77%</b>	<b>89</b>	<b>100%</b>	<b>8</b>	<b>1 912</b>	<b>89</b>	<b>548</b>

**Table 3.10.2 Disability leave (temporary and permanent) for the period 01 January 2018 to 31 December 2018**

Salary Band	Total days	% Days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)	Total number of days with medical certification	Total number of employees using disability leave
Highly skilled production (Levels 3-5)	42	0	1	0	42	38	42	1
Highly skilled production (Levels 6-8)	121	0	2	0	61	175	121	2
Highly skilled supervision (Levels 9-12)	19	0	1	0	19	52	19	1
Senior management (Levels 13-16)	95	0	3	0	32	399	95	30
<b>Total</b>	<b>235</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>39</b>	<b>664</b>	<b>235</b>	<b>7</b>

**Table 3.10.3 Annual Leave for the period 01 January 2018 to 31 December 2018**

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Skilled Levels 3-5)	147	6	25
Highly skilled production (Levels 6-8)	643	25	26
Highly skilled supervision (Levels 9-12)	811	34	24
Senior management (Levels 13-16)	718	29	25
Contract (Level 3-5)	70	3	23
Contract (Level 6-8)	37	2	19
Contracts (Level 9-12)	20	1	20
Contracts (13-16)	47	3	16
<b>Total</b>	<b>2493</b>	<b>103</b>	<b>24</b>

**Table 3.10.4 Capped leave for the period 01 January 2018 to 31 December 2018**

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2018
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	62	1	62	62
<b>Total</b>	<b>62</b>	<b>1</b>	<b>62</b>	<b>62</b>

**Table 3.10.5 Leave pay-outs for the period 01 April 2018 – 31 March 2019**

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R'000)
Leave pay-out for 2016/17 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2016/17	0	0	0
Current leave pay-out on termination of service for 2016/17	193	7	28
<b>Total</b>	<b>193</b>	<b>7</b>	<b>28</b>

### 3.11. HIV/AIDS & Health Promotion Programmes

**Table 3.11.1 Steps taken to reduce the risk of occupational exposure**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	Employees have received training on HIV/AIDS as part of the Health and Wellness Programme.



**Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)**

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Director: Human Resource Management. Employee Health and Wellness resides in the sub-Directorate: Human Resource Development within the Directorate: Human Resource Management.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		The Sub-Directorate: Human Resource Development is assigned with the responsibility to promote the health and well-being of EDD employees.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	x		The EDD has, through its procurement processes, procured the services of ICAS key elements of the service are the following: Counselling services including, i.e. health and wellness issues, relationships and financial. Telephonic and one-on-one consultations 24/7, Information sessions/workshops and awareness creation on health matters, etc. Desk drops (information pieces on health and wellness themes) are provided on a regular basis to employees.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		x	The Health and Wellness Committee was established in the Department and became dormant with the departure of the majority of its committee members.
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	x		HIV/AIDS Policy has been approved.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	x		The measures are guided by the code of conduct, Employee Health and Wellness Policy, Employment Equity Policy, Working Hours Policy, Leave Policy.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	x		Opportunities for voluntary counselling and testing are created during wellness days and information sessions held in partnership with GEMS and ICAS.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		GEMS Wellness Day reports & ICAS quarterly reports.

## 3.12. Labour Relations

**Table 3.12.1 Collective agreements for the period 1 April 2018 and 31 March 2019**

Subject matter	Date
None	
<b>Total number of collective agreements</b>	<b>None</b>



The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

**Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2018 and 31 March 2019**

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

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2018 and 31 March 2019**

Type of misconduct	Number	% of total
Various allegations of misconduct	1	100%
<b>Total</b>	<b>1</b>	<b>100%</b>

**Table 3.12.4 Grievances logged for the period 1 April 2018 and 31 March 2019**

Grievances	Number	% of Total
Number of grievances resolved	21	0
Number of grievances not resolved	3	12.5%
<b>Total number of grievances lodged</b>	<b>24</b>	<b>100%</b>

**Table 3.12.5 Disputes logged with Councils for the period 1 April 2018 and 31 March 2019**

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

**Table 3.12.6 Strike actions for the period 1 April 2018 and 31 March 2019**

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

**Table 3.12.7 Precautionary suspensions for the period 1 April 2018 and 31 March 2019**

Number of people suspended	1
<b>Number of people who's suspension exceeded 30 days</b>	<b>1</b>
<b>Average number of days suspended</b>	<b>274 days</b>
<b>Cost of suspension(R'000)</b>	<b>R956</b>



### 3.13. Skills development

This section highlights the efforts of the department with regard to skills development.

**Table 3.13.1 Training needs identified for the period 1 April 2018 and 31 March 2019**

Occupational category	Gender	Number of employees as at 1 April 2018	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	13	0	20		20
	Male	10	0	13		13
Professionals	Female	20	0	26		26
	Male	23	0	25		25
Technicians and associate professionals	Female	23	0	40		40
	Male	5	0	9		9
Clerks	Female	11	0	6		6
	Male	6	0	10		10
Service and sales workers	Female	1	0	0		0
	Male	1	0	0		0
Skilled agriculture and fishery workers	Female	0	0	0		0
	Male	0	0	0		0
Craft and related trades workers	Female	0	0	0		0
	Male	0	0	0		0
Plant and machine operators and assemblers	Female	0	0	0		0
	Male	2	0	0		0
Labourers and related workers	Female	2	0	0		0
	Male	1	0	0		0
Sub Total	Female	0	0	0		0
	Male	0	0	0		0
<b>Total</b>		<b>118</b>		<b>149</b>		<b>149</b>



Table 3.13.2 Training provided for the period 1 April 2018 and 31 March 2019

Occupational category	Gender	Number of employees as at 1 April 2018	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	13	0	2	-	2
	Male	10	0	0	-	0
Professionals	Female	20	0	4	-	4
	Male	23	0	3	-	3
Technicians and associate professionals	Female	23	0	5	-	5
	Male	5	0	2	-	2
Clerks	Female	11	0	1	-	1
	Male	6	0	4	-	4
Service and sales workers	Female	1	0	-	-	-
	Male	1	0	-	-	-
Skilled agriculture and fishery workers	Female	0	0	-	-	-
	Male	0	0	-	-	-
Craft and related trades workers	Female	0	0	-	-	-
	Male	0	0	-	-	-
Plant and machine operators and assemblers	Female	0	0	-	-	-
	Male	2	0	-	-	-
Labourers and related workers	Female	2	0	-	-	-
	Male	1		-	-	-
Sub Total	Female	0	0	-	-	-
	Male	0	0	-	-	-
Total		118	0	21	-	21

### 3.14. Injury on duty

Table 3.14.1 Injury on duty for the period 01 April 2018 – 31 March 2019

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





### 3.15. Utilisation of Consultants

**Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2018 -31 March 2019**

Project title	Total number of consultants that worked on project	Duration worked days	Contract value
n/a	n/a	0	0
<b>Total</b>			<b>0</b>

**Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 01 April 2018 - 31 March 2019**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
n/a	n/a	n/a	n/a

**Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2018 - 31 March 2019**

Not applicable, as no consultants were appointed using donor funds in the year under review

**Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2018 - 31 March 2017**

Not applicable as there were no consultants were appointed in the year under review

### 3.16. Severance Packages

**Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2018 – 31 March 2019**

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision(Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>









# PART E

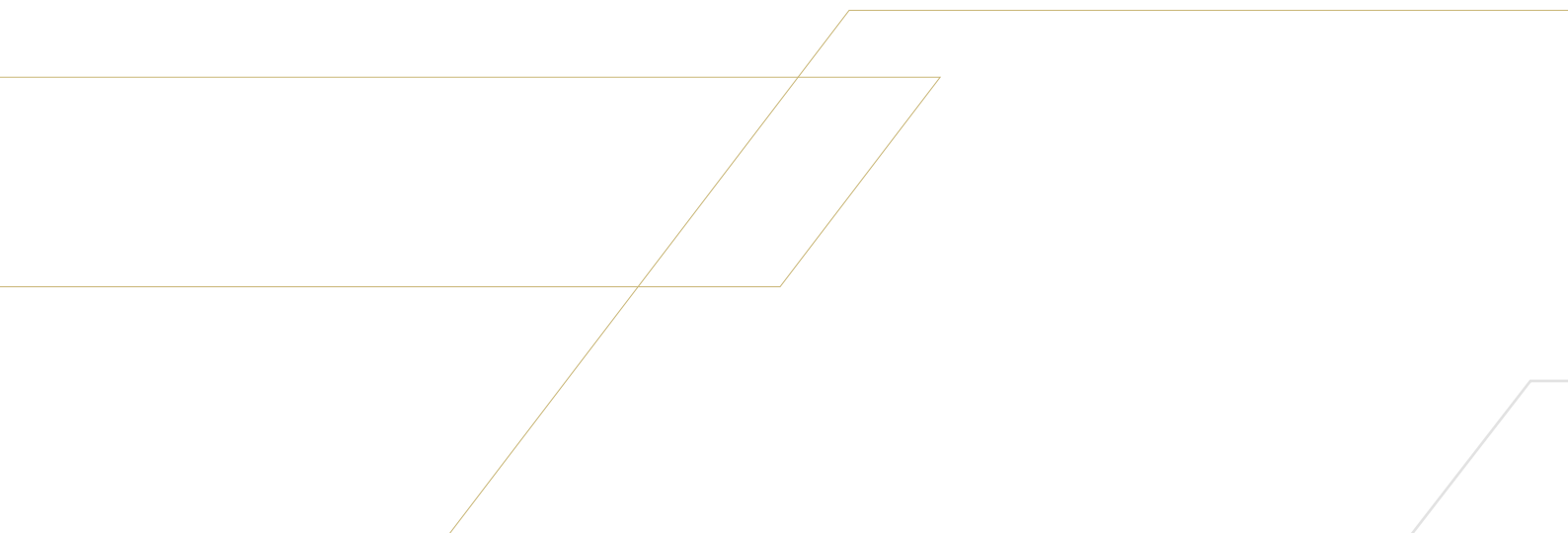
## FINANCIAL INFORMATION

# **ANNUAL FINANCIAL STATEMENTS**

## **FOR ECONOMIC DEVELOPMENT DEPARTMENT**

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For the year ended 31 March 2019



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## Report of the Auditor-General to Parliament on vote no. 25: Economic Development Department

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Economic Development Department set out on pages 101 to 177, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Economic Development Department as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standards (MCS) prescribed by 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 International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Other matter

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

#### Unaudited supplementary schedules

7. The supplementary information set out on pages 178 to 186 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

#### Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS prescribed by National Treasury and the requirements of the PFMA, and 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.
9. In preparing the financial statements, the accounting officer is responsible for assessing the Economic Development 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

10. 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.



## Report of the Auditor-General to Parliament on vote no. 25: Economic Development Department

11. 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

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

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

14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2019:

Programmes	Pages in the annual performance report
Programme 2- Growth path and social dialogue	34 – 41
Programme 3- Investment, competition and trade	41 – 56

15. 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.

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

- Programme 2 - Growth path and social dialogue
- Programme 3 - Investment, competition and trade

#### Other matter

17. I draw attention to the matter below.

#### Achievement of planned targets

18. Refer to the annual performance report on pages 32 to 57 for information on the achievement of planned targets for the year and explanations provided for the under/ over achievement of a number of targets.

### Report on the audit of compliance with legislation

#### Introduction and scope

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

20. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.



## Report of the Auditor-General to Parliament on vote no. 25: Economic Development Department

### Other information

21. 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.
22. 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.
23. 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.
24. 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. I have nothing to report in this regard.

### Internal control deficiencies

25. 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.

Pretoria  
31 July 2019



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 judgment 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 entity's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Economic Development Department ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease continuing as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.



## Appropriation Statement For the year ended 31 March 2019

Appropriation Per Programme									
2018/19								2017/18	
Programme	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
ADMINISTRATION	86,351	-	1,408	87,759	86,619	1,140	98.7%	85 117	83 666
GROWTH PATH AND SOCIAL DIALOGUE	34,495	-	(3,993)	30,502	30,158	344	98.9%	31 736	31 126
INVESTMENT, COMPETITION AND TRADE	951,751	-	2,585	954,336	927,233	27,103	97.2%	797 384	797 258
<b>Subtotal</b>	<b>1,072,597</b>	<b>-</b>	<b>-</b>	<b>1,072,597</b>	<b>1,044,010</b>	<b>28,587</b>	<b>97.3%</b>	<b>914 237</b>	<b>912 050</b>

Reconciliation with statement of financial performance					
ADD:					
Departmental receipts	146 755			167 560	
NRF Receipts	-				
Aid assistance	2 597				
Actual amounts per statement of financial performance (total revenue)	1 221 949			1 081 797	
ADD:					
Aid assistance		538			1 271
Prior year unauthorised expenditure approved without funding					
Actual amounts per statement of financial performance (total expenditure)		1 044 548			913 321

## Appropriation Statement For the year ended 31 March 2019

Appropriation Per Economic Classification									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>134,989</b>	<b>-</b>	<b>(883)</b>	<b>134,106</b>	<b>131,990</b>	<b>2,116</b>	<b>98.4%</b>	<b>134 171</b>	<b>132 632</b>
Compensation of employees	90,773	-	1,500	92,273	91,082	1,191	98.7%	89 953	88 523
Salaries and wages	81,610	-	1,393	83,003	81,455	1,548	98.1%	89 642	78 918
Social contributions	9,163	-	107	9,270	9,627	(357)	103.9%	311	9 605
Goods and services	44,216	-	(2,383)	41,833	40,908	925	97.8%	44 218	44 109
Administrative fees	358	101	-	459	448	11	97.6%	504	358
Advertising	1,243	(938)	-	305	156	149	51.1%	1 014	481
Minor assets	138	(89)	-	49	45	4	91.8%	37	51
Audit costs: External	3,447	(1,136)	-	2,311	2,295	16	99.3%	3 112	3443
Bursaries: Employees	331	(280)	-	51	45	6	88.2%	214	213
Catering: Departmental activities	426	(219)	-	207	274	(67)	132.4%	751	374
Communication	1,853	(255)	-	1,598	2,064	(466)	129.2%	1 489	1490
Computer services	899	345	-	1,244	727	517	58.4%	1 037	1265
Consultants: Business and advisory services	3,757	491	(2,383)	1,865	1,348	517	72.3%	1 506	2363
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	9,233	(3,191)	-	6,042	6,015	27	99.6%	10 020	9193
Contractors	634	(317)	-	317	192	125	60.6%	476	156
Agency and support / outsourced services	238	(238)	-	-	-	-	-	29	30
Entertainment	25	(25)	-	-	-	-	-	6	-
Fleet services	721	615	-	1,336	1,353	(17)	101.3%	1 261	1 172
Housing	-	-	-	-	-	-	-	-	-





## Appropriation Statement For the year ended 31 March 2019

Appropriation Per Economic Classification									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Inventory: Clothing material and supplies	112	(112)	-	-	-	-	-	5	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	8	-	-	8	-	8	-	12	-
Inventory: Medical supplies	4	-	-	4	-	4	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	176	(73)	-	103	106	(3)	102.9%	202	109
Consumable: Stationery, printing and office supplies	862	(70)	-	792	824	(32)	104.0%	775	727
Operating leases	12,521	962	-	13,483	13,631	(148)	101.1%	12 433	13 509
Property payments	57	(57)	-	-	-	-	-	13	-
Transport provided: Departmental activity	27	(27)	-	-	-	-	-	9	-
Travel and subsistence	6,008	4,278	-	10,286	10,003	283	97.2%	7 799	7 885
Training and development	211	(55)	-	156	155	1	99.4%	362	234
Operating payments	629	503	-	1,132	1,140	(8)	100.7%	892	894
Venues and facilities	187	(102)	-	85	87	(2)	102.4%	243	161
Rental and hiring	111	(111)	-	-	-	-	-	17	1



## Appropriation Statement For the year ended 31 March 2019

Appropriation Per Economic Classification									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>933,122</b>	<b>-</b>	<b>4,393</b>	<b>937,515</b>	<b>911,197</b>	<b>26,318</b>	<b>97.2%</b>	<b>778 359</b>	<b>778 370</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	419,065	-	4,393	423,458	423,458	-	100.0%	392 460	392 460
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	419,065	-	4,393	423,458	423,458	-	100.0%	392 460	392 460
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	513,837	-	-	513,837	487,484	26,353	94.9%	385 780	385 780
Public corporations	513,837	-	-	513,837	487,484	26,353	94.9%	385 780	385 780
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	513,837	-	-	513,837	487,484	26,353	94.9%	385 780	385 780
Private enterprises	-	-	-	-	-	-	-	-	-



## Appropriation Statement For the year ended 31 March 2019

Appropriation Per Economic Classification									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	220	-	-	220	255	(35)	115.9%	119	130
Social benefits	210	-	-	210	250	(40)	119.0%	119	130
Other transfers to households	10	-	-	10	5	5	50.0%	-	-
<b>Payments for capital assets</b>	<b>4,486</b>	<b>-</b>	<b>(3,510)</b>	<b>976</b>	<b>823</b>	<b>153</b>	<b>84.3%</b>	<b>1 707</b>	<b>1 048</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4,016	-	(3,040)	976	823	153	84.3%	1 444	904
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	4,016	-	(3,040)	976	823	153	84.3%	1 444	904
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	470	-	(470)	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,072,597</b>	<b>-</b>	<b>-</b>	<b>1,072,597</b>	<b>1,044,010</b>	<b>28,587</b>	<b>97.3%</b>	<b>914 237</b>	<b>912 050</b>



## Appropriation Statement For the year ended 31 March 2019

Programme 1: ADMINISTRATION									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-programme									
1. MINISTRY	23,906	4,673	619	29,198	27,052	2,146	92.7%	21 090	20 884
2. OFFICE OF THE DIRECTOR GENERAL	11,952	(56)	(11)	11,885	12,042	(157)	101.3%	12 125	11 008
3. CORPORATE MANAGEMENT SERVICES	36,095	(3,279)	3,322	36,138	36,601	(463)	101.3%	39 586	38 905
4. FINANCIAL MANAGEMENT	14,398	(1,338)	(2,522)	10,538	10,924	(386)	103.7%	12 316	12 869
Total for sub-programmes	86,351	-	1,408	87,759	86,619	1,140	98.7%	85 117	83 666
Economic classification									
Current payments	82,593	-	4,135	86,728	85,781	947	98.9%	83 802	82 577
Compensation of employees	42,718	-	6,518	49,236	48,179	1,057	97.9%	44 865	43 504
Salaries and wages	38,026	-	6,179	44,205	43,135	1,070	97.6%	44 924	38 805
Social contributions	4,692	-	339	5,031	5,044	(13)	100.3%	(59)	4 699
Goods and services	39,875	-	(2,383)	37,492	37,602	(110)	100.3%	38 937	39 074
Administrative fees	277	111	-	388	365	23	94.1%	360	301
Advertising	721	(571)	-	150	150	-	100.0%	473	471
Minor assets	136	(87)	-	49	44	5	89.8%	43	51
Audit costs: External	3,447	(1,136)	-	2,311	2,295	16	99.3%	3 112	3 443
Bursaries: Employees	331	(280)	-	51	45	6	88.2%	214	213
Catering: Departmental activities	290	(177)	-	113	159	(46)	140.7%	329	168
Communication	1,593	(340)	-	1,253	1,689	(436)	134.8%	1 137	1 173
Computer services	516	237	-	753	301	452	40.0%	988	1 016
Consultants: Business and advisory services	3,005	520	(2,383)	1,142	1,139	3	99.7%	189	407



## Appropriation Statement For the year ended 31 March 2019

Programme 1: ADMINISTRATION									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	9,233	(3,191)	-	6,042	6,015	27	99.6%	10 020	9 193
Contractors	168	12	-	180	174	6	96.7%	155	134
Agency and support / outsourced services	238	(238)	-	-	-	-	-	29	30
Entertainment	14	(14)	-	-	-	-	-	1	-
Fleet services	713	605	-	1,318	1,331	(13)	101.0%	1 235	1 154
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	2	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	8	-	-	8	-	8	-	12	-
Inventory: Medical supplies	4	-	-	4	-	4	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-



## Appropriation Statement For the year ended 31 March 2019

Programme 1: ADMINISTRATION									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Consumable supplies	130	(44)	-	86	91	(5)	105.8%	142	91
Consumable: Stationery, printing and office supplies	731	48	-	779	794	(15)	101.9%	720	647
Operating leases	12,521	962	-	13,483	13,631	(148)	101.1%	12 433	13 509
Property payments	48	(48)	-	-	-	-	-	1	-
Transport provided: Departmental activity	22	(22)	-	-	-	-	-	5	-
Travel and subsistence	5,069	3,093	-	8,162	8,166	(4)	100.0%	6 180	6 083
Training and development	208	(52)	-	156	155	1	99.4%	362	234
Operating payments	425	597	-	1,022	1,017	5	99.5%	778	752
Venues and facilities	24	18	-	42	41	1	97.6%	8	4
Rental and hiring	3	(3)	-	-	-	-	-	9	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	55	-	-	55	15	40	27.3%	53	51
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-





## Appropriation Statement For the year ended 31 March 2019

Programme 1: ADMINISTRATION									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	55	-	-	55	15	40	27.3%	53	51
Social benefits	45	-	-	45	10	35	22.2%	53	51
Other transfers to households	10	-	-	10	5	5	50.0%	-	-
Payments for capital assets	3,703	-	(2,727)	976	823	153	84.3%	1 262	1 037
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3,654	-	(2,678)	976	823	153	84.3%	1 106	893



## Appropriation Statement For the year ended 31 March 2019

Programme 1: ADMINISTRATION									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	3,654	-	(2,678)	976	823	153	84.3%	1 106	893
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	49	-	(49)	-	-	-	-	156	144
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>86,351</b>	<b>-</b>	<b>1,408</b>	<b>87,759</b>	<b>86,619</b>	<b>1,140</b>	<b>98.7%</b>	<b>85 117</b>	<b>83 666</b>



## Appropriation Statement For the year ended 31 March 2019

1.1 MINISTRY									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	23,815	4,673	700	29,188	27,047	2,141	92.7%	21 015	20 870
Compensation of employees	18,032	-	700	18,732	16,434	2,298	87.7%	13 529	13 229
Goods and services	5,783	4,673	-	10,456	10,613	(157)	101.5%	7486	7641
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	10	-	-	10	5	5	50.0%	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	10	-	-	10	5	5	50.0%	-	-
Payments for capital assets	81	-	(81)	-	-	-	-	75	14
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	81	-	(81)	-	-	-	-	75	14
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>23,906</b>	<b>4,673</b>	<b>619</b>	<b>29,198</b>	<b>27,052</b>	<b>2,146</b>	<b>92.7%</b>	<b>21 090</b>	<b>20 884</b>



## Appropriation Statement For the year ended 31 March 2019

### 1.2 OFFICE OF THE DIRECTOR GENERAL

2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	11,904	(56)	32	11,880	12,038	(158)	101.3%	12 006	10 894
Compensation of employees	7,671	-	2,415	10,086	10,271	(185)	101.8%	10 490	9 701
Goods and services	4,233	(56)	(2,383)	1,794	1,767	27	98.5%	1 516	1 193
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	29	28
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	29	28
Payments for capital assets	48	-	(43)	5	4	1	80.0%	90	87
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	48	-	(43)	5	4	1	80.0%	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	90	87
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>11,952</b>	<b>(56)</b>	<b>(11)</b>	<b>11,885</b>	<b>12,042</b>	<b>(157)</b>	<b>101.3%</b>	<b>12 125</b>	<b>11 008</b>



## Appropriation Statement For the year ended 31 March 2019

1.3 CORPORATE MANAGEMENT SERVICES									
2018/19								2017/18	
Economic classification	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>35,999</b>	<b>(3,279)</b>	<b>3,403</b>	<b>36,123</b>	<b>36,601</b>	<b>(478)</b>	<b>101.3%</b>	<b>39 531</b>	<b>38 881</b>
Compensation of employees	10,778	-	3,403	14,181	14,642	(461)	103.3%	14 189	13 514
Goods and services	25,221	(3,279)	-	21,942	21,959	(17)	100.1%	25 342	25 367
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>24</b>	<b>23</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	15	-	-	15	-	15	-	24	23
<b>Payments for capital assets</b>	<b>81</b>	<b>-</b>	<b>(81)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31</b>	<b>1</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	81	-	(81)	-	-	-	-	31	1
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>36,095</b>	<b>(3,279)</b>	<b>3,322</b>	<b>36,138</b>	<b>36,601</b>	<b>(463)</b>	<b>99.4%</b>	<b>39 586</b>	<b>38 905</b>

## Appropriation Statement For the year ended 31 March 2019

1.4 FINANCIAL MANAGEMENT									
2018/19								2017/18	
Economic classification	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>	10,875	(1,338)	-	9,537	10,095	(558)	105.9%	11 250	11 933
Compensation of employees	6,237	-	-	6,237	6,832	(595)	109.5%	6 657	7 060
Goods and services	4,638	(1,338)	-	3,300	3,263	37	98.9%	4 593	4 873
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	30	-	-	30	10	20	33.3%	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	30	-	-	30	10	20	33.3%	-	-
	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	3,493	-	(2,522)	971	819	152	84.3%	1 066	936
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3,444	-	(2,473)	971	819	152	84.3%	1 000	878
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	49		(49)	-		-	-	66	58
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	14,398	(1,338)	(2,522)	10,538	10,924	(386)	103.7%	12 316	12 869





## Appropriation Statement For the year ended 31 March 2019

Programme 2: GROWTH PATH AND SOCIAL DIALOGUE									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-programme	-	-	-	-	-	-	-	-	-
1. GROWTH PATH AND JOB DRIVERS	22,400	31	(1,300)	21,131	22,220	(1,089)	105.2%	22 786	22 308
2. SOCIAL DIALOGUE, PRODUCTIVITY AND INNOVATION	12,095	(31)	(2,693)	9,371	7,938	1,433	84.7%	8 950	8 818
<b>Total for sub-programmes</b>	<b>34,495</b>	<b>-</b>	<b>(3,993)</b>	<b>30,502</b>	<b>30,158</b>	<b>344</b>	<b>98.9%</b>	<b>31 736</b>	<b>31 126</b>
Economic classification	-	-	-	-	-	-	-	-	-
<b>Current payments</b>	<b>33,835</b>	<b>-</b>	<b>(3,403)</b>	<b>30,432</b>	<b>30,082</b>	<b>350</b>	<b>98.8%</b>	<b>31 472</b>	<b>31 110</b>
Compensation of employees	32,296	-	(3,403)	28,893	28,569	324	98.9%	29 060	28 989
Salaries and wages	29,273	-	(3,321)	25,952	25,465	487	98.1%	28 903	25 808
Social contributions	3,023	-	(82)	2,941	3,104	(163)	105.5%	157	3 181
Goods and services	1,539	-	-	1,539	1,513	26	98.3%	2 412	2 121
Administrative fees	31	15	-	46	39	7	84.8%	126	41
Advertising	22	(22)	-	-	-	-	-	12	-
Minor assets	2	(2)	-	-	-	-	-	1	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	108	(39)	-	69	91	(22)	131.9%	191	95
Communication	169	54	-	223	250	(27)	112.1%	241	206
Computer services	383	(318)	-	65	-	65	-	49	249
Consultants: Business and advisory services	22	(22)	-	-	-	-	-	120	31
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-



## Appropriation Statement For the year ended 31 March 2019

Programme 2: GROWTH PATH AND SOCIAL DIALOGUE									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	100	(84)	-	16	18	(2)	112.5%	71	22
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	6	(6)	-	-	-	-	-	5	-
Fleet services	4	9	-	13	15	(2)	115.4%	19	16
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	12	(12)	-	-	-	-	-	3	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	35	(21)	-	14	12	2	85.7%	23	3
Consumable: Stationery, printing and office supplies	31	(20)	-	11	20	(9)	181.8%	13	30
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	5	(5)	-	-	-	-	-	4	-
Transport provided: Departmental activity	5	(5)	-	-	-	-	-	4	-



## Appropriation Statement For the year ended 31 March 2019

Programme 2: GROWTH PATH AND SOCIAL DIALOGUE									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Travel and subsistence	300	689	-	989	965	24	97.6%	1 259	1 238
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	104	(23)	-	81	91	(10)	112.3%	78	71
Venues and facilities	100	(88)	-	12	12	-	100.0%	192	118
Rental and hiring	100	(100)	-	-	-	-	-	1	1
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>70</b>	<b>-</b>	<b>-</b>	<b>70</b>	<b>76</b>	<b>(6)</b>	<b>108.6%</b>	<b>-</b>	<b>14</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-



## Appropriation Statement For the year ended 31 March 2019

Programme 2: GROWTH PATH AND SOCIAL DIALOGUE									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	70	-	-	70	76	(6)	108.6%	0	14
<b>Social benefits</b>	<b>70</b>	<b>-</b>	<b>-</b>	<b>70</b>	<b>76</b>	<b>(6)</b>	<b>108.6%</b>	<b>0</b>	<b>14</b>
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>590</b>	<b>-</b>	<b>(590)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>264</b>	<b>2</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	169	-	(169)	-	-	-	-	157	2
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	169	-	(169)	-	-	-	-	157	2
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	421	-	(421)	-	-	-	-	107	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>34,495</b>	<b>-</b>	<b>(3,993)</b>	<b>30,502</b>	<b>30,158</b>	<b>344</b>	<b>98.9%</b>	<b>31 736</b>	<b>31 125</b>



## Appropriation Statement For the year ended 31 March 2019

2.1 GROWTH PATH AND JOB DRIVERS									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>21,883</b>	<b>31</b>	<b>(808)</b>	<b>21,106</b>	<b>22,211</b>	<b>(1,105)</b>	<b>105.2%</b>	<b>22 613</b>	<b>22 294</b>
Compensation of employees	20,861	-	(808)	20,053	21,223	(1,170)	105.8%	21 041	20 802
Goods and services	1,022	31	-	1,053	988	65	93.8%	1 572	1 492
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>9</b>	<b>16</b>	<b>36.0%</b>	<b>-</b>	<b>14</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	25	-	-	25	9	16	36.0%	-	14
Payments for capital assets	492	-	(492)	-	-	-	-	173	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	71	-	(71)	-	-	-	-	66	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	421	-	(421)	-	-	-	-	107	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>22,400</b>	<b>31</b>	<b>(1,300)</b>	<b>21,131</b>	<b>22,220</b>	<b>(1,089)</b>	<b>105.2%</b>	<b>22 786</b>	<b>22 308</b>



## Appropriation Statement For the year ended 31 March 2019

### 2.2 SOCIAL DIALOGUE, PRODUCTIVITY AND INNOVATION

2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>11,952</b>	<b>(31)</b>	<b>(2,595)</b>	<b>9,326</b>	<b>7,871</b>	<b>1,455</b>	<b>84.4%</b>	<b>8 859</b>	<b>8 816</b>
Compensation of employees	11,435	-	(2,595)	8,840	7,346	1,494	83.1%	8 019	8 187
Goods and services	517	(31)	-	486	525	(39)	108.0%	840	629
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>67</b>	<b>(22)</b>	<b>148.9%</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	45	-	-	45	67	(22)	148.9%	-	-
<b>Payments for capital assets</b>	<b>98</b>	<b>-</b>	<b>(98)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91</b>	<b>2</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	98	-	(98)	-	-	-	-	91	2
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>12,095</b>	<b>(31)</b>	<b>(2,693)</b>	<b>9,371</b>	<b>7,938</b>	<b>1,433</b>	<b>84.7%</b>	<b>8 950</b>	<b>8 818</b>





## Appropriation Statement For the year ended 31 March 2019

Programme 3: [INVESTMENT,COMPETITION AND TRADE]									
2018/19W								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme	-	-	-	-	-	-	-	-	-
1. DEVELOPMENT INVESTMENT, INDUSTRIAL FUNDING AND ENTREPRENEURSHIP	263,106	313	(31)	263,388	267,713	(4,325)	101.6%	261 753	261 663
2. COMPETITION, TRADE AND OTHER ECONOMIC REGULATION	423,263	(159)	2,732	425,836	425,531	305	99.9%	396 133	395 913
3. INFRASTRUCTURE DEVELOPMENT COORDINATION	265,382	(154)	(116)	265,112	233,989	31,123	88.3%	139 498	139 682
Total for sub-programmes	951,751	-	2,585	954,336	927,233	27,103	97.2%	797 384	797 259
Economic classification	-	-	-	-	-	-	-	-	-
Current payments	18,561	-	(1,615)	16,946	16,127	819	95.2%	18 897	18 944
Compensation of employees	15,759	-	(1,615)	14,144	14,334	(190)	101.3%	16 029	16 030
Salaries and wages	14,311	-	(1,465)	12,846	12,855	(9)	100.1%	15 815	14 305
Social contributions	1,448	-	(150)	1,298	1,479	(181)	113.9%	214	1 725
Goods and services	2,802	-	-	2,802	1,793	1,009	64.0%	2 868	2 914
Administrative fees	50	(25)	-	25	44	(19)	176.0%	18	16
Advertising	500	(345)	-	155	6	149	3.9%	529	10
Minor assets	-	-	-	-	1	(1)	-	(7)	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	28	(3)	-	25	24	1	96.0%	231	111
Communication	91	31	-	122	125	(3)	102.5%	111	111



## Appropriation Statement For the year ended 31 March 2019

Programme 3: [INVESTMENT,COMPETITION AND TRADE]									
2018/19W								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Computer services	-	426	-	426	426	-	100.0%	-	-
Consultants: Business and advisory services	730	(7)	-	723	209	514	28.9%	1 197	1 925
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	366	(245)	-	121	-	121	-	250	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	5	(5)	-	-	-	-	-	-	-
Fleet services	4	1	-	5	7	(2)	140.0%	7	2
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	100	(100)	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-



## Appropriation Statement For the year ended 31 March 2019

Programme 3: [INVESTMENT,COMPETITION AND TRADE]									
2018/19W								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	11	(8)	-	3	3	-	100.0%	37	15
Consumable: Stationery, printing and office supplies	100	(98)	-	2	10	(8)	500.0%	42	50
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	4	(4)	-	-	-	-	-	8	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	639	496	-	1,135	872	263	76.8%	360	564
Training and development	3	(3)	-	-	-	-	-	-	-
Operating payments	100	(71)	-	29	32	(3)	110.3%	36	71
Venues and facilities	63	(32)	-	31	34	(3)	109.7%	43	39
Rental and hiring	8	(8)	-	-	-	-	-	7	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	932,997	-	4,393	937,390	911,106	26,284	97.2%	778 306	778 305
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-



## Appropriation Statement For the year ended 31 March 2019

Programme 3: [INVESTMENT,COMPETITION AND TRADE]									
2018/19W								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Departmental agencies and accounts	419,065	-	4,393	423,458	423,458	-	100.0%	392 460	392 460
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	419,065	-	4,393	423,458	423,458	-	100.0%	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	513,837	-	-	513,837	487,484	26,353	94.9%	385 780	385 780
Public corporations	513,837	-	-	513,837	487,484	26,353	94.9%	385 780	385 780
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	513,837	-	-	513,837	487,484	26,353	94.9%	385 780	385 780
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	95	-	-	95	164	(69)	172.6%	66	65
Social benefits	95	-	-	95	164	(69)	172.6%	66	65
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>193</b>	<b>-</b>	<b>(193)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>181</b>	<b>9</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-



## Appropriation Statement For the year ended 31 March 2019

Programme 3: [INVESTMENT,COMPETITION AND TRADE]									
2018/19W								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	193	-	(193)	-	-	-	-	181	9
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	193	-	(193)	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>951,751</b>	<b>-</b>	<b>2,585</b>	<b>954,336</b>	<b>927,233</b>	<b>27,103</b>	<b>97.2%</b>	<b>797 384</b>	<b>797 258</b>



## Appropriation Statement For the year ended 31 March 2019

### 3.1 DEVELOPMENT INVESTMENT, INDUSTRIAL FUNDING AND ENTREPRENEURSHIP

2018/19								2017/18	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>4,238</b>	<b>313</b>	<b>-</b>	<b>4,551</b>	<b>8,876</b>	<b>(4,325)</b>	<b>195.0%</b>	<b>7 909</b>	<b>7 880</b>
Compensation of employees	4,009	-	-	4,009	8,302	(4,293)	207.1%	7 323	7 459
Goods and services	229	313	-	542	574	(32)	105.9%	586	421
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>258,837</b>	<b>-</b>	<b>-</b>	<b>258,837</b>	<b>258,837</b>	<b>-</b>	<b>100.0%</b>	<b>253 780</b>	<b>253 780</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	258,837	-	-	258,837	258,837	-	100.0%	253 780	253 780
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>31</b>	<b>-</b>	<b>(31)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64</b>	<b>3</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	31	-	(31)	-	-	-	-	64	3
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>263,106</b>	<b>313</b>	<b>(31)</b>	<b>263,388</b>	<b>267,713</b>	<b>(4,325)</b>	<b>101.6%</b>	<b>261 753</b>	<b>261 663</b>





## Appropriation Statement For the year ended 31 March 2019

3.2 COMPETITION, TRADE OTHER ECONOMIC REGULATION									
2018/19								2017/18	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>4,152</b>	<b>(159)</b>	<b>(1,615)</b>	<b>2,378</b>	<b>2,073</b>	<b>305</b>	<b>87.2%</b>	<b>3 630</b>	<b>3 453</b>
Compensation of employees	3,976	-	(1,615)	2,361	2,030	331	86.0%	3 607	3 440
Goods and services	176	(159)	-	17	43	(26)	252.9%	23	13
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>419,065</b>	<b>-</b>	<b>4,393</b>	<b>423,458</b>	<b>423,458</b>	<b>-</b>	<b>100.0%</b>	<b>392 460</b>	<b>392 460</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	419,065	-	4,393	423,458	423,458	-	100.0%	392 460	392 460
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>46</b>	<b>-</b>	<b>(46)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43</b>	<b>-</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	46	-	(46)	-	-	-	-	43	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>423,263</b>	<b>(159)</b>	<b>2,732</b>	<b>425,836</b>	<b>425,531</b>	<b>305</b>	<b>99.9%</b>	<b>396 133</b>	<b>395 913</b>



## Appropriation Statement For the year ended 31 March 2019

### 3.3 INFRASTRUCTURE DEVELOPMENT COORDINATION

2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>10,171</b>	<b>(154)</b>	<b>-</b>	<b>10,017</b>	<b>5,178</b>	<b>4,839</b>	<b>51.7%</b>	<b>7 358</b>	<b>7 612</b>
Compensation of employees	7,774	-	-	7,774	4,002	3,772	51.5%	5 099	5 131
Goods and services	2,397	(154)	-	2,243	1,176	1,067	52.4%	2 259	2 480
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>255,095</b>	<b>-</b>	<b>-</b>	<b>255,095</b>	<b>228,811</b>	<b>26,284</b>	<b>89.7%</b>	<b>132 066</b>	<b>132 065</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	255,000	-	-	255,000	228,647	26,353	89.7%	132 000	132 000
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	95			95	164	(69)	172.6%	66	65
<b>Payments for capital assets</b>	<b>116</b>	<b>-</b>	<b>(116)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74</b>	<b>6</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	116	-	(116)	-	-	-	-	74	6
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>265,382</b>	<b>(154)</b>	<b>(116)</b>	<b>265,112</b>	<b>233,989</b>	<b>31,123</b>	<b>88.3%</b>	<b>139 498</b>	<b>139 682</b>



## Notes to the Appropriation Statement

### 1. Detail of transfers and subsidies as per Appropriation

Act (after Virement): Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

### 2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

### 3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

### 4. Explanations of material variances from Amounts Voted (after Virement)

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
ADMINISTRATION	87,759	86,619	1,140	1%
This is due to some resignations from staff the last quarter.				
GROWTH PATH AND SOCIAL DIALOGUE	30,502	30,158	344	1%
Spending is according to the revised projections				
INVESTMENT, COMPETITION AND TRADE	954,336	927,233	27,103	3%
This is due to the Tirisano Construction Fund allocation surplus.				

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>Current payments</b>				
Compensation of employees	92,273	91,082	1,191	1%
Goods and services	41,833	40,914	919	2%
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts	423,458	423,458	0	0%
Higher education institutions				
Public corporations and private enterprises	513,837	487,484	26,353	5%
Foreign governments and international organisations				
Non-profit institutions				
Households	220	255	-35	0%
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment	976	817	159	16%
Heritage assets				
Specialised military assets				
Biological assets				
Land and subsoil assets				
Intangible assets				
<b>Payments for financial assets</b>				
The main variance is on transfer and subsidies, due to the Tirisano Construction Fund allocation surplus.				



## Statement of Financial Performance

For the year ended 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
<b>REVENUE</b>			
Annual appropriation	1	1,072,597	914 237
Statutory appropriation		-	-
Departmental revenue	2	146,755	167 560
NRF Receipts		-	-
Aid assistance	3	2,597	-
<b>TOTAL REVENUE</b>		<b>1,221,949</b>	<b>1 081 797</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	91,080	88 523
Goods and services	5	40,909	44 109
Interest and rent on land		-	-
Aid assistance	3	538	-
<b>Total current expenditure</b>		<b>132,527</b>	<b>132 632</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	911,197	778 371
Aid assistance	3	-	1 271
<b>Total transfers and subsidies</b>		<b>911,197</b>	<b>779 642</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	824	903
Intangible assets	8	-	144
<b>Total expenditure for capital assets</b>		<b>824</b>	<b>1 047</b>
Unauthorised expenditure approved without funding			
<b>Payments for financial assets</b>			-
<b>TOTAL EXPENDITURE</b>		<b>1,044,548</b>	<b>913 321</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>177,401</b>	<b>168 476</b>



## Statement of Financial Performance

For the year ended 31 March 2019

### Reconciliation of Net Surplus/(Deficit) for the year

Voted funds		28,587	2 187
Annual appropriation		28 587	2 187
Conditional grants		-	-
Departmental revenue and NRF Receipts	14	146,755	167 560
Aid assistance	3	2,059	(1 271)
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>177,401</b>	<b>168 476</b>



## Statement of Financial Position as at 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
<b>ASSETS</b>			
<b>Current assets</b>		90 390	638 818
Unauthorised expenditure		-	-
Cash and cash equivalents	9	89,097	522 244
Other financial assets		-	-
Prepayments and advances	10	212	255
Receivables	11	1 081	116 319
Loans		-	-
Aid assistance prepayments		-	-
Aid assistance receivable		-	-
<b>Non-current assets</b>		1,392,969	1 392 969
Investments	12	1,392,969	1 392 969
Receivables		-	-
Loans		-	-
Other financial assets		-	-
<b>TOTAL ASSETS</b>		<b>1,483 359</b>	<b>2 031 787</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		89,338	638 818
Voted funds to be surrendered to the Revenue Fund	13	28,587	-
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	2	449
Bank overdraft	15	-	116 112
Payables	16	58,690	522 257
Aid assistance repayable	3	2,059	-
Aid assistance unutilised		-	-
<b>Non-current liabilities</b>			
Payables			
<b>TOTAL LIABILITIES</b>		<b>89,338</b>	<b>638 818</b>
<b>NET ASSETS</b>		<b>1 394 021</b>	<b>1 392 969</b>





## Statement of Financial Position as at 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
<b>Represented by:</b>			
Capitalisation reserve		1,392,969	1 392 969
Recoverable revenue		1 052	-
Retained funds		-	-
Revaluation reserves		-	-
<b>TOTAL</b>		<b>1 394 021</b>	<b>1 392 969</b>



## Cash Flow Statement

For the year ended 31 March 2019

Note	2018/19	2017/18
	R'000	R'000
<b>Capitalisation Reserves</b>		
Opening balance	1,392,969	1 392 969
Transfers:		
Movement in Equity	-	-
Movement in Operational Funds	-	-
Other movements	-	-
Closing balance	1,392,969	1 392 969
<b>Recoverable revenue</b>		
Opening balance	-	-
Transfers:	1 052	
Irrecoverable amounts written off	8.3	
Debts revised	-	-
Debts recovered (included in departmental receipts)	-	-
Debts raised	1 052	-
Closing balance	1 052	-
<b>Retained funds</b>		
Opening balance	-	-
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)	-	-
Utilised during the year	-	-
Other transfers	-	-
Closing balance	-	-
<b>Revaluation Reserve</b>		
Opening balance		
Revaluation adjustment (Housing departments)		
Transfers		
Other		
Closing balance		
<b>TOTAL</b>	<b>1 394 021</b>	<b>1 392 969</b>



## Statement of Changes in Net Assets

For the year ended 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		1,171,949	913 310
Annual appropriated funds received	1	1,072,597	795 750
Statutory appropriated funds received		-	
Departmental revenue received	2	96,293	117 437
Interest received	2	462	123
NRF Receipts		-	-
Aid assistance received	3	2,597	-
Net (increase)/decrease in working capital		(464,586)	522 134
Surrendered to Revenue Fund		(30,902)	(176 690)
Surrendered to RDP Fund/Donor		-	
Current payments		(132,527)	(132 632)
Interest paid		-	
Payments for financial assets		-	-
Transfers and subsidies paid		(911,197)	(779 642)
<b>Net cash flow available from operating activities</b>	17	<b>(367,263)</b>	<b>346 480</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Distribution/dividend received		50,000	50 000
Payments for capital assets	8	(824)	(1 047)
Proceeds from sale of capital assets		-	-
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
<b>Net cash flows from investing activities</b>		<b>49,176</b>	<b>48 953</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		1 052	-
Increase/(decrease) in non-current payables		-	-
<b>Net cash flows from financing activities</b>		<b>1 052</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(317,035)</b>	<b>395 433</b>
Cash and cash equivalents at beginning of period		406,132	10 699
Unrealised gains and losses within cash and cash equivalents			
<b>Cash and cash equivalents at end of period</b>	18	<b>89,097</b>	<b>406 132</b>



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

<b>1</b>	<b>Basis of preparation</b> The financial statements have been prepared in accordance with the Modified Cash Standard.
<b>2</b>	<b>Going concern</b> The financial statements have been prepared on a going concern basis.
<b>3</b>	<b>Presentation currency</b> Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
<b>4</b>	<b>Rounding</b> Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
<b>5</b>	<b>Foreign currency translation</b> Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
<b>6</b>	<b>Comparative information</b>
<b>6.1</b>	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.
<b>6.2</b>	<b>Current year comparison with budget</b> A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
<b>7</b>	<b>Revenue</b>
<b>7.1</b>	<b>Appropriated funds</b> Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).  Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.  The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
<b>7.2</b>	<b>Departmental revenue</b> Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.  Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.



# Notes to the Annual Financial Statements

For the year ended 31 March 2019

<b>7.3</b>	<p><b>Accrued departmental revenue</b></p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
<b>8</b>	<b>Expenditure</b>
<b>8.1</b>	<b>Compensation of employees</b>
<b>8.1.1</b>	<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
<b>8.1.2</b>	<p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
<b>8.2</b>	<p><b>Other expenditure</b></p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
<b>8.3</b>	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
<b>8.4</b>	<b>Leases</b>
<b>8.4.1</b>	<p><b>Operating leases</b></p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
<b>8.4.2</b>	<p><b>Finance leases</b></p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> <li>cost, being the fair value of the asset; or</li> <li>the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>
<b>9</b>	<b>Aid Assistance</b>
<b>9.1</b>	<p><b>Aid assistance received</b></p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

<b>9.2</b>	<b>Aid assistance paid</b> 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.
<b>10</b>	<b>Cash and cash equivalents</b> 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.
<b>11</b>	<b>Prepayments and advances</b> 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. <Indicate when prepayments are expensed and under what circumstances.>
<b>12</b>	<b>Loans and receivables</b> 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.
<b>13</b>	<b>Investments</b> Investments are recognised in the statement of financial position at cost.
<b>14</b>	<b>Financial assets</b>
<b>14.1</b>	<b>Financial assets (not covered elsewhere)</b> 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.
<b>14.2</b>	<b>Impairment of financial assets</b> 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.
<b>15</b>	<b>Payables</b> Payables recognised in the statement of financial position are recognised at cost.
<b>16</b>	<b>Capital Assets</b>
<b>16.1</b>	<b>Immovable capital assets</b> Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

16.2	<p><b>Movable capital assets</b></p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.3	<p><b>Intangible assets</b></p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	<p><b>Project Costs: Work-in-progress</b></p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
17	<p><b>Provisions and Contingents</b></p>
17.1	<p><b>Provisions</b></p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p><b>Contingent liabilities</b></p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p><b>Contingent assets</b></p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
17.4	<p><b>Commitments</b></p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>





## Notes to the Annual Financial Statements

For the year ended 31 March 2019

18	<p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p><b>Fruitless and wasteful expenditure</b></p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p><b>Irregular expenditure</b></p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
21	<p><b>Changes in accounting policies, accounting estimates and errors</b></p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22	<p><b>Events after the reporting date</b></p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23	<p><b>Principal-Agent arrangements</b></p> <p>The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
24	<p><b>Departures from the MCS requirements</b></p> <p>[Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.]</p>



# Notes to the Annual Financial Statements

For the year ended 31 March 2019

25	<p><b>Capitalisation reserve</b></p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
26	<p><b>Recoverable revenue</b></p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
27	<p><b>Related party transactions</b></p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
28	<p><b>Inventories</b></p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
29	<p><b>Public-Private Partnerships</b></p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
30	<p><b>Employee benefits</b></p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 1. ANNUAL APPROPRIATION

#### 1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	2018/19			2017/18	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	87,759	87,759	-	85 117	83 666
Growth path and social dialogue	30,502	30,502	-	31 736	31 125
Investment, competition and trade	954,336	954,336	-	797 384	680 959
<b>Total</b>	<b>1,072,597</b>	<b>1,072,597</b>	<b>-</b>	<b>914 237</b>	<b>795 750</b>

### 2. DEPARTMENTAL REVENUE

	Note	2018/19 R'000	2017/18 R'000
Tax revenue			
Sales of goods and services other than capital assets	2.1	32	31
Fines, penalties and forfeits	2.2	96,247	117 400
Interest, dividends and rent on land	2.3	50,462	50 123
Sales of capital assets		-	-
Transactions in financial assets and liabilities	3.4	14	6
Transfer received		-	-
<b>Total revenue collected</b>		<b>146,755</b>	<b>167 560</b>
Less: Own revenue included in appropriation			
<b>Departmental revenue collected</b>		<b>146,755</b>	<b>167 560</b>

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

	Note	2018/19 R'000	2017/18 R'000
Sales of goods and services produced by the department	2	32	31
*Sales by market establishment		15	16
Administrative fees		-	-
**Other sales		17	15
Sales of scrap, waste and other used current goods		-	-
<b>Total</b>		<b>32</b>	<b>31</b>

\*Sales by market establishment relates to revenue received in respect of rental parking.

\*\*Other sales comprise commission charged on the deduction of insurance premium.



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 2.2 Fines, penalties and forfeits

	Note	2018/19	2017/18
	2	R'000	R'000
Fines		-	-
Penalties		96,247	117 400
Forfeits		-	-
<b>Total</b>		<b>96,247</b>	<b>117 400</b>

Penalties relate to revenue received in respect of penalties imposed on construction industry in terms of the Voluntary Rebuilding Programme (VRP) Settlement agreement for the Tirisano Fund. This was collected through PICC.

### 2.3 Interest, dividends and rent on land

	Note	2018/19	2017/18
		R'000	R'000
Interest		462	123
Dividends		50,000	50 000
Rent on land		-	-
<b>Total</b>		<b>50,462</b>	<b>50 123</b>

\*Dividends were received from IDC, a wholly owned subsidiary of EDD as part of investment and transferred to the National Revenue Fund via EDD. The board declared and paid R 50 million of dividends.

### 2.4 Transactions in financial assets and liabilities

	Note	2018/19	2017/18
	2	R'000	R'000
Loans and advances		-	-
Receivables		-	-
Forex gain		-	-
Stale cheques written back		-	-
Other Receipts including Recoverable Revenue		14	6
Gains on GFECRA		-	-
<b>Total</b>		<b>14</b>	<b>6</b>



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 2.5 Cash received not recognised (not included in the main note)

Name of entity	2018/19		
	Amount received	Amount paid to the revenue fund	Balance
	R'000	R'000	R'000
Competition Commission	905,760	847,070	58,690
<b>Total</b>	<b>905,760</b>	<b>847,070</b>	<b>58,690</b>

Name of entity	2017/18		
	Amount received	Amount paid to the revenue fund	Balance
	R'000	R'000	R'000
Competition Commission	524,169	2,000	522,169
<b>Total</b>	<b>524,169</b>	<b>2,000</b>	<b>522,169</b>

EDD no longer reports on penalties collected by the Competition Commission on behalf of the National Revenue Fund in line with the reporting requirement reflected in the Accounting Manual for Departments on Revenue issued by the Office of the Accountant General. During the current financial year R 905.8 million was received from Competition Commission for fines and penalties imposed by the Competition Tribunal which is not recognised as Departmental Revenue. Only R 847.1 million was paid to the National Revenue Fund by year end. Similarly for the 2017/18 financial year, EDD had disclosed R 524.2 million.

### 3. AID ASSISTANCE

Note	2018/19	2017/18
	R'000	R'000
Opening Balance	-	1 271
Prior period error	-	-
As restated	-	1 271
Transferred from statement of financial performance	2,059	(1 271)
Transfers to or from retained funds	-	-
Paid during the year	-	-
<b>Closing Balance</b>	<b>2,059</b>	<b>-</b>

This relates to the funds received from the Flemish Government to develop a social economy policy for South Africa. An amount of R 2.6 million was received and R 538 was utilised for this financial year.



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 3.1 Analysis of balance by source

	Note	2018/19 R'000	2017/18 R'000
Aid assistance from RDP	3	2,059	-
Aid assistance from other sources		-	-
CARA		-	-
<b>Closing balance</b>		<b>2,059</b>	<b>-</b>

### 3.2 Analysis of balance

	Note	2018/19 R'000	2017/18 R'000
Aid assistance receivable	3	-	-
Aid assistance prepayments (not expensed)	3	-	-
Aid assistance unutilised	3	-	-
Aid assistance repayable	3	2 059	-
<b>Closing balance</b>		<b>2 059</b>	<b>-</b>

*Include discussion here where deemed relevant*

### 3.3 Aid assistance expenditure per economic classification

	Note	2018/19 R'000	2017/18 R'000
Current		538	-
Capital		-	-
Transfers and subsidies		-	1 271
<b>Total aid assistance expenditure</b>		<b>538</b>	<b>1 271</b>



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 4. COMPENSATION OF EMPLOYEES

#### 4.1 Salaries and Wages

Note	2018/19	2017/18
	R'000	R'000
Basic salary	61,910	58 598
Performance award	172	802
Service Based	10	16
Compensative/circumstantial	1,665	2829
Periodic payments	-	42
Other non-pensionable allowances	17,697	16 631
<b>Total</b>	<b>81,454</b>	<b>78 918</b>

\*Compensative/circumstantial includes acting allowance paid during the year

\*\*Other non – pensionable allowance comprises of car allowance and other benefits structured as part of salary packages for employees on level 11 and higher.

#### 4.2 Social contributions

Note	2018/19	2017/18
	R'000	R'000
<b>Employer contributions</b>		
Pension	7,664	7 530
Medical	1,952	1 815
UIF	-	-
Bargaining council	10	260
Official unions and associations	-	-
Insurance	-	-
<b>Total</b>	<b>9,626</b>	<b>9 605</b>
<b>Total compensation of employees</b>	<b>91,080</b>	<b>88 523</b>
Average number of employees	105	120

105 excludes Minister and Deputy Minister





# Notes to the Annual Financial Statements

For the year ended 31 March 2019

## 5. GOODS AND SERVICES

	Note	2018/19 R'000	2017/18 R'000
Administrative fees		448	358
Advertising		157	481
Minor assets	5.1	44	51
Bursaries (employees)		45	213
Catering		227	375
Communication		1,675	1 489
Computer services	5.2	1,161	1 265
Consultants: Business and advisory services		1,349	2 364
Infrastructure and planning services		-	-
Laboratory services		-	-
Scientific and technological services		-	-
Legal services		6,015	9 193
Contractors		193	155
Agency and support / outsourced services		-	30
Entertainment		-	-
Audit cost – external	5.3	2,295	3 443
Fleet services		1,354	1 172
Inventory		-	-
Consumables	5.4	927	836
Housing		-	-
Operating leases		13,630	13 508
Property payments		-	-
Rental and hiring		-	1
Transport provided as part of the departmental activities		-	-
Travel and subsistence	5.5	10,006	7 885
Venues and facilities		88	160
Training and development		155	234
Other operating expenditure	5.6	1,140	896
<b>Total</b>		<b>40,909</b>	<b>44 109</b>



## Notes to the Annual Financial Statements

### For the year ended 31 March 2019

#### 5.1 Minor assets

	Note	2018/19	2017/18
	5	R'000	R'000
<b>Tangible assets</b>		44	51
Buildings and other fixed structures		-	-
Biological assets		-	-
Heritage assets		-	-
Machinery and equipment		44	51
Transport assets		-	-
Specialised military assets		-	-
<b>Intangible assets</b>		-	-
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
<b>Total</b>		<b>44</b>	<b>51</b>

#### 5.2 Computer services

	Note	2018/19	2017/18
	5	R'000	R'000
SITA computer services		680	929
External computer service providers		481	336
<b>Total</b>		<b>1 161</b>	<b>1 265</b>

#### 5.3 Audit cost – External

	Note	2018/19	2017/18
	5	R'000	R'000
Regularity audits		2 295	3 443
Performance audits		-	-
Investigations		-	-
Environmental audits		-	-
Computer audits		-	-
<b>Total</b>		<b>2 295</b>	<b>3 443</b>



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 5.4 Consumables

	Note	2018/19	2017/18
	5	R'000	R'000
Consumable supplies		105	108
Uniform and clothing		-	17
Household supplies		53	62
Building material and supplies		24	2
Communication accessories		-	1
IT consumables		24	24
Other consumables		4	2
Stationery, printing and office supplies		822	728
<b>Total</b>		<b>927</b>	<b>836</b>

### 5.5 Travel and subsistence

	Note	2018/19	2017/18
	5	R'000	R'000
Local		9 615	7 488
Foreign		391	397
<b>Total</b>		<b>10 006</b>	<b>7 885</b>

### 5.6 Other operating expenditure

	Note	2018/19	2017/18
	5	R'000	R'000
Professional bodies, membership and subscription fees		81	27
Resettlement costs		-	-
Other		1 059	869
<b>Total</b>		<b>1 140</b>	<b>896</b>

\*Resettlement costs relate to relocation cost for new appointees.

\*\*Other consists of courier and delivery services, and printing and publications services.



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 6. PAYMENTS FOR FINANCIAL ASSETS

	Note	2018/19 R'000	2017/18 R'000
Material losses through criminal conduct		-	-
Theft		-	-
Other material losses		-	-
Other material losses written off		-	-
Debts written off		-	-
Forex losses		-	-
Debt take overs		-	-
<b>Total</b>		-	-

#### 6.1 Debts written off

	2018/19 R'000	2017/18 R'000
Other debt written off	-	-
<b>Total</b>	-	-
<b>Total debt written off</b>	-	-

No debts were written off during the year

### 7. TRANSFERS AND SUBSIDIES

		2018/19 R'000	2017/18 R'000
Provinces and municipalities			
Departmental agencies and accounts	Annex 1B	423 458	392 460
Public corporations and private enterprises	Annex 1D	487 484	385 780
Households	Annex 1G	255	131
<b>Total</b>		<b>911 197</b>	<b>778 371</b>

All funds received were transferred to the entities accordingly, except to the Tirisano fund due to two companies filing for business rescue. Furthermore, all entities utilise all funds transferred to them.



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 8. EXPENDITURE FOR CAPITAL ASSETS

	Note	2018/19 R'000	2017/18 R'000
<b>Tangible assets</b>		<b>824</b>	<b>903</b>
Buildings and other fixed structures		-	-
Heritage assets		-	-
Machinery and equipment	28	824	903
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
<b>Intangible assets</b>		<b>-</b>	<b>144</b>
Software		-	144
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
<b>Total</b>		<b>824</b>	<b>1 047</b>
The following amounts have been included as project costs in Expenditure for capital assets		-	-
Compensation of employees		-	-
Goods and services		-	-
<b>Total</b>		<b>-</b>	<b>-</b>



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

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

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>824</b>		<b>824</b>
Buildings and other fixed structures	-	-	-
Heritage assets	-	-	-
Machinery and equipment	824	-	824
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
<b>Intangible assets</b>			
Software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
<b>Total</b>	<b>824</b>	<b>-</b>	<b>824</b>

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

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>903</b>		<b>903</b>
Buildings and other fixed structures	-	-	-
Heritage assets	-	-	-
Machinery and equipment	903	-	903
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
<b>Intangible assets</b>	<b>144</b>		<b>144</b>
Software	144	-	144
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
<b>Total</b>	<b>1 047</b>	<b>-</b>	<b>1 047</b>



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

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

	Note	2018/19 R'000	2017/18 R'000
<b>Tangible assets</b>			
Buildings and other fixed structures		-	-
Heritage assets		-	-
Machinery and equipment		714	621
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
<b>Total</b>		<b>714</b>	<b>621</b>

Finance lease consist of lease for cellphones and photocopy machines contracts

## 9. CASH AND CASH EQUIVALENTS

	Note	2018/19 R'000	2017/18 R'000
Consolidated Paymaster General Account		(1 122)	-
Cash receipts		-	-
Disbursements		-	522 220
Cash on hand**		24	24
Investments (Domestic)***		90 195	-
Investments (Foreign)		-	-
<b>Total</b>		<b>89 097</b>	<b>522 244</b>

\*\*The R 24 thousand is the standing petty cash.

\*\*\*Investments (Domestic) includes R 58.7 million received from Competition Commission, to be paid to National Treasury.

## 10. PREPAYMENTS AND ADVANCES

	Note	2018/19 R'000	2017/18 R'000
Advances paid (Not expensed)	10	212	255
<b>Total</b>		<b>212</b>	<b>255</b>



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 10.1 Advances paid (Not expensed)

Note	Balance as at 1 April 2018	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2019
14	R'000	R'000	R'000	R'000	R'000
National departments	255	(43)			212
Provincial departments	-	-	-	-	-
Public entities	-	-	-	-	-
Other entities	-	-	-	-	-
<b>Total</b>	<b>255</b>	<b>(43)</b>	-	-	<b>212</b>

*Advance paid relates to advance payments paid to the Department of International Relations and Cooperation for cost incurred by EDD's officials travelling abroad*

## 11. RECEIVABLES

Note	2018/19			2017/18		
	Current	Non-current	Total	Current	Non-current	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Recoverable expenditure	11.1	10	-	10	-	-
Staff debt	11.2	19	-	19	-	19
Fruitless and wasteful expenditure	11.3	1 052	-	1 052	-	-
Other debtors	11.4	-	-	-	116 300	116 300
<b>Total</b>	<b>1 081</b>	<b>1 081</b>	<b>1 081</b>	<b>116 319</b>	<b>116 319</b>	<b>116 319</b>

### 11.1 Recoverable expenditure (disallowance accounts)

Note	2018/19	2017/18
11	R'000	R'000
(Group major categories, but list material items)		
Excess for accident	5	-
Salary tax debt	5	-
<b>Total</b>	<b>10</b>	<b>-</b>



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 11.2 Staff debt

	Note	2018/19	2017/18
	11	R'000	R'000
(Group major categories, but list material items)			
GG Accident		19	19
<b>Total</b>		<b>19</b>	<b>19</b>

Debt to the value of R 19 thousand has been handed over to the State Attorney.

### 11.3 Fruitless and wasteful expenditure

	Note	2018/19	2017/18
	11	R'000	R'000
Opening balance		-	-
Less amounts recovered		-	-
Less amounts written off		-	-
Transfers from note 32 Fruitless and Wasteful Expenditure		1 052	-
Interest		-	-
<b>Total</b>		<b>1 052</b>	<b>-</b>

Loss incurred due to non-compliance with department's performance policy

### 11.4 Other debtors

	Note	2018/19	2017/18
	11	R'000	R'000
Funds due by National Treasury		-	116 300
<b>Total</b>		<b>-</b>	<b>116 300</b>

Funds appropriated to the Department and not requested/ received during the financial year.



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 12. INVESTMENTS

	Note	2018/19 R'000	2017/18 R'000
<b>Non-Current</b>			
<b>Shares and other equity</b>			
(List investments at cost)		1 000	1 000
IDC A Share 1000 1000 at cost (100% shareholding)			
IDC B Share 1 391 669 357 at cost (100% shareholding)		1 391 969	1 391 969
<b>Total</b>		<b>1 392 969</b>	<b>1 392 969</b>
<b>Securities other than shares</b>	Annex 2A		
(List investments at cost)			
<b>Total</b>			
<b>Total non-current</b>		<b>1 392 969</b>	<b>1 392 969</b>

	2018/19 R'000	2017/18 R'000
<b>Analysis of non-current investments</b>		
Opening balance	1 392 969	1 392 969
Additions in cash	-	-
Disposals for cash	-	-
Non-cash movements	-	-
<b>Closing balance</b>	<b>1 392 969</b>	<b>1 392 969</b>

IDC is a wholly owned subsidiary of EDD and it is considered a public entity similar to the other institutions which are under EDD. As with the other institutions the IDC's Financial Statements are not consolidated with those of EDD.



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 13. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2018/19 R'000	2017/18 R'000
Opening balance		(116,300)	9 578
Prior period error	18.2		
As restated		(116,300)	9 578
Transfer from statement of financial performance (as restated)		28,587	2 187
Add: Unauthorised expenditure for current year	11	-	-
Voted funds not requested/not received	1.1	-	(118 487)
Transferred to retained revenue to defray excess expenditure (PARLIAMENT/LEGISLATURES ONLY)	18.1	-	-
Paid during the year		116,300	(9 578)
<b>Closing balance</b>		<b>28,587</b>	<b>(116 300)</b>

### 14. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2018/19 R'000	2017/18 R'000
Opening balance		449	1
Prior period error	19.1		
As restated		449	1
Transfer from Statement of Financial Performance (as restated)		146,755	167 560
Own revenue included in appropriation		-	-
Transfer from aid assistance	4	-	-
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)	18.1	-	-
Paid during the year		(147,202)	(167 112)
<b>Closing balance</b>		<b>2</b>	<b>449</b>

### 15. BANK OVERDRAFT

	Note	2018/19 R'000	2017/18 R'000
Consolidated Paymaster General Account		-	116 112
Fund requisition account		-	-
Overdraft with commercial banks (Local)		-	-
Overdraft with commercial banks (Foreign)		-	-
<b>Total</b>		<b>-</b>	<b>116 112</b>



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 16. PAYABLES – CURRENT

	Note	2018/19 R'000	2017/18 R'000
Amounts owing to other entities		-	-
Advances received	21.1	-	-
Clearing accounts	21.2	-	88
Other payables	21.3	58,690	522 169
<b>Total</b>		<b>58,690</b>	<b>522 257</b>

#### 16.1 Clearing accounts

	Note	2018/19 R'000	2017/18 R'000
Description	21		
(Identify major categories, but list material amounts)			
SARS (PAYE)		-	82
Government Employee Pension Fund (GEPF)		-	6
<b>Total</b>		<b>-</b>	<b>88</b>

#### 16.2 Other payables

	Note	2018/19 R'000	2017/18 R'000
Description	21		
(Identify major categories, but list material amounts)			
NRF - Penalties		58 690	522 169
<b>Total</b>		<b>58 690</b>	<b>522 169</b>

*National Treasury – NRF relates penalties collected by the Competition Commission still to be paid to National Revenue Fund. The funds were received on last day of the financial year and paid in April 2019.*



# Notes to the Annual Financial Statements

For the year ended 31 March 2019

## 17. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

Note	2018/19 R'000	2017/18 R'000
Net surplus/(deficit) as per Statement of Financial Performance	177,401	168 476
Add back non cash/cash movements not deemed operating activities	(544 664)	178 004
(Increase)/decrease in receivables	(1 062)	111
(Increase)/decrease in prepayments and advances	43	60
(Increase)/decrease in other current assets	-	-
Increase/(decrease) in payables – current	(463,567)	521 963
Proceeds from sale of capital assets	-	-
Proceeds from sale of investments	-	-
(Increase)/decrease in other financial assets	-	-
Expenditure on capital assets	824	1 047
Surrenders to Revenue Fund	(30,902)	(176 690)
Surrenders to RDP Fund/Donor	-	-
Voted funds not requested/not received	-	(118 487)
Own revenue included in appropriation	-	-
Other non-cash items	(50,000)	(50 000)
Net cash flow generated by operating activities	(367 263)	346 480

## 18. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

Note	2018/19 R'000	2017/18 R'000
Consolidated Paymaster General account*	(1,122)	(116 112)
Fund requisition account	-	-
Cash receipts	-	-
Disbursements	-	-
Cash on hand**	24	24
Cash with commercial banks (Local)***	90,195	552 220
Cash with commercial banks (Foreign)	-	-
<b>Total</b>	<b>89,097</b>	<b>406 132</b>

\* The PMG relates to outstanding payments

\*\*The R 24 thousand is the standing petty cash.

\*\*\*Cash with commercial banks (local) includes R 58.7 million received from Competition Commission, to be paid to National Treasury.



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 19. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

#### 19.1 Contingent liabilities

	Note	2018/19 R'000	2017/18 R'000
<b>Liable to</b>			
Other guarantees	Annex 3A	147 125	137 040
Claims against the department	Annex 3B	-	-
Intergovernmental payables (unconfirmed balances)	Annex 5	-	220
Other	Annex 3B	-	-
<b>Total</b>		<b>147 125</b>	<b>137 260</b>

### 20. COMMITMENTS

	Note	2018/19 R'000	2017/18 R'000
Current expenditure			
Approved and contracted		331	866
Approved but not yet contracted		-	-
		<b>331</b>	<b>886</b>
Capital expenditure			
Approved and contracted		-	-
Approved but not yet contracted		-	26
		-	-
			<b>26</b>
<b>Total Commitments</b>		<b>331</b>	<b>892</b>

Commitments include South African Qualifications Authority amounting to R99 thousand, SITA amounting to R128 and Protea Coin amounting to R32 thousand.





# Notes to the Annual Financial Statements

For the year ended 31 March 2019

## 21. ACCRUALS AND PAYABLES NOT RECOGNISED

### 21.1 Accruals

				2018/19	2017/18
				R'000	R'000
Listed by economic classification					
	30 Days	30+ Days	Total	Total	
Goods and services	1 924	35	1 959	1 342	
Capital assets	173	18	191	26	
Other*	63	21	84	36	
Total	2 160	74	2 234	1 404	

\*Others relates to compensation of employees

	Note	2018/19	2017/18
		R'000	R'000
<b>Listed by programme level</b>			
Programme 1: Administration		2 118	1 153
Programme 2: Growth path and Social dialogue		74	22
Programme 3: Investment, Competition and Trade		42	229
<b>Total</b>		<b>2 234</b>	<b>1 404</b>



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 21.2 Payables not recognised

	2018/19			2017/18
	R'000			R'000
<b>Listed by economic classification</b>				
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	1 744	489	2 233	997
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Capital assets	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>1 744</b>	<b>489</b>	<b>2 233</b>	<b>997</b>

	Note	2018/19	2017/18
		R'000	R'000
Listed by programme level			
Programme 1: Administration		2 033	826
Programme 2: Growth path and Social dialogue		176	106
Programme 3: Investment, Competition and Trade		24	65
<b>Total</b>		<b>2 233</b>	<b>997</b>

	Note	2018/19	2017/18
		R'000	R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 5	1 206	489
Confirmed balances with other government entities	Annex 5	-	124
<b>Total</b>		<b>1 206</b>	<b>613</b>

### 22. EMPLOYEE BENEFITS

	Note	2018/19	2017/18
		R'000	R'000
Leave entitlement*		2 247	2 626
Service bonus		1 690	1 635
Performance awards**		1 362	1 349
Capped leave commitments		654	640
Other		-	-
<b>Total</b>		<b>5 953</b>	<b>6 250</b>

\*Leave entitlement include negative values to the value of R 88 thousand, this is due to an over – grant of leave taken as employees are given full leave credits in January of each year while the information in the financial statements is based on the leave accruals as at 31 March 2019.

\*\*Performance award has been calculated on 1.5% of the budgeted compensation of employees.



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 23. LEASE COMMITMENTS

#### 23.1 Operating leases

2018/19	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year			12 212		12 212
Later than 1 year and not later than 5 years			42 851		42 851
Later than five years					
<b>Total lease commitments</b>			<b>55 063</b>		<b>55 063</b>

2017/18	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year			11 308		11 308
Later than 1 year and not later than 5 years			55 063		55 063
Later than five years					
<b>Total lease commitments</b>			<b>66 370</b>		<b>66 370</b>

The operating lease is in respect of the rental agreement with the Dti for block A, E and G. The escalation clause for the rental range from 6,5% to 10%.

#### 23.2 Finance leases \*\*

2018/19	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year				907	907
Later than 1 year and not later than 5 years				592	592
Later than five years					
<b>Total lease commitments</b>				<b>1 499</b>	<b>1 499</b>

2017/18	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year				911	911
Later than 1 year and not later than 5 years				698	698
Later than five years					
<b>Total lease commitments</b>				<b>1 609</b>	<b>1 609</b>

Finance lease consists of lease for cellphones and photocopy machines contracts

## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 24. IRREGULAR EXPENDITURE

#### 24.1 Reconciliation of irregular expenditure

	Note	2018/19 R'000	2017/18 R'000
Opening balance		559	394
Prior period error			
As restated		559	394
Add: Irregular expenditure – relating to prior year			-
Add: Irregular expenditure – relating to current year		49	196
Less: Prior year amounts condoned		(394)	-
Less: Current year amounts condoned			(31)
Less: Amounts not condoned and recoverable	15		-
Less: Amounts not condoned and not recoverable			
<b>Closing balance</b>		<b>214</b>	<b>559</b>
<b>Analysis of awaiting condonation per age classification</b>			
Current year		49	165
Prior years		165	394
<b>Total</b>		<b>214</b>	<b>559</b>

*Current year irregular relating to travel management contract*

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

Incident	Disciplinary steps taken/criminal proceedings	2018/19 R'000
Non-compliance with National Treasury instruction note on Travel contracts	Under investigation	49
<b>Total</b>		<b>49</b>



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 24.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2018/19
		R'000
Normal competitive bidding not followed		226
non - compliance with regulations		55
Splitting the order to avoid SCM Process		58
Sourcing Suppliers with invalid tax certificate		55
<b>Total</b>		<b>394</b>

### 24.4 Details of irregular expenditure recoverable (not condoned)

Incident	2018/19
	R'000
	-
<b>Total</b>	<b>-</b>

### 24.5 Details of irregular expenditure removed - not recoverable (not condoned)

Incident	Not condoned by (condoning authority)	2018/19
		R'000
		-
<b>Total</b>		<b>-</b>

### 24.6 Details of irregular expenditures under determination or investigation (not included in the main note)

Incident	2018/19
	R'000
	-
<b>Total</b>	<b>-</b>

## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 25. FRUITLESS AND WASTEFUL EXPENDITURE

#### 25.1 Reconciliation of fruitless and wasteful expenditure

	Note	2018/19 R'000	2017/18 R'000
Opening balance		50	50
Prior period error			
As restated		50	50
Fruitless and wasteful expenditure – relating to prior year		1 052	
Fruitless and wasteful expenditure – relating to current year		1	-
Less: Amounts resolved		-	-
Less: Amounts transferred to receivables for recovery	11.3	(1 052)	-
<b>Closing balance</b>		<b>51</b>	<b>50</b>

*The Accounting Officer instigated an investigation and disciplinary action against a senior employee of the Department and a sanction was received from the chairperson of the disciplinary process, which indicated that the department incurred a loss resulting from the non-compliance with the internal performance policy.*

*There was a dispute about the overtime worked by internal audit and the matter was referred to the arbitration. The arbitration award against the department included a payment of interest. Even though the department did not agree with the award, it was uneconomical for the Department to pursue the matter further.*

#### 25.2 Analysis of awaiting resolution per economic classification

	2018/19 R'000	2017/18 R'000
Current	1 053	-
Capital	-	-
Transfers and subsidies	-	-
<b>Total</b>	<b>1 053</b>	<b>-</b>

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

Incident	Disciplinary steps taken/criminal proceedings	2018/19 R'000
Loss incurred due to non-compliance with department's performance policy	Disciplinary hearing held and responsible official dismissed as per the sanction.	1 052
Interest incurred on late payment of overtime	No disciplinary steps were taken, this was due to an arbitration award against the department and no official was responsible.	1
		-
<b>Total</b>		<b>1 053</b>



# Notes to the Annual Financial Statements

For the year ended 31 March 2019

## 26. RELATED PARTY TRANSACTIONS

Revenue received	Note	2018/19	2017/18
		R'000	R'000
Interest, dividends and rent on land		50 000	50 000
<b>Total</b>		<b>50 000</b>	<b>50 000</b>
Other			
Guarantees issued/received		147 125	137 032
<b>Total</b>		<b>147 125</b>	<b>137 032</b>

Guarantees are as a result of loans given to IDC by foreign banks

### List of related party relationship

EDD had oversight responsibility over the following public and trading entities

1. Industrial Development Corporation Ltd (IDC)
2. Competition Commission
3. Competition Tribunal
4. International Trade Administration Commission of South Africa (ITAC)

SEFA has been transferred to Small Business Department, however the budget allocation has remained with EDD

## 27. KEY MANAGEMENT PERSONNEL

	No. of Individuals	2018/19	2017/18
		R'000	R'000
Political office bearers*	2	4 379	4 379
Officials:			
Level 15 to 16	5		4 295
Level 14 (incl CFO if at a lower level)	15	7 343	15 525
		17 093	
Family members of key management personnel			
<b>Total</b>		<b>28 815</b>	<b>24 199</b>

\*Political office bearers consist of:

- Minister E Patel
- Deputy Minister B Masuku



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 28. MOVABLE TANGIBLE CAPITAL ASSETS

#### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	-	-	-	-	-
Heritage assets	-	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	13,896	-	59	331	13,624
Transport assets	3,533	-	-	-	3,533
Computer equipment	6,343	-	26	265	6,104
Furniture and office equipment	2,139	-	6	-	2,145
Other machinery and equipment	1,881	-	27	66	1,842
<b>SPECIALISED MILITARY ASSETS</b>	-	-	-	-	-
Specialised military assets	-	-	-	-	-
<b>BIOLOGICAL ASSETS</b>	-	-	-	-	-
Biological assets	-	-	-	-	-
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	13,896	-	59	331	13,624

#### Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Heritage assets		
Machinery and equipment	45	872
Specialised military assets		
Biological assets		



# Notes to the Annual Financial Statements

For the year ended 31 March 2019

## 28.1 Additions

### ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Cash*	Non-cash**	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	-	-	-	-	-
Heritage assets					-
<b>MACHINERY AND EQUIPMENT</b>	824	-	(714)	(51)	59
Transport assets	-	-	-	-	-
Computer equipment	77	-	-	(51)	26
Furniture and office equipment	6	-	-	-	6
Other machinery and equipment	741	-	(714)	-	27
<b>SPECIALISED MILITARY ASSETS</b>	-	-	-	-	-
Specialised military assets					-
<b>BIOLOGICAL ASSETS</b>	-	-	-	-	-
Biological assets					-
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	824	-	(714)	(51)	59



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 28.2 Disposals

#### DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	-	331	331	-
Transport assets	-	-	-	-
Computer equipment	-	265	265	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	-	66	66	-
SPECIALISED MILITARY ASSETS	-	-	-	-
Specialised military assets			-	
BIOLOGICAL ASSETS	-	-	-	-
Biological assets			-	
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	331	331	-



# Notes to the Annual Financial Statements

For the year ended 31 March 2019

## 28.3 Movement for 2017/18

### MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	-	-	-	-	-
Heritage assets	-	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	13,688	-	333	125	13,896
Transport assets	3,643	-	-	110	3,533
Computer equipment	6,017	-	326	-	6,343
Furniture and office equipment	2,139	-	-	-	2,139
Other machinery and equipment	1,889	-	7	15	1,881
<b>SPECIALISED MILITARY ASSETS</b>	-	-	-	-	-
Specialised military assets	-	-	-	-	-
<b>BIOLOGICAL ASSETS</b>	-	-	-	-	-
Biological assets	-	-	-	-	-
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>13,688</b>	<b>-</b>	<b>333</b>	<b>125</b>	<b>13,896</b>



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 28.4 Minor assets

#### MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2019

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	912		912
Value adjustments	-	-	-	-		-
Additions	-	-	-	44		44
Disposals	-	-	-	6		6
<b>TOTAL MINOR ASSETS</b>	-	-	-	<b>950</b>		<b>950</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets				8		8
Number of minor assets at cost				539		539
<b>TOTAL NUMBER OF MINOR ASSETS</b>				<b>547</b>		<b>547</b>

#### Minor Capital Assets under investigation

Number

Value

R'000

Included in the above total of the minor capital assets per the asset register are assets that are under investigation:

Specialised military assets		-
Intangible assets		-
Heritage assets		-
Machinery and equipment	54	83
Biological assets		-



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2018

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	862	-	862
Prior period error	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	50	-	50
<b>TOTAL MINOR ASSETS</b>	-	-	-	<b>912</b>	-	<b>912</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	(1)	-	(1)
Number of minor assets at cost	-	-	-	519	-	519
<b>TOTAL NUMBER OF MINOR ASSETS</b>	-	-	-	<b>518</b>	-	<b>518</b>

### 28.5 Movable assets written off

#### MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2019

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	331	-	331
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>				<b>331</b>	-	<b>331</b>

#### MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2018

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	-	-	-
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	-	-	-	-	-	-



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 29. INTANGIBLE CAPITAL ASSETS

#### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	4 389	-	-	-	4 389
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>4 389</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 389</b>

#### Intangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the intangible capital assets per the asset register are assets that are under investigation:		-
Software		-
Mastheads and publishing titles		-
Patents, licences, copyright, brand names, trademarks		-
Recipes, formulae, prototypes, designs, models		-
Services and operating rights		-





## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 29.1 Additions

#### ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Cash	Non-Cash	(Develop-ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	-	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	-	-	-	-	-

### 29.2 Movement for 2017/18

#### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	4 331	-	58	-	4 389
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	4 331	-	58	-	4 389



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### 30. PRIOR PERIOD ERRORS

#### 30.1 Correction of prior period errors

Note	Amount before error correction	Prior period error	Restated Amount
	2017/18	2017/18	2017/18
	R'000	R'000	R'000
<b>Other: (E.g. Irregular expenditure, Fruitless and wasteful expenditure, etc.)</b>			
Lease Commitments			
Not later than 1 year	11 238	70	11 308
Later than 1 year and not later than 5 years	54 734	329	55 068
<b>Net effect</b>	<b>65 972</b>	<b>399</b>	<b>66 371</b>

*The escalation clause was not correctly calculated in prior year.*



## Notes to the Annual Financial Statements

For the year ended 31 March 2019

### ANNEXURE 1B

#### STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2017/18
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Competition Commission	281,788			281,788	281,788	100%	
Competition Tribunal	35 086			35 086	35 086	100%	263 354
International Trade Admin Commission	102 191		4 393	106 584	106 584	100%	99 065
<b>TOTAL</b>	<b>419 065</b>		<b>4 393</b>	<b>423 458</b>	<b>423 458</b>		<b>387 460</b>

## Annexures to the Annual Financial Statements

For the year ended 31 March 2019

### ANNEXURE 1D

#### STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2017/18
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Transfers									
Industrial Development Corporation	513 837			513 837	487 484	94.9%		385 780	385 780
	513 837			513 837	487 484	94.9%		385 780	385 780



## Annexures to the Annual Financial Statements

For the year ended 31 March 2019

### ANNEXURE 1G

#### STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2017/18
	Adjusted Appropriation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Employee Social Benefits	220			220	255	116%	131
	220			220	255	116%	131
<b>TOTAL</b>	<b>220</b>			<b>220</b>	<b>255</b>	<b>116%</b>	<b>131</b>



## Annexures to the Annual Financial Statements

For the year ended 31 March 2019

### ANNEXURE 1H

#### STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2018/19	2017/18
		R'000	R'000
Received in cash			
Subtotal		-	-
Received in kind			
2018/2019			
Waltons Stationers	Smallnote book and 2 Black pens		
Business Day	Cup, Pen and Note book		
Tiso Blackstar Group	Pen, Diary and Mug		
Joel Transport	6 Wall calenders, 6 Pens, 4 Rulers and 1 Diary		
High Commissioner of Pakistan	1 Bottle of non-alcoholic wine and 1 Box of chocolates		
XL Nexus Travel	6 Wall clock watches, 9 Candle holders and 7 Set of shopping bags		
Waltons Stationers	3 Calenders, 1 Ruler and 1 Executive note pad with 2 Black pens		
Shumba Inc	4 Diaries and 4 Desk calenders		
2017/2018			
Vukani Technologies	Diary and pen		
Minister E. Patel	Book and CD Rom		
ACCA	Two tins of biscuits		
Konica Minolta	Two Wall Calenders, three Desktop Calenders and five Pens		
Travel with Flair	10 Desk Calendars, 45 Desktop Calendars		
Subtotal		-	-
<b>TOTAL</b>		-	-



## Annexures to the Annual Financial Statements

For the year ended 31 March 2019

### ANNEXURE 11

#### STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDI-TURE	PAID BACK ON/ BY 31 MARCH	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
<b>Received in cash</b>						
Flemish Government	To develop a social economy policy for South Africa	-	2,597	538	-	2,059
Subtotal		-	2,597	538	-	2,059
<b>Received in kind</b>						
Subtotal						
<b>TOTAL</b>		-	<b>2,597</b>	<b>538</b>	-	<b>2,059</b>





## Annexures to the Annual Financial Statements

For the year ended 31 March 2019

### ANNEXURE 2A STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

Name of Public Entity	State Entity's PFMA Schedule type (state year end if not 31 March)	% Held YY/ZZ	% Held XX/YY	Number of shares held		Cost of investment		Net Asset value of investment		Profit/(Loss) for the year		Losses guaranteed
				2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	
						R'000	R'000	R'000	R'000	R'000	R'000	Yes/No
National/ Provincial Public Entity												
IDC	schedule 2	100	100	1,392,969,357	1,392,969,357	1,392,969	1,392,969	94,487,000	88,113,000	(405,000)	2,464,000	No
Subtotal		100	100	1,392,969,357	1,392,969,357	1,392,969	1,392,969	94,487,000	88,113,000	(405,000)	2,464,000	
Other												
Subtotal												
TOTAL		100	100	1,392,969,357	1,392,969,357	1,392,969	1,392,969	94,487,000	88,113,000	(405,000)	2,464,000	



## Annexures to the Annual Financial Statements

For the year ended 31 March 2019

### ANNEXURE 2B

#### STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by Entities	
		R'000		R'000		R'000		R'000	
		2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Controlled entities									
Industrial Development Corporation of SA	Contribution to growth industrial development and economic empowerment through its financial activities	1,392,969	1,392,969	94,487,000	88,113,000				
<b>Subtotal</b>		<b>1,392,969</b>	<b>1,392,969</b>	<b>94,487,000</b>	<b>88,113,000</b>				
Non-controlled entities									
	Associates								
	Subtotal								
	Joint Ventures								
	Subtotal								
	Other non controlled entities								
	Subtotal								
<b>TOTAL</b>									



## Annexures to the Annual Financial Statements

For the year ended 31 March 2019

### ANNEXURE 3A (CONTINUED) STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2019 – FOREIGN

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2018	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2019	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2019
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Motor vehicles									
	Subtotal								
	Housing								
	Subtotal								
KFW	Other	499 321	137 032	-	5 595	15 682	147 119		6
	IDC								
	Subtotal	499 321	137 032		5 595	15 682	147 119		6
	TOTAL	499 321	137 032		5 595	15 682	147 119		6



## Annexures to the Annual Financial Statements

For the year ended 31 March 2019

### ANNEXURE 5 INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2018/19 *	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
Current								
Department of Trade and Industry	-	27	-	-	-	-	27	
Department of Justice and Constitutional Development	1 206	246	-	-	1 206	246		
Government Printing Works	-	216	-	220	-	436		
Subtotal	1 206	489	-	220	1 206	709		
Non-current								
Subtotal								
TOTAL	1 206	489	-	220	1 206	709		
<b>OTHER GOVERNMENT ENTITY</b>								
Current								
IDC	-	-						
SITA	-	124	-	-	-	124		
Subtotal	-	124				124		
Non-current								
Subtotal	-	124				124		
TOTAL	1 206	613	-	220	1 206	833		



## Annexures to the Annual Financial Statements

For the year ended 31 March 2019

### ANNEXURE 8A

INTER-ENTITY ADVANCES PAID (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
Department of International Relations and Cooperation	-	-	212	225	212	225
National School of Government	-	-	-	30	-	30
<b>Subtotal</b>			<b>212</b>	<b>255</b>	<b>212</b>	<b>255</b>
<b>TOTAL</b>			<b>212</b>	<b>255</b>	<b>212</b>	<b>255</b>

[illegible]



**economic  
development**

Economic Development Department  
**REPUBLIC OF SOUTH AFRICA**

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