Western Cape Government

ANNUAL REPORT 2021/22

Department of Economic Development and Tourism

Western Cape Government

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

PROVINCE OF THE WESTERN CAPE

VOTE NO. 12

ANNUAL REPORT 2021/22 FINANCIAL YEAR

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PART A:
GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Audited Financial Statement
AGSA	Auditor-General of South Africa
AIFMRM	African Institute for Financial Markets and Risk Management
AO	Accounting Officer
AOPI	Auditing of Performance Information
APP	Annual Performance Plan
BAS	Basic Accounting System
B-BBEE	Broad-based Black Economic Empowerment
BER	Bureau for Economic Research
BESP	Built Environment Support Programme
BPeSA	Business Process enabling South Africa
BPO	Business Process Outsourcing
CASIDRA	Cape Agency for Sustainable Integrated Development in Rural Areas
CATHSSETA	Culture, Arts, Tourism, Hospitality, Sports, Sector Education and Training Authority
CBMT	Competency-based Modulator Training
CCDI	Cape Craft and Design Institute
CCTC	Cape Clothing and Textile Cluster
CEI	Centre for e-Innovation
CITI	Cape Information and Technology Initiative
CLOTEX	Cape Clothing and Textile Service Centre
CMT	Cut, Make and Trim
CPUT	Cape Peninsula University of Technology
CRDP	Comprehensive Rural Development Programme
CSC	Corporate Services Centre
CTFC	Cape Town Fashion Council
CTGA	Cape Tourist Guides Association
CTICC	Cape Town International Convention Centre
CTCIP	Clothing and Textile Competitiveness Improvement Programme
DAFF	Department of Agriculture, Forestry and Fisheries
DBSA	Development Bank of Southern Africa
DEADP	Department of Environmental Affairs and Development Planning
DEDAT	Department of Economic Development and Tourism

DITCOM	Departmental IT Committee
DMO	Destination Marketing Organisation
DPME	Department of Planning, Monitoring & Evaluation
DPSA	Department of Public Service and Administration
DST	Department of Science and Technology
DTM	Departmental Top Management
DTPW	Department of Transport and Public Works
dtic (the dtic)	Department of Trade Industry and Competition
EBA	Established Business Activity
ECM	Electronic Content Management
ED	Enterprise Development
EDP	Economic Development Partnership
EE	Employment Equity
EHWP	Employee Health and Wellness Programme
EIA	Environmental Impact Assessment
EPWP	Extended Public Works Programme
ERM EV	Enterprise Risk Management Electric Vehicle
FET	Further Education and Training
GDP	Gross Domestic Product
GDPR	Gross Domestic Product per Region
GEM	Global Entrepreneurship Monitor
GOVCOM	Governance Committee
GMT	Government Motor Transport
HCT	HIV Counselling and Testing
HDI	Historically Disadvantaged Individual
HOD	Head of Department
HRD	Human Resource Development
HSP	Human Settlements Plan
ICAN	Integrated Community Access Network
ICAS	Independent Counselling and Advisory Service
ICT	Information and Communications Technology
IDC	Industrial Development Corporation
IDZ	Industrial Development Zone
IFRS	International Financial Reporting Standards
ISO	International Organization for Standardization
IT	Information Technology
IRP	Integrated Resource Plan

JMA	Joint Marketing Agreement
KZN	KwaZulu-Natal
LED	Local Economic Development
LLT	Liquor Licensing Tribunal
LNG	Liquified Natural Gas
LRA	Labour Relations Act
M&E	Monitoring and Evaluation
MEC	Member of Executive Council
MER	Municipal Energy Resilience
MERO	Municipal Economic Review and Outlook
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MIR	Market Intelligence Report
MPAT	Management Performance Assessment Tool
MRE	Municipal Readiness Evaluation
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NDPW	National Department of Public Works
NDT	National Department of Tourism
NEF	National Empowerment Fund
NFVF	National Film and Video Foundation
NGO	Non-Governmental Organisation
NO	National Outcome
NPO	Non-Profit Organisation
NT	National Treasury
OCP	Office of the Consumer Protector
OD	Organisational Design
PACA	Participatory Appraisal of Competitive Advantage
PDIA	Problem-Driven Iterative Adaptation
PDO	Pre-determined Objectives
PERA	Premier's Entrepreneurship Recognition Awards
PERO	Provincial Economic Review and Outlook
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy
PILIR	Policy on Incapacity Leave and Ill-Health Retirement
PPP	Public Private Partnership
PSCBC	Public Service Commission Bargaining Chamber

PSDF	Provincial Skills Development Forum
PSRMF	Public Sector Risk Management Framework
PSG	Provincial Strategic Goal
PSG 1	Provincial Strategic Goal 1
PSO	Provincial Strategic Objective
PSP	Provincial Strategic Plan
PT	Provincial Treasury
PWD	People with Disabilities
REIPPPP	Renewable Energy Independent Power Producer Procurement Programme
RIA	Regulatory Impact Assessment
RIN	Regional Innovation Network
RLED	Rural and Local Economic Development
RPL	Recognition of Prior Learning
RTLC	Regional Tourism Liaison Committee
SALGA	South African Local Government Association
SAOGA	South African Oil and Gas Alliance
SAPS	South African Police Service
SARS	South African Revenue Service
SAT	South African Tourism
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDF	Spatial Development Framework
SDIP	Service Delivery Improvement Plan
SDA	Service Delivery Agreement
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SETA	Sector Education and Training Authority
SEZ	Special Economic Zone
SITA	State Information Technology Agency
SME	Small and Medium Enterprises
SMME	Small, Medium and Micro Enterprises
SOE	State-owned Enterprise
SP	Strategic Plan
SPV	Special Purpose Vehicle
STATSSA	Statistics South Africa

TGCSA TNPA TSD TFDS	Tourism Grading Council of South Africa Transnet National Ports Authority Trade and Sector Development Total Foreign Direct Spend
UCT	University of Cape Town
UK	United Kingdom
UNWTO	United Nations World Tourism Organization
VIP	Vision Inspired Priority
WCFFI	Western Cape Fine Food Initiative
WCG	Western Cape Government
WCLA	Western Cape Liquor Authority
WCM	World Class Manufacturing
WCRP	Western Cape Recovery Plan
WCSD	Western Cape Supplier Database
WCTI	Western Cape Tooling Initiative
WCWIN	Western Cape Water Innovation Network
WRC	Water Resource Commission
Wesgro	Western Cape Investment and Trade Promotion Agency
WISP	Western Cape Industrial Symbiosis Project
W&R SETA	Wholesale & Retail Sector Education and Training Authority

3. FOREWORD BY THE MINISTER

The year under review was certainly a difficult one for many residents in our province as the COVID-19 pandemic continued to cost lives and livelihoods.

In the face of this unprecedented challenge, the Department showed agility and determination as they focused on delivering economic recovery in the Western Cape.

Making it easier for the private sector to do business in the Western Cape, cutting red tape has been a continuous focus. The Red Tape Reduction Unit has closed 639 of the more than 700 queries it has received and I am pleased to note that the Business Support Helpline Service has achieved a resolution rate of 91% in the year under review.

Despite a challenging investment environment DEDAT - together with the province's official tourism, trade and investment promotion agency, Wesgro - has secured almost R6 billion in investment that will translate into almost 4 500 jobs.

DEDAT continues to support the heroes of the economy through the Small, Medium and Micro Enterprise (SMME) Booster Fund.

The skills programmes run by the Department have also upskilled more than 2 400 beneficiaries through experiential workplace training, providing recipients with the skills that they need to secure permanent employment.

As we reflect on this past financial year, I would especially like to acknowledge Minister David Maynier for his leadership as the responsible Minister for the period under review. I also wish to extend my sincere thanks to the outgoing Head of Department, Solly Fourie, for his many years of dedicated service. I warmly welcome Mr Velile Dube as the new Head of Department.

Finally, I would like to thank the hard-working officials within the Department for their contributions. Every day these dedicated officials help to remove obstacles to economic growth and contribute to building a vibrant and resilient economy in the Western Cape.

Ms Mireille Wenger
Minister of Finance and Economic Opportunities
Date: 12 September 2022

4. REPORT OF THE ACCOUNTING OFFICER

Overview of the operations of the Department

Achievements for the year

During the last financial year (2021/22) we focused on, and adopted, a new way of work in order to demonstrate the greater impact of our Ease of Doing Business (EoDB) initiatives. Some highlights include:

- In the Port of Cape Town, the three biggest export users of the CT Container Terminal were assisted with integrating their container dispatch data and mapping their logistics chains in order to create capacity for export growth, prevent bottlenecks in the terminal and loss in value of cargo.
- Transporter turnaround time was also improved by making several recommendations including the truck-booking systems and real-time communication system between transporters and terminal shift supervisors as well as improved communication in the entire logistics chain by facilitating weekly coordination meetings and advocating for additional investment in port equipment.
- The unit assisted four municipalities to improve and automate seven business-facing services affecting the construction and property development sector. These include, inter alia, Land Use Applications, Property Development Tool, Heritage Resources Inventory and Heritage Digital Tool.
- In terms of Red Tape Reduction, a total of 703 cases were logged on the Case Management System during the financial year. A total of 639 were closed, with 64 currently in progress. The Business Support Helpline Service maintains a resolution rate of 91%, exceeding its annual target of 85%, whilst maintaining an average client satisfaction rate of 80%.

Throughout the 2021/22 financial year, the focus has also been on developing new innovative mechanisms to review both the export and investment strategies in the Western Cape. The Wesgro Investment Promotion Programme, which focuses on attracting investment from domestic and foreign companies with an emphasis on improving the business environment as well as aligning with national initiatives to attract investment for new businesses or those that want to expand their current activities. The investment promotion programme facilitated R5.915 billion of committed investment into the Province and 4 445 jobs from international, national, and local investors through their services and activities.

Aligned with the Enterprise Development priority, the SMME Booster Fund 2021 supported interventions implemented by organisations and municipalities that are geared at supporting SMMEs based in the Western Cape. Ten projects were supported, five from the Business Development Support and Access to Market categories and five from the Infrastructure category. The Fund provided support and assistance to SMMEs to maintain and/or enhance sustainability, develop the capacity of the business and the owner/entrepreneur, increase efficiencies, and enable these to grow and create jobs.

During the 2021/22 financial year, the Municipal Energy Resilience (MER) initiative has spearheaded the energy resilience efforts of the Province. The MER initiative objective is to improve energy resilience of municipalities, businesses and households across the Western Cape through the facilitation, support and positioning regarding the implementation of energy infrastructure development (public and private) for economic growth, energy affordability, and/or municipal financial sustainability.

Phase 1 of the initiative has culminated in a detailed roadmap for five pioneering projects in candidate municipalities.

In preparation for implementation in phase 2, a Western Cape MER Fund was established and 13 projects across eight municipalities undertook foundational work towards municipal renewable energy project implementation. In addition, DEDAT has established a panel of service providers to assist in the procurement of transaction advisory and other services that may be required for pioneering and other project implementation.

Statistics continue to show that youth find it the most challenging to secure employment owing to limited experience, skills and qualifications. In response to this, the Department has been focusing on experiential learning programmes that respond to challenges associated with a lack of experience, skills and qualifications. This has resulted in one of the most cost-effective employment-creation programmes in the country and has secured sustainable youth employment at approximately R25 000 per job. The programmes further secured more than R100 million in leveraged funding from private-sector and other funding sources.

More than 2 400 beneficiaries benefited, or are benefiting from, experiential learning programmes that provided a combination of structured, accredited or vendor skills programmes, experiential learning of up to 12 months and a departmental stipend support of up to R3 000 per month that was topped up by up to a further R3 000 by private sector. The programmes resulted in further employment after the Department's experiential learning programmes of up to 80% for those who completed their respected contracted experiential learning opportunities.

Challenges for the year

The economic climate remains challenging. Following the impact of the first wave of COVID-19, the Western Cape economy was set on a recovery path for 2021. The recovery was however impaired by the successive waves of COVID-19 infections.

Nevertheless, the Province is still on a path to economic recovery. The Western Cape economy is estimated, by IHS Markit, to have grown by 4.3% in 2021. This growth is projected to slow to 1.8% in 2022. The Western Cape Bureau for Economic Research (BER) Business Confidence Index (BCI) has recovered strongly and shows signs of a return in business confidence. The Western Cape BCI was at a record low of 8 index points in 2020 Q2, but subsequently rebounded and rose to 40 index points in 2021 Q4.

The Western Cape labour market showed some recovery in 2021, according to the Quarterly Labour Force Survey. This was lower than expected owing to multiple waves of COVID-19 infections.

In Q3 of 2021, the Western Cape created the most jobs in South Africa with 9 000 jobs gained. Compared to other provinces, the Western Cape had the lowest expanded unemployment rate at 30.3%. This is significantly lower than the country's expanded unemployment rate of 46,6%. The Western Cape also had the lowest youth unemployment rate of 36.8% in the country (people aged between 15 and 34 years).

Historically, tourism has played a driving role in the Western Cape and remains one of the sectors hardest hit by lockdowns that aimed at containing the health impact of COVID-19. The sector has begun to show some promising initial signs of recovery recently as vaccination numbers increased globally and restrictions were relaxed.

Considering the challenging economic environment, the Western Cape Government and the Department continued to drive the execution of the Western Cape Recovery Plan with a focus on scaling up growth and job creation.

Overview of the financial results of the Department:

Departmental receipts

Departmental Receipts	2021/2022			2020/21		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts						
Casino taxes						
Horse racing taxes						
Liquor licences						
Motor vehicle licences						
Non-Tax Receipts	371	21 565	(21 194)	351	2 176	(1 825)
Sale of goods and services other than capital assets	371	1 144	(773)	351	177	174
Transfers received		694	(694)		1 679	(1 679)
Fines, penalties and forfeits						
Interest, dividends and rent on land		19	(19)		28	(28)
Sale of capital assets		54	(54)		33	(33)
Financial transactions in assets and liabilities		19 654	(19 645)		259	(259)
Total	**371**	**21 565**	**(21 194)**	**351**	**2 176**	**(1 825)**

The Department budgeted an amount of R371 000 for revenue for the 2021/2022 financial year. The driver of this revenue projection were fees to be collected through the Tourist Guide Registrations.

As at the end of the financial year, an amount of R21.565 million was collected for own revenue. Of this, Tourist Guide Registration fees accounted for R273 000 and MerSETA Administration Fees accounted for R851 000. Transfers received accounted for R694 000, interest dividends and rent on land accounted for R19 000, the sale of capital assets a further R54 000 and financial transactions in assets and liabilities R19.654 million.

Transfers received relates to MerSETA apprenticeships with a view to implementing a range of skills development interventions. Interest dividends and rent on land relates to interest earned on debt recovery. The sale of capital assets relates to the sale of obsolete IT equipment to staff. Financial transactions in assets and liabilities was primarily collected as a result of a refund of a transfer payment processed during the 2020/21 financial year by Edge Growth Access amounting to R700 000. The pay-over of the Cash Surplus from Wesgro amounted to R18.605 million. Funds received from MerSETA - amounting to R693 000 - was received for the Artisan Development Programme.

Programme expenditure

Programme Name	2021/22			2020/21		
	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	55 805	54 841	964	62 744	62 678	66
Integrated Economic Development Services	53 676	53 204	472	89 377	89 355	22
Trade and Sector Development	73 990	73 976	14	69 951	69 342	609
Business Regulation & Governance	9 580	9 392	188	7 299	7 248	51
Economic Planning	160 320	157 255	3 065	146 768	143 560	3 208
Tourism, Arts & Entertainment	74 597	74 161	436	76 713	76 578	135
Skills Development & Innovation	71 931	70 567	1 364	82 034	81 950	84
Total	499 899	493 396	6 503	534 886	530 711	4 175

The Department has a final appropriation of R499.899 million for the 2021/22 financial year. Of this, the Department spent 98.7% of its appropriated funds as compared to 99.2% in the 2020/21 financial year. It should be noted that all programmes expended above the 2% norm for the financial year.

Virements/Roll-overs

By the end of the 2021/22 financial year, virements were undertaken to defray over-expenditure across main divisions within the vote. These virements were applied as follows:

- Programme 2: Integrated Economic Development Services. A virement to the programme was done to defray over-expenditure within various projects within the Red Tape Unit. The virement was made from Programme 1: Administration.
- Programme 3: Trade and Sector Development. A virement to the programme was done to defray over expenditure within the goods and services economic classification. The virement was made from Programme 6: Tourism Arts and Entertainment.
- Programme 4: Business Regulation and Governance. A virement to the programme was done to defray over-expenditure with regards to the Global Consumer Awareness Day. The virement was made from Programme 6: Tourism Arts and Entertainment.

Unauthorised, fruitless and wasteful expenditure

The Department had two cases of fruitless and wasteful expenditure and no cases of unauthorised expenditure.

The first matter relates to annual renewal penalties of R80.00, incurred by the Department as a result of late payments made to the South African Post Office. This matter has been re-mediated through the identification and implementation of additional processes to ensure that the risk of further penalties is adequately mitigated.

The second matter of fruitless and wasteful expenditure relates to the fraudulent disbursement of an official's salary. The fraudulent event occurred within the salary administration function at the Department of the Premier: Corporate Service Centre (CSC). As the expenditure was incurred against the Department's vote, the fruitless and wasteful expenditure of R63 330.91 was recorded by the Department. As this is a fraudulent matter, it was referred to Provincial Forensic Services, which has investigated the matter and concluded that an official within the employment of CSC was negligent in her area of responsibility. Consequence management and control recommendations were identified and communicated to the CSC for further action.

Description	Value
SA Post Office: Penalty fee	R80.00
Salary Disbursement	R63 330.91

The strategic focus over the short- to medium-term period

The Department continues to prioritise creating an enabling environment for economic growth and job creation. This is done primarily through supporting private sector and markets, thereby also improving on both well-being and safety. The enabling environment, which will help to grow the economy and create jobs, will be achieved through the following areas:

- Accelerating Ease of Doing Business interventions,
- Boosting Investments and exports,
- Enterprise Development,
- Scaling up of work opportunities and skills for people without jobs through accelerating work placement and skills supply initiatives, and
- Economic resilience with a focus on energy resilience.

Public Private Partnerships (PPP)

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

Discontinued activities/activities to be discontinued

No activities were discontinued during the 2020/21 financial year.

New or proposed activities

Not applicable.

Supply chain management

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

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

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

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

In the 2021/22 financial year the Department procured goods and services according to the procurement plan with a 19% deviation owing to projects having been cancelled and/or redirected as transfer payments.

The Department continuously maintains and manages moveable assets on the LOGIS system in accordance with minimum required information to be in the Fixed Assets Register. The year-end physical verification of all moveable assets commenced on 14 February 2022 and was completed on 28 February 2022. All moveable assets acquired in the year under review have been accounted for and accurately captured on the Asset Register as per the Asset Management Framework and the Public Finance Management Act.

As part of the effort to improve efficiencies, the Provincial Treasury implemented an automated procurement planning toolkit on which the Department's procurement requirements are captured and reported on. The Department has also reviewed its templates and check-lists to ensure that processes are consistently applied and as a deterrent against non-compliance.

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

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

In addition, all staff appointed within the Supply Chain Management unit must complete a Declaration of Interest and acknowledgement of the content of the Code of Conduct form. A record is kept of this.

Gifts and Donations received in kind from non-related parties

Name	Designation	Nature	Estimated Value (R)	Relationship with receiver
Joshua Wolmarans	Director	Wall clock watch and coaster	450.00	None
Joshua Wolmarans	Director	Book	380.00	None
Ilse van Schalkwyk	Chief Director	Accommodation for one night	1 580.00	None
Ammaarah Orie	Personal Assistant	Personalised mug and personalised coaster	260.00	None
Uviwe Fuma	Pay intern	Personalised mug and personalised coaster	260.00	None
Rashid Toefy	Deputy Director-General	Personalised mug and personalised coaster	260.00	None

Exemptions and deviations received from the National Treasury

There were no exemptions or deviations received from National Treasury for the year under review.

Events after the reporting date

On 15 May 2022, Mireille Wenger was sworn into the Provincial Cabinet as the new Minister of Finance and Economic Opportunities.

Acknowledgements

I acknowledge the leadership and guidance by Minister Wenger, her office staff as well as the Cabinet of the Western Cape. I would like to thank my dedicated management team and DEDAT staff who have remained committed and focused on ensuring that we continue to progress towards achieving our goals and objectives.

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

Conclusion

Owing to the COVID-19 pandemic exacerbating the economic challenges experienced by the national and provincial economy, the Western Cape Government has developed a recovery plan with jobs as a key theme. The jobs theme in the Provincial Western Cape Recovery Plan builds on the immediate interventions and addresses the systemic challenges.

The Department therefore continues to prioritise the creation of an enabling environment for job creation, primarily through supporting the private sector and markets, thereby also improving on both well-being and safety. The enabling environment to help grow the economy and create jobs will be achieved through the following areas:

- Accelerating the ease of doing business,
- Boosting private sector investment and promoting exports,
- Enterprise development,
- Scaling-up work opportunities, and
- Ensuring economic resilience.

The Department remains committed to its service delivery mandate and now, more than ever, Government and its associated agencies will need to work together with the corporate, small business and industrial sectors to chart an economic course towards realising the goal of a vibrant, innovative and sustainable Western Cape economy that is characterised by economic growth and employment.

Approval and sign off

Mr Velile Dube
Accounting Officer
Department of Economic Development and Tourism
Date: 30 August 2022

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

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

All information and amounts disclosed throughout the annual report are consistent. The annual report is complete, accurate and is free from any omissions.
The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2022.

Yours faithfully

Approval and sign off

Mr Velile Dube
Accounting Officer
Department of Economic Development and Tourism
Date: 30 August 2022

6. STRATEGIC OVERVIEW

6.1 Vision

The Department's vision is a Western Cape that has a vibrant, innovative and sustainable economy, characterised by economic growth and employment.

6.2 Mission

To attain the vision statement as expressed above, the Department of Economic Development and Tourism will provide qualitative leadership to the Western Cape economy through the Department's understanding of the economy, its ability to identify economic opportunities and potential, and its contribution to government economic priorities. The Department's five-year strategic plan will also enhance the productive and competitive capability of the provincial economy. The Department will support the implementation of the Jobs theme of the Western Cape Recovery Plan. The Departmental five-year strategic plan remains unchanged, as it is well aligned with the Jobs theme of the Western Cape Recovery Plan, and its implementation will catalyse economic growth and employment creation through:

- Accelerating Ease of Doing Business interventions
- Boosting Investments and exports
- Enterprise Development
- Scaling up work opportunities and skills for persons without jobs through accelerating work placement and skills supply initiatives; and
- Economic resilience with a focus on energy resilience.

6.3 Values

The core values of the Department are:
Caring: To care for those we serve and work with.
Competence: The ability and capacity to do the job we are appointed to do.
Accountability: We take responsibility.
Integrity: To be honest and do the right thing.
Innovation: To be open to new ideas and develop creative solutions to problems in a resourceful way.
Responsiveness: To serve the needs of our citizens and employees.

7. LEGISLATIVE AND OTHER MANDATES

Constitutional mandate

Constitution of the Republic of South Africa, 1996

Schedule 4 of the Constitution of the Republic of South Africa lists functional areas of concurrent national and provincial legislative competences. Those areas which are relevant for Economic Development and Tourism are:

- Consumer Protection
- Industrial Promotion
- Tourism
- Trade

Schedule 4B of the Constitution identifies Local Tourism as a local government matter of concurrent National and Provincial legislative competence, to the extent set out in sections 155(6)(a) and (7) of the Constitution.

Other legislative and policy mandates

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

Broad-Based Black Economic Empowerment Act, 2003

The act is transversal legislation with normal compliance obligations applicable to all Departments. It establishes a legislative framework for the promotion of black economic empowerment, empowers the National Minister to issue codes of good practice and to publish transformation charters, establishes the Black Economic Empowerment Advisory Council and provides for matters connected therewith.

Business Act, 1991 (Act 71 of 1991)

The act provides for the licensing and carrying on of businesses and matters connected therewith.

Consumer Protection Act, 2008 (Act 68 of 2008)

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

National Small Enterprise Act, 1996 (Act 102 of 1996)

The act provides for the establishment of the Advisory Body and the Small Enterprise Development Agency and further provides guidelines for organs of state in order to promote small business in the Republic and for matters incidental thereto.

Saldanha Bay Industrial Development Zone Licensing Company Act, 2016 (Act 1 of 2016)

The purpose of the act is to regulate the operation of the Saldanha Bay IDZ Licensing Company SOC Ltd, to provide for the shareholding of the Western Cape Government in the Saldanha Bay IDZ Licensing Company SOC Ltd, to provide for the objects, functions and governance of the Saldanha Bay IDZ Licensing Company SOC Ltd and for matters incidental thereto.

The Cooperatives Act, 2005 (Act 14 of 2005)

The act acknowledges the need for the registration of cooperatives, in accordance with national, provincial and local government transversal policy and statutory-regulatory frameworks, as well as the need for the development of a viable, autonomous, self-reliant and self-sustaining cooperative movement to promote community development and entrepreneurship, create employment and successful enterprises, eradicate poverty and improve the socioeconomic well-being of the members of cooperatives in accordance with the cooperative principles.

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

The purpose of the act is to provide for the membership of the Provincial Government of the Western Cape Economic Development Partnership NPC, to regulate the transfer of funds to the Western Cape Economic Development Partnership NPC and to provide for matters incidental thereto.

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

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

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

The purpose of the Act is to provide for the designation, promotion, development, operation and management of Special Economic Zones, to provide for the establishment, appointment of members and functioning of the Special Economic Zones Advisory Board, to provide for the establishment of the Special Economic Zones Fund, to regulate the application, issuing, suspension, withdrawal and transfer of Special Economic Zones operator permits, to provide for functions of the Special Economic Zones operator, to provide for transitional arrangements and to provide for matters connected therewith.

The Western Cape Special Economic Development Infrastructure Company Act, 2019 (Act 3 of 2019)

The act establishes a juristic person known as the Western Cape Special Economic Development Infrastructure Company SOC Ltd, authorises the shareholding of the Western Cape Government in the Company, provides for the powers and duties of the Company, provides for the management, governance, funding and financial control of the Company and provides for matters incidental thereto.

Tourism Act, 2014 (Act 3 of 2014)

The act provides for the development and promotion of sustainable tourism for the benefit of the Republic, its residents and its visitors, provides for the continued existence of the South African Tourism Board and the establishment of the Tourism Grading Council, regulates the tourist guide profession and provides for matters connected therewith. It specifically makes provision for registration, further training and a code of conduct for tourist guides, procedures to lodging complaints and disciplinary measures.

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

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

Western Cape Tourism, Trade and Investment Promotion Agency Act, 1996 (Act 3 of 1996)

[**NOTE:** amendments in the Western Cape Investment and Trade Promotion Agency Law Amendment Act, 2005 (Act 1 of 2005) and the Western Cape Investment and Trade Promotion Agency Amendment Act, 2013 (Act 6 of 2013)]

The act provides for, amongst others, the establishment, objects, appointment, powers and functions of the Western Cape Trade and Investment Promotion Agency and the powers and duties of directors of the Board of the Agency and the Chief Executive Officer, in order to promote and support the economic growth and development of the province, including tourism promotion, and to provide for matters incidental thereto.

POLICY MANDATES

Department of Economic Development and Tourism Five-Year Strategy 2020 - 2025

DEDAT's 2020 – 2025 five-year strategy remains unchanged given that it is well-aligned with the Provincial Strategic Plan and the Western Cape Recovery Plan. It consists of 5 focus areas, namely:

- Investment through promotion and catalytic infrastructure
- Grow exports
- Address skills gaps
- Accelerate ease of doing business
- Resource resilience

These Departmental focus areas and their respective outcomes form the cornerstone of the DEDAT's five-year strategy.

Framework for Managing Programme Performance Information (FMPPI, 2007)

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

Industrial Policy Action Plan (IPAP)

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

IPAP 2018 focuses on the following 10 key themes which inform the work of the dti and act as a roadmap for the wider industrial effort:

- Grow the economy.
- Strengthen efforts to raise aggregate domestic demand - mainly through localisation of public procurement and intensified efforts to persuade the private sector to support localisation and local supplier development.
- Step up South Africa's export effort.
- Create and reinforce policy certainty and programme alignment.
- Strengthen ongoing efforts to build a less concentrated, more competitive economic and manufacturing environment in which barriers to entry for new entrants are lowered.
- Build a stronger system of industrial finance and incentives to support and secure higher levels of private sector investment in the productive sectors of the economy and grow exports.
- Press ahead with technology-intensive, value-adding benefication projects which fully leverage SA's comparative resource endowment advantage into a global competitive advantage.
- Optimise technology transfer and diffusion and, working closely with the Department of Science and Technology, further ramp up the effort to commercialise 'home-grown' R&D in key sectors.
- Support the further strengthening of energy-efficient production and carbon mitigation efforts and measures in a manner that helps transition energy-intensive sectors of the economy so as to maintain business competitiveness and maintain and grow export opportunities.
- Understand, grasp and prepare for the foreseeable effects of the Digital Industrial Revolution and emergent disruptive technologies, collaboratively adapting SA's productive and services sectors to meet the challenges, including those relating to employment displacement.

National Development Plan (NDP)

The key concepts of the NDP are:

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

The South African Economic Reconstruction and Recovery Plan, 2020

The key concepts of the plan are:

- A drive for infrastructural investment in collaboration with the private sector to stimulate job creation
- Achieving energy security by opening up the electricity supply chain to independent power producers
- Digital push with broad-based spectrum auction progress and a commitment to improve the capacity of the "state"
- A relaxation of the regulatory environment to enhance the ease of doing business and the associated drive to develop small business
- The introduction of e-visas to enhance tourists
- A scheme to employ young people to assist teachers in school learning
- This national recovery plan resonates with a number of themes within the jobs theme of the Western Cape Recovery Plan.

National Evaluation Policy Framework, 2011

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

National Tourism Sector Recovery Plan

The COVID-19 pandemic has had a profound impact on the global tourism sector. Governments across the world had to implement necessary measures to contain the spread of the Coronavirus such that the capacity of the health system is not overwhelmed by the rate of transmission. A direct impact of this was a restriction of movement globally that had an adverse impact of the global capacity utilization of the tourism sector. The National Tourism Sector Recovery Plan has been developed to lead the efforts with regards to tourism recovery post COVID-19. Three strategic themes are central to South Africa's recovery: Re-igniting Demand, Rejuvenating Supply and Strengthening Enabling Capability. Underneath these themes, ten strategic recommendations are proposed along with specific actions, time frames and accountabilities.

National Tourism Sector Strategy (NTSS)

Research indicates that there are still numerous opportunities for tourism growth in the country that are not being fully exploited. This has led the National Department of Tourism, under the direction of the Minister of Tourism, to initiate and manage an inclusive process to draft a National Tourism Sector Strategy to inspire and accelerate the responsible growth of the tourism industry from 2016 to 2026. The NTSS proposes 5 pillars with specific focus areas which have a National, Provincial and Local perspective.

Pillar 1: Effective Marketing to deliver a coherent approach to promote South Africa to become top of mind destination and improved conversion rate.
Pillar 2: Facilitate Ease of Access to facilitate seamless travel and access to participate in tourism.
Pillar 3: The Visitor Experience to provide quality experiences for tourists (both domestic and international) to achieve customer satisfaction and inspire repeat visitation.
Pillar 4: Destination Management to provide for sustainable development and management of the tourism sector.
Pillar 5: Broad Based Benefits to promote the empowerment of previously marginalised enterprises and rural communities to ensure inclusive growth of the sector.

OneCape2040

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

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

Provincial Strategic Plan (PSP) 2019 - 2024

The PSP 2019 – 2024 is a five-year plan that sets out the Western Cape Government's strategies and plans for the next five years. It consists of 5 Vision Inspired Priorities, namely

- Vision Inspired Priority 1: Safe and cohesive communities.
- Vision Inspired Priority 2: Growth and jobs.
- Vision Inspired Priority 3: Empowering people.
- Vision Inspired Priority 4: Mobility and spatial transformation.
- Vision Inspired Priority 5: Innovation and culture.

SA Connect

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

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

Other salient policies that influence the ICT sector include:

- The National Integrated ICT Policy White Paper (2016)
- National e-Strategy (2017)
- Presidential Commission on the Fourth Industrial Commission – Recommendations Report (2020)
- National Digital and Future Skills Strategy (2020)

Western Cape Broadband Strategic Framework (2012)

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

Western Cape Green Economy Strategy Framework

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

Western Cape Recovery Plan

The three focus areas that have been chosen as the pillars of the Western Cape Recovery Plan are JOBS, SAFETY AND WELLBEING. The jobs focus area recognises that although the private sector is the primary generator of jobs, it is the role of the WCG to create the enabling conditions for the creation and sustaining of jobs and livelihoods.

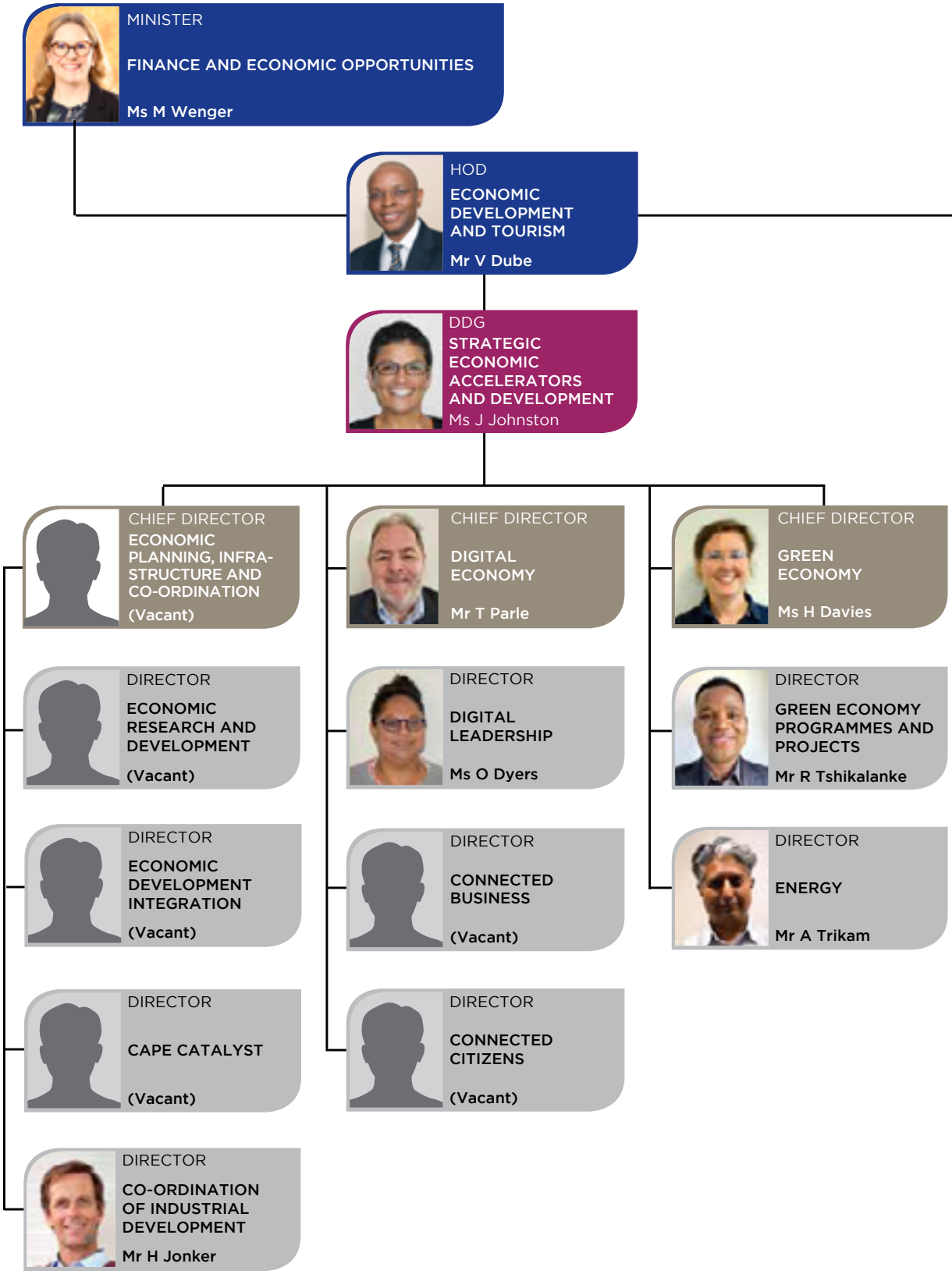
The safety pillar recognises that WCG is committed to making the province a safer place for all residents and visitors and to address the causes and underlying risk factors that lead to violent and criminal behaviour. This can best succeed through a whole of society approach that is built on strong collaboration and partnerships in which each individual, parent, organisation and institution plays their part in reducing violence.

The WCG has placed wellbeing as another pillar at the centre of what government does in order to progressively realise the fundamental rights in the Constitution and to affirm the human dignity of all residents of the Western Cape. This aims to address human needs such as education, health, safety, shelter, decent living conditions, and access to economic opportunities.

The Jobs theme of the Western Cape Recovery Plan is in alignment with the Provincial Strategic Plan (PSP) and with the immediate interventions. The primary priorities of the Department, aligned to the Jobs theme of the Western Cape Recovery plan, are:

- Accelerate Ease of Doing Business
- Boost investment and exports
- Enterprise development
- Scaling up work opportunities and skills for people without jobs
- Economic Resilience

8. ORGANISATIONAL STRUCTURE



DDG

ECONOMIC OPERATIONS

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Ms M Abrahams

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Ms I van Schalkwyk

CHIEF DIRECTOR

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(Vacant)

DIRECTOR

SKILLS PROGRAMMES AND PROJECTS

(Vacant)

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MUNICIPAL ECONOMIC SUPPORT

Ms F Dharsey

DIRECTOR

SERVICE AND ICT SECTOR

(Vacant)

DIRECTOR

PROVINCIAL SKILLS AND PARTNERSHIP

Ms M Parker

DIRECTOR

TOURISM

Mr J Stoltz

DIRECTOR

MANUFACTURING

(Vacant)

9. ENTITIES REPORTING TO THE MINISTER

Name of entity	Legislative mandate	Financial Relationship	Nature of Operations
Western Cape Investment and Trade Promotion Agency (Wesgro)	Western Cape Investment and Trade Promotion Agency Law, 1996 (Act 3 of 1996)	Transfer Payment recipient	Wesgro is the official Tourism, Trade and Investment Promotion Agency for the Western Cape
Saldanha Bay Industrial Development Zone Licensing Company (SBIDZ LiCo)	Saldanha Bay Industrial Development Zone Act Licensing Company Act, 2016 (Act 1 of 2016)	Transfer Payment recipient	The SBIDZ LiCo is responsible for the promotion, management and marketing of the industrial development zone in the Saldanha Bay area as well as ancillary activities that are required for the establishment of the IDZ.
Atlantis Special Economic Zone Company (ASEZ Co)	Special Economic Zone Act 16 of 2014	Transfer Payment recipient	The ASEZ is responsible for the planning, development, promotion and management of the green technology Special Economic Zone in Atlantis, Cape Town.

PART B:

PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 182 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service delivery environment

Demands and changes in service

The Provincial Strategic Plan (Vision Inspired Priority 2) (PSP: VIP 2) captures the Western Cape Government's vision for growth and job creation. The Departmental Five-Year Strategy and subsequent Annual Performance Plan is fully aligned and provides substance for the achievement of VIP 2 of the Provincial Strategic Plan.

COVID-19 and related downturn in the Provincial economy has had a massive impact on employment. The Department and the Western Cape Government have recognised that the impact of COVID-19 will continue to have lasting effects on the economy well after the health risks of pandemic are under control. The Jobs Theme in the Western Cape Recovery Plan seeks to stimulate growth and provide as much certainty to business through addressing systemic challenges within the economy. Simultaneously, the Department has initiated the development of a longer-term Growth Strategy in order push the economy beyond recovery and fast track economic growth and job creation.

Performance environment

The global economy's recovery from the COVID-19 pandemic has been constrained owing to additional waves of the pandemic, as experienced in China, which impacted negatively on supply chains, travel, and trade. Consequently, inflation has increased across the globe. Higher, broader, and more persistent price pressures also led to a tightening of monetary policy in many countries. Debt levels have risen significantly, and extraordinary fiscal support is expected to be removed in 2022/23. Global economic recovery has further been impacted by the Russia-Ukraine war, specifically impacting the Western Cape agriculture and food industries, as well as oil prices.

In its 19 April 2022 World Economic Outlook (WEO) the IMF found that global growth is expected to decline from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January 2022. Beyond 2023, global growth is forecast to decline to about 3.3% over the medium term. The IMF has warned of further growth downgrades owing to further sanctions on Russian energy exports. In addition, if the pandemic strengthens owing to new stronger variants that evade vaccines, there is a risk of new lockdowns and production disruptions that will hamper growth.

Further risks to growth come from accelerated monetary constraints owing to inflation, high debt levels and larger lockdowns in China and further blockages in global supply chains.

Within this global and national economic context, the Western Cape recorded a GDP growth rate of 4.3% in 2021, recovering from a 5.7% decline in 2020. This growth rate highlights signs of economic recovery consistent with the vaccine roll-out, easing of lockdown restrictions and trade openness. However, load-shedding and other global and national challenges pose major risks to economic growth.

The fragile recovery of the Western Cape economy, given the current unpredictable nature of geopolitical factors that have economic impacts, does however continue to show signs of strengthening as witnessed by positive developments in business confidence. The removal of the COVID-19 restrictions and the opening up of the economy (and the associated increase in economic activity) has seen the Western Cape Business Confidence Index (BCI) increase from 40 to 52 index points in 2022Q1, which is a marked improvement from 29 for the same quarter last year.

The Western Cape labour market data showed a slight recovery in employment and a decrease in the number of unemployed in 2022Q1. Between 2021Q4 and 2022Q1 there was an increase of 35 000 jobs, with a total of 2,298 million citizens employed in the Province (Quarterly Labour Force Survey, 2022Q1). However, 202 000 less employees were employees than pre-COVID-19. From 2021Q4 to 2022Q1, the number of unemployed people decreased by 107 000 to 774 000. This improvement is partially owing to better performance in many sectors including Agriculture, Manufacturing, Transport, and Private Households. In 2022Q1, the Province had the country's lowest youth unemployment rate of 32.6%, which is still concerningly high.

From a sectoral perspective, tourism has historically played a driving role in the Western Cape economy and remains one of the sectors hardest hit by COVID-19. The sector had begun to show some promising signs of recovery recently as vaccination numbers increased globally and restrictions were relaxed.

Though the Provincial economy is on a slow path to recovery, in order to mitigate the challenging economic environment, the Department continues to drive the execution of the Western Cape Recovery Plan with a focus on scaling up growth and job creation. In this regard, the focus will be on enabling private sector growth and job creation.

Review of the 2021/22 financial year

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

Ease of Doing Business

A request was made towards the end of the previous financial year (2020/21) that Ease of Doing Business (EoDB) initiatives be far more focused and adopt a new way of work in order to demonstrate greater impact. The EoDB was also identified as one of the key priority areas in DEDAT's Economic Growth and Recovery Plan.

Consequently, the Red Tape Reduction (RTR) unit was reconceived into an EoDB unit comprised of the five Priority Focus Areas (PFA), namely:

- Port of Cape Town (PoCT) Efficiencies,
- Construction,
- Red Tape Reduction,
- Business-facing Government Services, and
- Trade Barriers.

In the PoCT, the three biggest export users of the CT Container Terminal were assisted with integrating their container dispatch data and mapping their logistics chains in order to create capacity for export growth, prevent bottlenecks in the terminal and loss in value of cargo. The unit also improved transporter turnaround time by making several recommendations including the truck-booking systems and real-time communication systems between transporters and terminal shift supervisors, improved communication in the entire logistics chain by facilitating weekly coordination meetings and advocating for additional investment in port equipment. Future endeavours will focus on promoting

improvements in port and container terminal service levels to accommodate anticipated growth in maritime cargo volume, facilitating greater levels of efficiency and less congestion in the Port of Cape Town. This should translate into lower costs of doing business for port users and encourage global best practice performance standards in the port logistics chain.

In the construction sector, the unit partnered with a number of stakeholders to improve access to opportunities within the sector by raising awareness on regulation and compliance-related information for the emerging contractor and citizen in the form of workshops, presentations and information-sharing.

Furthermore, the unit assisted four municipalities with improving and automating seven business-facing services affecting the construction and property development sector. These included, inter alia, Land Use Applications, Property Development Tool and Heritage Resources Inventory as well as Heritage Digital Tool. The unit continued its work with the WCG PDIA Team focusing on challenges experienced by the Fixed Capital and Property Development sectors.

In terms of Red Tape Reduction, the unit continued to comment on draft legislation in order to ensure that it supports a more effective and business-friendly regulatory environment. Furthermore, a total of 703 cases were logged on the Case Management System during the financial year, 639 of which were closed. Currently, 64 are in progress.

The Business Support Helpline Service maintains a resolution rate of 91%, exceeding its annual target of 85%, while maintaining an average client satisfaction rate of 80%. Some notable cases include the assistance provided to Xintong Steel, which resulted in 300 jobs being saved in Atlantis, various instances of fast-tracking of liquor licences to assist businesses being able to trade quicker as well as the successful expansion of Consol Glass to enable them to expand operations.

Another notable success for the Department was the manner in which it was able to assist Shonaquip Social Enterprises, which is a social enterprise that had been experiencing delays in receiving payment from the Eastern Cape Department of Health. As a result of the Unit's direct intervention, 84 jobs were saved and Shonaquip Social Enterprises received payment from the Eastern Cape Department of Health for goods provided. The Western Cape remains the only province in the country to have an effective Business Support Helpline Service that removes red tape barriers for business.

Business-facing government services pursued various interventions that aided in simplifying, streamlining and optimising the functions of the Western Cape Government which have an impact on businesses. The result is making it easier for these businesses to do business with government. These have the ultimate goal of leading to an improved business climate in the Province so leading to more functioning and profitable companies to absorb labour, create meaningful jobs and contribute to the national fiscus.

The projects under this focus area increased the convenience of the application processes of Provincial government business-facing services (for example, through online applications), improved communications with citizens and businesses, and advocated for processes – as well as regulation improvements of non-DEDAT service delivery partners - for longer-term impact.

Interventions included:

- Rapid deployment guidelines for telecom operators to simplify the permissions around wayleaves for fibre and high-site deployments.
- Simplification and harmonisation of the permit-granting approaches and systems for filming and events across the Province.
- Pioneering an approach for individuals to be assisted in opening businesses. This included guidance on the process, details of the relevant forms and officials, as well as a monitoring mechanism that included analytics.

- Collaboration with national authorities on streamlining the approach for scarce skills visas and digital health certificates as well as actively assisting business on vaccine roll-outs.
- Partnership with the Western Cape Liquor Authority to digitise and simplify the processes related to the issuing of liquor licences.

The Trade Barriers Task Team has been a collaboration between various units in DEDAT, Wesgro, the Department of Agriculture and other partners. Some of the primary focus areas included the steel sector (where some of the import duties on manufacturing inputs were successfully reduced), the fruit sector (where market access to China was officially secured for the export of pears), and the aquaculture sector (where exports to China were unblocked and the process of gaining market access to Russia was initiated).

In addition, a clear referral system has been developed between the partners so that any potential trade barriers are identified, investigated and verified with industry, and are actioned in order to obtain resolution. This referral system has also corroborated with the Export Barriers Monitoring Mechanism (EBMM) of the Department of Trade, Industry and Competition.

The jump for entrepreneurs (JUMP) digital business toolkit provided access to apps, business advice opportunities, and self-assessment for an additional 405 users.

Investments and exports priority

Boosting exports and investment in the Western Cape has been a strategic priority both for the five-year Strategic Plan of the Department as well as the Western Cape Recovery Plan. Throughout the 2021/22 financial year the focus has been on developing new, innovative mechanisms to review both the export and investment strategies in the Western Cape.

Investment in the Western Cape requires facilitation and promotion activities. DEDAT plays a role in creating a conducive environment for investors through sector development, catalytic infrastructure, and ease of doing business programmes. The three public entities are undertaking investment promotion and/or facilitation to land both new investment and support existing firms with expansion initiatives.

During the 2022/23 budget cycle, investment promotion has been prioritised with the three public entities each playing critical roles in the investment promotion pipeline. Wesgro is the leading Investment Promotion Agency (IPA) in the Western Cape supported by the Saldanha Bay IDZ which is legislated to encourage investment into a particular geographical area relating to specific sectors and the Atlantis SEZ which is legislated to attract green investment into the Province for a particular zone within the Cape Metro.

Wesgro

Wesgro reviewed and re-prioritsed their focus areas so re-purposing activities as these relate to business adaptation and recovery in the Western Cape which included virtual trade missions and investing in digital export platforms to promote trade. The Agency implemented a stepped approach to drive recovery as the world reopens for investment and trade activities.

Investment Promotion Programme

The focus is on attracting investment from domestic and foreign companies with the emphasis on improving the business environment as well as aligning with national initiatives to attract investment for new businesses or businesses that want to expand their current activities. The Investment Promotion Programme facilitated R5.915 billion worth of committed investment into the Province and 4 445 jobs from international, national, and local investors through their services and activities in the previous financial year.

Key areas of focus, which are delivery items across the programmes in Wesgro, are:

- Improve international positioning of the Western Cape region,
- Improve the positioning of Cape Town and the Western Cape locally, i.e., to companies currently based in Gauteng and KZN,
- Improve ease of doing business and the investment ecosystem,
- Improve investment facilitation,
- Improve retention strategy.
- Optimise resourcing within the investment ecosystem,
- Increase support for the gaming industry linked to the film-promotion activities, and
- Continued alignment of the Investment One-Stop-Shop with the dtic as well as the expansion of services to include export activities.

Export Promotion Programme

The Department, together with Wesgro, supported and implemented programmes to make Western Cape enterprises more globally competitive as well as promoting their products and offerings at domestic, international, and Africa-wide events with industry stakeholders and other strategic partners from identified sectors.

The Trade Promotion programme facilitated 49 signed trade agreements with an estimated value of R958.8 million which may result in 236 jobs up until Q3 in the current financial year. This programme was further supported with three Outward Foreign Direct Investment (OFDI) declarations that were signed over this period.

Key areas of focus, which are delivery items across the programmes in Wesgro, are:

- Stimulate the growth of key sectors such as Business Process Outsourcing, health tech, tourism, agriculture and agro-processing,
- Assist firms in moving up the product and services complexity continuum,
- Improve productivity in key tradable sectors through all the instruments at the Government's disposal,
- Deepen existing destination markets and seek out new markets with local firms through trade promotion,
- Promote trade in key destination markets (i.e., rest of Africa), and
- Support leisure and business tourism including connectivity such as air access and cruise.

Destination Development and Marketing Programme

Tourism has been an important growth driver of the Western Cape economy over the last 20 years. However, COVID-19 all but destroyed the outlook for tourism in 2020 and 2021 with dramatically reduced international arrivals and a depressed domestic travel industry. Partial recovery of the sector is set to continue to take place in 2022/23 with much uncertainty about travel restrictions still at play. As a result, the players in the industry will have to double-down to make sure safe and sensible tourism is allowed and encouraged.

Despite the pandemic, tourism continues to play an important role in generating export earnings for the Western Cape. The Department, under the direct leadership of the Minister of Finance and Economic Opportunities, remains committed to supporting the recovery and growth of the tourism economy.

In 2021, the Department updated the draft 10-year tourism strategy – Tourism Blueprint 2030 – to ensure that recovery accelerates swiftly over the coming three years, while laying the groundwork for achieving the 10-year vision for Destination Western Cape. The Department believes that the industry can recover to 2019 base figures during 2024 if guided by the Tourism Blueprint 2030 and the tourism recovery plan, and all stakeholders work collaboratively and with agility.

A short-term tourism recovery plan was developed and implemented which focused on re-igniting demand for international and domestic tourism through targeted international and domestic tourism marketing campaigns taking into consideration the impact of the Omicron variant and new travel bans early in the summer season.

In addition, support was provided to a total of 15 tourism products across the Western Cape through the tourism product development fund to stabilise supply. This leveraged an additional R13 million worth of investment and 300 jobs in the sector. Work was also done on reputation management to deal with the fall-out of the red listing of South Africa (in particular by the United Kingdom) in partnership with the private sector and other key stakeholders to ensure the destination is seen as safe for all international visitors.

In support of recovery, during the yea strong emphasis was placed on restoring access and movement, primarily through the Cape Town Air Access and Cruise Cape Town partnerships which actively engage airlines and cruise lines in order to restore and grow air as well as sea connectivity. Key focus areas (in alignment with the Blueprint) for the current year and beyond will be directed towards market recovery, namely:

- Reigniting international markets,
- Re-igniting business travel and business events,
- Growing reach into the continent,
- Building a sustainable and long-term domestic market,
- Long-term projects such as Air Access (passenger and cargo) as well as harnessing the power of latent forms of tourism (Cruise and Halal Tourism in addition to major sports and other leisure events).

Saldanha Bay Industrial Development Zone (SBIDZ)

The Department's expenditure on the SBIDZ project was as per the ring-fenced allocation for the year and has been fully disbursed. The entity continued to perform well, with all six work streams having progressed well towards the targets set in the Corporate Plan for 2021/22.

Some of the highlights of the year include the conclusion of new leases, the completion of additional investor facilities, increased occupancy of the Access Complex (approximately 40%) as well as major progress with the feasibility and pre-financing work of the Marine Infrastructure expansion including being profiled as a Sustainable Infrastructure Development Symposium of South Africa (SIDSSA21) priority project. In addition, the SBIDZ's Co-Lab facility has now clocked more than 1 500 SMME visits and their High Schools Development Initiative has seen 18 local teachers trained in digital teaching software and skills for grade 8 and 9 mathematics.

The SBIDZ has not been immune to the global and national declines in the investment environment owing to the COVID-19 pandemic. Private and public investment projects have seen significant delays and uncertainty, including many revenue-generating opportunities for the SBIDZ, specifically through the Project Leasing Facility. These delays have forced the SBIDZ to revise some of their medium- and longer-term outcome targets. Nonetheless according to preliminary figures, the project created 763 jobs during 2021/22.

Atlantis Special Economic Zone (ASEZ)

The Atlantis Special Economic Zone Company (ASEZ Co) was listed as a Provincial Government Enterprise in the past financial year. This is a major milestone for the project as it can now unlock investment into the ASEZ. The infrastructure build programme could not commence until the ASEZ Company was listed as a Schedule 3D entity however R89 million in infrastructure funding was approved by the Department of Trade, Industry and Competition in March 2022. Other infrastructure-related work in the last financial year includes commencing an investigation into the re-activation of

a rail link between the Atlantis industrial area and the Port of Cape Town, a project that is likely to enable the transportation of goods for industrialists beyond ASEZ boundaries.

Investments in existing ASEZ businesses over the past financial year amounted to R171 million, with 25 new jobs being created.

Enterprise Development

The creation of an accessible and enabling business support ecosystem is critical to enhance business sustainability, economic growth and job creation. The need for partnerships, collaboration and interaction within and between the public and private sector and a coherent approach to service design and delivery to reduce duplication is crucial to achieving this objective.

In support of the objectives of the Western Cape Recovery Plan, the SMME Booster Fund 2021 (the Fund) supported interventions implemented by organisations and municipalities that are geared at supporting SMMEs based in the Western Cape. The Fund is supportive of growing and enhancing the sustainability of rural, urban, township-based, youth, people with disabilities and women-owned SMMEs. Ten projects were supported, five from the Business Development Support and Access to Market categories and five from the Infrastructure category. The Fund provided support and assistance to SMMEs to maintain and/or enhance sustainability, develop the capacity of the business and the owner/entrepreneur, increase efficiencies, and enable them to grow and create jobs.

The Western Cape Entrepreneurship Recognition Awards (WCERA) provided a platform to recognise and support the province's most deserving and inspiring, high-potential entrepreneurs. The WCERA provided public acknowledgement and exposure (e.g., social media) for business-owners and linking them with the requisite business development support; showcasing entrepreneurial excellence; business resilience and innovation; and supporting and stimulating an entrepreneurial culture. The 12 winners received both financial and business development support that will enhance their operational capacity. The business development support includes, inter alia, legal advice, training and developing their operational efficiency.

The Long Street Kiosks programme enabled ten small and micro enterprises (SMEs) to access new market opportunities in the Central Business District (CBD) of the City of Cape Town. These businesses were supported by the Department in conjunction with the Small Enterprise Development Agency (Seda) to enhance their business operations.

The Seda, Garden Route District Municipality (GRDM) and the Department of Economic Development and Tourism (DEDAT) partnership contributed to greater coordination and integration of efforts by stakeholders in the SMME ecosystem. The collaboration intends to strengthen small business support in the region in preparation for the support ecosystem to be harnessed through greater alignment of local, provincial, and national efforts. A district-level SMME ecosystem mapping (through the Municipal Economic Support unit and the Enterprise Development unit) was completed that identified the roles and responsibilities of various stakeholders to create a conducive and enabling environment for SMMEs.

The Enterprise Development unit assisted the Department of Transport and Public Works (DTPW) in implementing their Contractor Information Sessions (CIS) in conjunction with agencies and organisations such as South African Revenue Services (SARS), local municipalities, and the Construction Industry Development Board (CIDB).

Skills Development

According to the QFLS of Quarter 4, 2021, there is approximately 881 000 individuals are unemployed of which youth find it the most challenging to secure employment due to limited experience, skills and qualifications. Even youth with skills and qualifications report challenges in securing employment because of employers' preference in employing workers with experience. In response to these challenges, the Department has been focusing on experiential learning programmes that respond to

challenges associated with lack of experience, skills and qualifications. This focus has resulted in one of the most cost-effective employment creation programmes in the country by securing sustainable youth employment at an approximately of R25 000 job. The programmes further secured more than a R100 million in leveraged funding from private-sector and other funding sources.

More than 2 400 beneficiaries benefited or are benefiting from experiential learning programmes that provided a combination of structured, accredited or vendor skills programmes, experiential learning of up to 12 months and a departmental stipend support of up to R3 000 per month that was topped up by up to a further R3 000 by private sector. The programmes resulted in further employment subsequent to the Department's experiential learning programmes of up to 80% for those who completed their respected contracted experiential learning opportunities.

It is also salient to note that because departmental funds are used nearly exclusively for stipends, the programmes support household income during the devastating impact of the pandemic on household incomes.

Key to the programme success as one the most cost-effective employment creation programmes in the country are:

- the provisioning of youth with critical on the job training,
- the provisioning of critical experience to youth,
- the provisioning of soft skills and the shaping of behavioural characteristics that are suitable for employment and
- the crowding in of funding to support technical skills development and the commitment of private sector to provide further employment to beneficiaries after the completion of the programme.

Support was provided to the I-CAN Centre in Elsies River and the Khayelitsha Bandwidth Barn. These in-community centres provide vital access to training opportunities, enterprise development interventions and programmes, and business services.

Resource Resilience

During the course of 2021/22, the Municipal Energy Resilience (MER) initiative has spearheaded the energy resilience efforts of the province. The MER initiative objective is to improve energy resilience of municipalities, businesses and households across the Western Cape through facilitating, supporting and positioning for the implementation of energy infrastructure development (public and private) for economic growth, energy affordability, and/or municipal financial sustainability to contribute towards the target of 500MW of new generation capacity by 2025.

Phase 1 of the initiative has culminated in a detailed roadmap for five pioneering projects in candidate municipalities. In preparation for implementation in phase 2, a Western Cape MER Fund was established and 13 projects across eight municipalities supported to undertake foundational work towards municipal renewable energy project implementation. Additionally, DEDAT has established a panel of service providers to assist in the procurement of transaction advisory and other services that may be required for pioneering and other project implementation.

DEDAT has also continued to drive the uptake of rooftop solar PV in the province with all 25 municipalities having also been provided with support and advice around small scale embedded generation (SSEG), wheeling and/or utility scale energy matters. This has resulted in 21 municipalities now allowing private rooftop PV connections to the grid with 20 of these municipalities allowing households and businesses to be compensated for feeding their excess energy back into the municipal networks.

Through the support of the DEDAT-funded sector desks and the Western Cape Trade and Investment Agency (Wesgro), six declarations of investments in the Western Cape's green economy sector

were signed during the 2021/22 financial year. Five of these will lead to a total investment value of more than R61 million and the sixth is for an investment of R52 million shared across four provinces. Together with multiple direct engagements with large companies and support provided to numerous businesses through the assistance of energy sector desks, these efforts have resulted in the approval of applications by Western Cape municipalities for the installation of approximately 62MW of rooftop PV in the Western Cape for the 2021/22 financial year. Business support has also been provided to 1 931 businesses and organisations on water and energy matters with more than 10 804 downloads of the four 2021 Market Intelligence Reports (MIRs) covering Energy Services, Utility-Scale Renewable Energy, Water and Electric Vehicles. These MIRs allow for the positioning of market players in the growing energy and water sectors and can be found on https://www.westerncape.gov.za/110green/resources.

Through DEDAT funding, the water sector desk has also supported businesses to improve economic water resilience - helping businesses to reduce their water consumption through improved metering, behaviour and process changes, and increasing businesses' own water supply augmentation. The Department also funded the development of the Western Cape Water Innovation Network with the aim of supporting businesses and municipalities to take up alternative and appropriate water technologies and to promote technology innovation towards increased local manufacturing and exports in partnership with the Water Research Commission (WRC).

Consumer protection

The Programme is primarily the implementer of legislative obligations on a national and provincial level (Consumer Protection Act, National Credit Act, Western Cape Consumer Affairs Act). During the 2021/22 financial year the Consumer Education sub-programme conducted 292 consumer education interventions. This is against a set yearly target of 240. The interventions were spread across the province and targeted various interest groups such as women, youth, the elderly and people living with a disability. The focus of these consumer education interventions were Consumer Protection Act engagements and basic financial literacy sessions. The aforementioned interventions were aimed at enhancing the general awareness levels amongst consumers on the topic of consumer protection and basic financial literacy.

In terms of Alternative Dispute Resolution interventions, a total of 1 342 complaints were received during the 2021/22 financial year and of these, 1 250 were resolved within 90 days and this constituted 93% of complaints resolved within 90 days. This is against a set target of 75%.

It will be noted from the above performance related information that the Programme performed well despite the challenges posed by financial constraints and the COVID-19 pandemic. The Programme continued to ensure that consumers and businesses received the assistance as envisaged by legislation i.e., access to redress, except where adjudication of the dispute was required.

2.2 Service delivery improvement plan

In terms of Provincial Treasury Circular No. 12 of 2022, it is not a requirement for Western Cape Government Departments to report on the SDIP 2021/22 in the Annual Report for 2021/22. This is based on the DPSA Circular No.1 of 2021, which informed all national and provincial departments that they were consulting various stakeholders to review the current SDIP Directive (2008) and aimed at aligning the SDIP to the Strategic Planning and Annual Performance Plans Framework of the DPME, as well as the impact of the COVID-19 pandemic. DPSA advised national and provincial departments that the 2021/22 financial year would be deemed as a gap year, in order to conduct consultations across the Public Service, to finalise the new SDIP Directive and related toolkit.

The Department will develop the 2023-2025 SDIP in consultation with the CSC and DPSA. The Department will, however, continue with service delivery improvement aligned to the Batho Pele principles (Putting the citizen first).

2.3 Organisational environment

The Department has reviewed and approved its new Workforce Plan 2021–2026 which serves as a vehicle to ensure that the Department utilises and develops its human capital optimally to ensure agility and integrated service delivery.

The Department is currently engaging with the Chief Directorate: Organisational Development on the development of a service delivery model and an effective change management implementation plan and strategy to assist employees to adapt to the "new way of work" in line with the strategic focus areas of the Department.

The process of skills development is being addressed through an envisaged skills audit that will identify the skills currently within the Department, and what is required to ensure optimal service delivery within priority areas. This process will be managed internally, and in consultation with the Directorate: People Empowerment within the Corporate Services Centre.

The Department established a Gender Equality forum that meets on a quarterly basis to address gaps and interventions highlighted within the Public Service Women in Management meeting which aims to address gender mainstreaming in an ever-changing environment.

The Department prides itself on the opportunity to support and provide reasonable accommodation for people with disabilities by working closely with the Corporate Services Centre to ensure that matters relating to accessibility is addressed through its Gender Equality Strategic Framework Plan and Job Access Strategic Framework Plan.

Ongoing interventions are rolled out for employees to raise awareness around human rights (including the Priority Groups), in terms of sexual harassment, disability and gender inequality gaps.

The Department is addressing its human rights obligations to residents and the identified Priority Groups through various measures, including the following:

The Enterprise Development unit continues to prioritise support to designated groups such as women, youth and people with disabilities through initiatives focused on assisting SMMEs inclusive of formal, informal, rural and township enterprises. The unit (where possible) pursue partnerships that provides support to designated groups.

The Office of the Consumer Protector (Programme 4) targets various consumer groups, including the youth, the elderly, women, and persons with disabilities through their consumer education interventions.

The Skills Development and Innovation Programme (Programme 7) drives the creation of an enabling environment to facilitate a better match between the supply of and industry demand for skills. The Programme actively pursues partnerships to influence decision and policy makers who have the mandate in the education and post school space to drive systemic change that allows access to youth and the current workforce to relevant workplace skills to become employable. In support of the development of Human Capital and the provincial workforce, the programme champions human rights mainstreaming amongst the youth.

Matters related to ICT (Information and Communications Technology) are managed through the Department's ICT Steering Committee. The ICT Steering Committee seeks to maximise efficiency and productivity in the workplace through the appropriate use of the ICT for maximum impact on service delivery. The secondary objective is to support the move for the Department to become data-driven and evidence led in our decision making based on data analytics. A 'Vision for ICT in DEDAT' was developed in 2021/22. This committee includes representatives from the programmes at senior management level supported by representatives from the Centre for e-Innovation. The committee provides leadership for ICT through the alignment of goals, strategic objectives and activities with the

business goals, strategic objectives, and processes of the Department. Furthermore, the committee prioritises ICT investment, reviews and recommends on proposed IT projects, manages the total cost of ownership of ICT projects, and represents the Department at the provincial ICT Steering Committee. The adoption of digital technologies within DEDAT was driven through the Digital DEDAT initiative. A total of sixteen initiatives in the areas of data management, analysis, reporting, POPIA management and ICT SteerCom matters were worked on in this financial year.

2.4 Key policy developments and legislative changes

None was identified.

3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The **impact** as stated in the Departmental Strategic Plan (2020 – 2025) is "increased employment in the Western Cape economy".

Provisional performance against outcomes as per the 5-year Strategic Plan

Outcome	Outcome indicators and progress
Increased Rand value of investment	Indicator: Rand value of investment. 5-year target: R5 billion.
	Progress with respect to Strategic Plan: From 2020/21 – 2021/22, a total of R22.29 billion in investments have been committed to in the Western Cape with the support of the Department. This includes investments in various economic sectors as well as investments realized by the Atlantis Special Economic Zone and relating to the green economy.
Increased exports	Indicator: Rand value of exports. 5-year target: R17 billion.
	Progress with respect to Strategic Plan: From 2020/21 – 2021/22 a total of R7.433 billion has been secured for additional trade activity from the Western Cape which includes performance relating to export desks from Wesgro and the tourism industry in particular the convention bureau. Demand for business events remains subdued considering international travel restrictions and national limitations on gatherings which impacts on Wesgro DMO's ability to attract international bids. The Convention Bureau secured R264 million worth of economic value through future bids secured. This remains well below target of R515-R824 million.
Improved tourism safety perception	Indicator: Percentage change in tourist safety perception 5-year target: Improve the visitor safety perception by 25% over five years.
	Progress with respect to Strategic Plan: The output indicator linked to this outcome was formally discontinued due to the impact of COVID-19 on international tourist numbers coupled with budget cuts to the tourism safety programme.
Improved employability of beneficiaries supported	Indicator: A percentage of beneficiaries supported reporting a change in employability.5-year target: 70% of beneficiaries surveyed have improved their employability.
	Progress with respect to Strategic Plan: The Skills Development Programme will attempt to survey all beneficiaries in the 2022/23 financial year with respect to the improvement of employability of beneficiaries supported. It is worth noting that early indicators suggest that approximately 80% of beneficiaries who completed their experiential learning programmes were offered further employment.

Outcome	Outcome indicators and progress
Improved Ease of Doing Business	Indicator: Total benefits to the economy as a result of red tape reduction and or ease of doing business improvement interventions. 5-year target: By 2025, R5 billion worth of economic benefits to the provincial economy.
	Progress with respect to Strategic Plan: Economic savings and other benefits realised for the period 2020 to 2021 included more than R1.2 billion from a sequence of interventions. Projects are underway and immediate economic benefits are being realized. Due to the long-term benefits and/or outcomes of most interventions, quantification should be done 2-3 years after interventions to ensure full benefits are counted. The quantification thereof will be undertaken in FY 2022/23.
Resource resilience of the economy improved	Indicator: Energy Security: No. of megawatts of lower carbon electricity produced in the Western Cape. Five-year target: 500 MW of lower carbon electricity produced in the Western Cape.
	Progress with respect to Strategic Plan: The Municipal Energy Resilience initiative has been the flagship programme that would contribute towards the five-year target of 500MW lower carbon energy produced in the Western Cape. Part of the initiative has been to support municipalities in enabling Small-Scale Embedded Generation (rooftop solar PV). A total of 109MW of the target was achieved from December 2019 to March 2022 in the Province. In addition, the initiative is moving to implement ground-breaking projects for municipal procurement of independent power producers. The MER initiative also supports renewable energy developers towards increased private sector generation and increased generation in the national Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) in the Western Cape. In bid window 5 of REIPPPP, seven projects (consisting of 785MW of capacity in total) in the Western Cape were awarded in late 2021, with these projects expected to reach financial closure by September 2022 and be operational within 24 months thereafter.
	Indicator: Water Security: Improvement in water efficiency of selected water-intensive sectors. Five-year target: 20% improvement in the water efficiency of four water-intensive sectors. In-year changes to the 2020-25 Strategic Plan as tabled during 2021: This five-year target was changed to 20% improvement in the water efficiency of one water-intensive sector.
	Progress with respect to Strategic Plan: The economic water resilience work focused on the agro-processing sector that is aimed at contributing towards improving water efficiency of the sector. The work was undertaken through the Green Economy Ecosystem Support project that provided direct support to agro-processing businesses, a workshop on water resilience in agro-processing, a case study of a wine estate's wastewater reuse project as well as the financial and sustainability benefits of this.

Outcome	Outcome indicators and progress
Improved financial governance	Indicator: Unqualified Audit Opinion. Five-year target: Unqualified Audit Opinion.
	Progress with respect to Strategic Plan: Financial Management has committed itself to the achievement of the National Development Plan's goal of building a capable state through improving financial governance. While this is an extremely broad statement, three areas of focus are of primary concern for the unit, namely: **a. Strengthening the compliance environment** through building the technical expertise of Financial Management staff and developing templates and forms not only to simply complex compliance requirements but to ensure the consistency of application. **b. Enhancing the dissemination of financial information** through improved communications, the creation of Financial Management communication platforms and instituting a balance between compliance and service delivery. **c. Re-orientation towards a citizen-centric support service** through the improved understanding of client needs, capacitation of finance staff to understand and identify with the work of the service delivery programmes of the Department.
Functional M&E system delivering strategic support	Indicator: Compliance of 'M&E System' with M&E policy and frameworks Five-year target: Full compliance with use of M&E information in strategic management.
	By year 2 of the current MTSF, the M&E unit has cumulatively delivered the following outputs in direct support of its five-year outcome: 1. Annually contributing to a clean non-financial performance information as part of the DEDAT's overall unqualified audit opinion. 2. Two analytical outcomes reports tracking progress against five-year outcomes. 3. Nine reports tracking the performance of Departmental projects or initiatives, and 4. Seven sessions to build the internal capacity on M&E concepts and applications. Annually, since the 20/21 financial year, the Unit has produced nine targets against its planned seven. This translates into an annual achievement rate of 127%. Indications are that the Department is at 40% of its planned five-year target for a functional M&E system. All deliverables produced are unfunded and internally developed by the existing team in the Unit.
An improved environment conducive to fair business practice and informed consumers	Indicator: Monetary value of savings accrued to consumers 5-year target: R1.2 million
	Progress with respect to Strategic Plan: The Office of the Consumer Protector, via its alternative dispute resolution services, aims to enhance the transactional environment by way of resolving disputes in favour of consumers, where justified. The 5-year target is to ensure that a minimum of R1.2m worth of 'savings' obtained via refunds, returns or replacement values finds its way into the pockets of affected consumers. The Office of the Consumer Protector is on track to reach this target and as at the end of the 2021/22 financial year a total of R1 026 922.05 has so far been successfully returned to affected consumers due to the assistance provided.

Departmental contribution to MTSF, PSP and WC Recovery Plan

The Western Cape Recovery Plan recognises that COVID-19 has had deep, overwhelmingly negative effects on the economic and social life of the Western Cape. This has been described by Premier Alan Winde as the "second pandemic" of unemployment, hunger and poverty. This plan is a recognition of, and response to, these dual pandemics. It identifies the problems that require an urgent, Whole-of-Society response in order to create jobs, foster safe communities, and promote the wellbeing of all the residents of the Western Cape.

The Western Cape Recovery Plan is based on the following four themes:

- COVID RECOVERY: The pandemic is still with us; existing health measures must continue, and new ones put in place;
- JOBS: The economic impact of COVID-19 has been severe. Recovery can only take place if our economy grows and our citizens generate income;
- SAFETY: This is the overarching theme for the Provincial Strategic Plan, and it is equally relevant going forward. It is inextricably linked with Wellbeing, as Safety cannot be achieved if basic human needs are not met; and
- WELLBEING: Government must ensure that the basic human needs of citizens are realised, as guaranteed in the Constitution.

DEDAT, through Programme 5, was tasked with co-coordinating the Jobs element of the Western Cape Recovery Plan, specifically the co-ordination of the economic cluster department reporting of activities.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 PROGRAMME 1: ADMINISTRATION

Purpose

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

Programme structure

Sub-programmes	Purpose
Sub-programme 1.1: Office of the Head of Department	· To manage and direct the Departmental transversal administrative programmes that give leadership to the Department. · To effectively maintain an oversight function of the whole Department's mandate and function.
Sub-programme 1.2: Financial Management	· To provide an effective financial management function. · To ensure implementation of the PFMA and other related financial regulations and policies. · To provide planning and budgeting support to the Department. · To make provision for the maintenance of assets.
Sub-programme 1.3: Corporate Services	· To provide a strategic support function to the Department. · To ensure the rendering of ICT, human capital, corporate assurance, legal and communication support services to the Department. · To render communication services to the Department. · To monitor and evaluate Departmental performance. · To develop and manage knowledge and information systems, records and co-ordinate ICT.
Institutional Outcomes	
Programme 1 contributes to the following institutional outcomes	· Improved Financial Governance · Functional 'M&E system' that provides strategic support to the Department

Sub-programme 1.2: Financial Management

Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 1.2: Financial Management								
Outcome	**Output**	**Output indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Target 2021/22**	**Actual achievement 2021/22**	**Deviation from planned Target to Actual Achievement 2021/22**	**Reasons for deviations**
Improved Financial Governance	Processed payments to creditors within 30 days	1.1 Number of days for the processing of payment to creditors	Payment to creditors within 15.88 days	Payment to creditors within 24 days	30 days	25 days	5 days	Systems and controls in place to ensure sound management of payments being processed in less than 30 days.
	Cumulative expenditure as a percentage of the budget (Actual Expenditure/ Adjusted budget	1.2 Percentage cumulative expenditure achieved (Actual expenditure/ Adjusted budget)	98% (R498 783 000)	99.2% (R530 711 000)	98%	99% (R493 396 000)	0.7%	-
	Efficiency interventions successfully Implemented	1.3 Number of financial efficiency interventions implemented	7	5	2	6	4	Target exceeded as the unit constantly strives to enhance service delivery.
	Financial manual training sessions conducted	1.4 Number of financial manual training sessions conducted	12	13	12	12	-	-
	Customer service satisfaction achieved	1.5 Percentage of customer service satisfaction achieved	New indicator	0	60%	74%	14%	To ensure that Financial Management maintains good internal customer service, it is committed to the re-orientation towards a customer centric support service. This is achieved by continuously striving to enhance the working relationships with service delivery units.

Sub-programme 1.2: Financial Management								
Outcome	**Output**	**Output indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Target 2021/22**	**Actual achievement 2021/22**	**Deviation from planned Target to Actual Achievement 2021/22**	**Reasons for deviations**
Improved Financial Governance	Internal Audit recom-mendations Implemented	1.6 Percentage of Internal Audit Recomendations Implemented	New indicator	75%	75%	100% (n=6)	25%	Implementation of Internal Audit recommendation handed over was exceeded due to the vigorous follow-up by the Internal control unit.
	External Audit Recom-mendations Implemented	1.7 Percentage of External Audit Recom-mendations Implemented	New indicator	100%	100%	100% (n=7)	-	-

Summary of sub-programme 1.2 achievements

Purpose	• To provide an effective financial management function. • To ensure implementation of the PFMA and other related financial regulations and policies. • To provide planning and budgeting support to the Department. • To make provision for the maintenance of assets.
Significant achievements	• Service delivery improvements for Financial Management is not only seen as the support provided to the line function, but rather how the support provided can assist the line function to deliver services to the best of their ability to the average citizen. In this regard, efficiency is the effectiveness with which the Department can deliver services to impact the economic environment. Financial Management oversaw the following efficiency gains: - The e-project proposal system was improved through applying the Lean methodology. A two-stage process was enhanced to a single stage process and approvals for the Project Proposal can be obtained in an easier fashion. - During the year under review, the Provincial Treasury (owing to the dire fiscal environment) amended the narrative for the first-round budget process. During this period, a fundamental shift in thinking asked the question: "How can the Province achieve its service delivery outcome with less resources?" This change in approach required a drastic rethink of the standard approach from one where the first round is used to motivate for additional funding to one where the emphasis was on doing things better. In this regard, the Financial Management unit drafted an easy-to-use template where each line manager could provide required information for the completion of not only Treasury requests but could also be used by the senior management and the executive for improved decision-making. The template therefore allowed for improved comparability between interventions with regard to the achievement of the various outcomes against the cost of the intervention.

	• Further to the above, Financial Management was successful in maintaining a strong governance environment as well as upholding a high level of service delivery, which is evidenced through: o Exceeding turnaround time with regards to the payment to creditors. Payments to beneficiaries are processed within an average of 25 days from the date of receipt of the invoice to the date of payment into the beneficiaries' bank account. o Exceeding the implementation of Internal Audit recommendations through constant interaction, guidance and follows-up with the relevant line manager. o Providing structural support in the form of standard operating procedures, templates, forms and guidance on key projects related to funding received and paid. o Successful implementation of an improved stipend system which enhanced service delivery by benefiting thousands of learners placed at various organisations via: • Increased efficiencies in terms of allocating resources based on volume of files for evaluation, • Evaluation of large volumes of stipend files while exceeding turnaround targets, without comprising on delivery standards, • Track expenditure against budget allocation on a more frequent basis to identify potential risk areas, and • Ensure completeness in the files that are received by Financial Management for review. o Exceeding the customer satisfaction rate which indicates the commitment to Finance becoming re-orientated towards a customer-centric approach.
Outcome(s)	Improved Financial Governance.
Summary of contribution to outcome (s)	• The strengthening of the compliance environment. • Enhancing the dissemination of financial information. • Re-orientation towards a citizen-centric support service.
Contribution to strategic priorities	The initiatives undertaken by Financial Management are aligned to VIP 5, which focuses on Governance Transformation. The driving of efficiency within Financial Management is integral to achieving the purpose of striving for improved governance and service delivery. This is achieved through the review of policies and procedures, simplifying processes and innovation. Financial Management is fundamentally linked to both **Priority 6: Capable, Ethical and Developmental State** within the Medium Term Strategic Framework (MTSF) and **Vision Inspired Priority (VIP) 5: Innovation and Culture** within the Western Cape Provincial Strategic Plan. Both the MTSF and PSP recognise that to improve the lives of the average citizen and resident of the Province, the administrative and governance processes and systems need to be strengthened. Financial Management will therefore focus on developing the motto that good governance is service delivery. In this regard, driving efficiency through improving standards, processes and practices is of critical importance.
Response to priority groups	Not applicable.

Strategy to overcome areas of underperformance

Not applicable.

Sub-programme 1.3: Corporate Services

Departmental Performance Monitoring

Outcomes, outputs, output indicators, targets and actual achievements

Departmental Performance Monitoring								
Outcome	**Output**	**Output indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Target 2021/22**	**Actual achievement 2021/22**	**Deviation from planned target to Actual Achievement 2021/22**	**Reasons for deviations**
Functional 'M&E system' that provides strategic support to the Department	Outcomes monitored	1.8 Number of Outcomes Monitoring Reports produced	New Indicator	1	1	1	-	-
	Non Financial performance information system managed	1.9 Number of Output Monitoring reports produced	4	4	4	5	1	An additional report regarding the Department's performance on the COVID-19 projects it implemented in 2020/21 was developed. This deliverable was unplanned but given that 2020/21 financial year was the first year that Government departments implemented programmes directly in response to the pandemic, the Unit developed a summary report in Q1:2021/22 that assessed the range and impacts of the Department's efforts to mitigate the effects of the COVID-19 on businesses and citizens.
	M&E capacity-building conducted	1.10 Number of M&E capacity-building sessions conducted	New Indicator	4	2	3	1	The demand from programmes to improve their performance reporting resulted in an additional Capacity Building session held in Q3.

Summary of Performance Monitoring achievement

Purpose	To monitor and evaluate Departmental performance.
Significant achievements	In addition to managing the Department's non-financial performance reporting and indicator development functions, the M&E Unit sourced and analysed project-level monitoring data to assess aspects of the Department's performance since the first year of the MTSF. In total 5 reports were compiled, viz. 1. Consumer complaints in which the volume, nature, and processing times of the consumer complaints business service was assessed. 2. COVID-19 projects implemented in response to the pandemic. 3. Progress on Resource Resilience 5-year outcome, by 2020/21. 4. Progress on persons trained over 2020/21. 5. Breakdown of beneficiaries assisted in 2020/21 by priority group – Women, Youth, Persons with Disabilities. Aligned to our 5-year outcome for building the Department's knowledge of M&E concepts, three capacity building sessions were delivered, focusing on: 1. Data gathering to substantiate performance when education services are delivered to citizens via social media platforms. 2. Two sessions on refining outcome definitions to measure employability using analysis of performance information.
Outcome(s)	Functional 'M&E system' that provides strategic support to the Department.
Summary of contribution to outcome(s)	• By year 2 of the current MTSF, the M&E unit has cumulatively delivered the following outputs in direct support of if its 5-year outcome: • Annually, contributing a clean non-financial performance information as part of the DEDAT's overall unqualified audit opinion. • Two analytical outcomes reports tracking progress against 5-year outcomes. • Nine reports tracking the performance of Departmental projects or initiatives. • Seven sessions to build the internal capacity on M&E concepts and applications. Since 2020/21, the unit has produced nine targets against its planned seven, translating into an annual achievement rate of 127%. Indications that the Department is at 40% of its planned 5-year target for a functional M&E system. All deliverables produced are unfunded and internally developed by the existing team in the Unit.
Contribution to strategic priorities	In addition to contributing to the 5-year M&E outcome, the unit has independently verified the progress of the following 5-year departmental outcomes: 1. By 2021/22, the OCP has raised R1.026m in savings to consumers. This denotes that the 5-year target of R1.2 million is currently at 86% of being achieved. 2. The two support service outcomes, viz. a clean financial and non-financial performance information audit, are each at 40% of the respective 5-year outcomes. 3. With respect to programmatic outcomes for resource resilience and improved employability of persons trained through Departmental funds, recommendations for clarifying definitions, measurement criteria and monitoring data collection have been communicated to the Programmes.
Response to priority groups	Not applicable.

Departmental Communications

Outcomes, outputs, output indicators, targets and actual achievements

Departmental Communications								
Outcome	**Output**	**Output indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Target 2021/22**	**Actual achievement 2021/22**	**Deviation from planned Target to Actual Achievement 2021/22**	**Reasons for deviations**
Improved ease of doing business	Strategic economic commu-nication agendas	1.11 Number of strategic economic communication agendas developed	New Indicator	4	5	1	5 days	Strategic communication agendas developed in alignment with 5 identified departmental priorities.

Summary of Departmental Communications

Purpose	To render communication services to the Department.
Significant achievements	Within the Departmental context strategic economic communication is defined as "focused efforts by the Western Cape Government to understand and engage key audiences to create, strengthen, or preserve conditions contributing to a favourable degree of business confidence". This in 2021/22 entailed the development of strategic economic communication agendas, representing a synthesis of economic intelligence derived from and responsive to economic priority areas. These are synthesised into clear communication agendas which inform the implementation of future campaigns and the development and execution of narratives, messages or themes to be used in supporting lobbying, promotion efforts and associated communications by the WCG in economic priority areas. Five strategic economic communication agendas were developed in accordance with the 5 identified departmental priorities including: • accelerating the ease of doing business; • boosting private sector investment and promoting exports; • enterprise development; • scaling up work opportunities; • and ensuring economic resilience.
Outcome(s)	Improved ease of doing business.
Summary of contribution to outcome(s)	Clear, concise, certain and continuity of communications is vital to ensure that the department's role as a leader in all matter's "economy" is ensured. As a credible partner for businesses in the Western Cape whether (new or existing) the Department through its communications efforts promotes a Western Cape Government that is creating an enabling environment that is "Open for business", and creates opportunities for jobs.
Contribution to strategic priorities	The Jobs theme of the Western Cape Recovery Plan is in alignment with the Provincial Strategic Plan (PSP). The primary priorities of the Department, aligned to the Jobs theme of the Western Cape Recovery plan, are: accelerating the ease of doing business; boosting private sector investment and promoting exports; enterprise development; scaling up work opportunities; and ensuring economic resilience. The five strategic agendas respond to the identified priorities above and are therefore aligned to the Provincial policies identified.
Response to priority groups	Not applicable.

Strategy to overcome areas of underperformance

Not applicable.

Programme 1: Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

Not applicable.

Linking performance with budgets

During the 2021/22 financial year, Programme 1: Administration was allocated a financial resource envelope of R55.805 million. Of this, R41.412 million was allocated to Compensation of Employees, R11.735 million to Goods and Services and R2.525 million to payments for Capital Assets. During the Financial year, 98.3% of the allocated budget was expended. The primary drivers of this expenditure were Compensation of Employees amounting to R41.234 million and Goods and Services amounting to R10.954 million. Other notable expenditures were allocated to Audit costs amounting to R3.362 million.

Sub-programme Name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the HoD	5 455	5 172	283	11 387	11 378	9
Financial Management	34 232	33 827	405	37 450	37 413	37
Corporate Services	16 118	15 842	276	13 907	13 887	20
Total	**55 805**	**54 841**	**964**	**62 744**	**62 678**	**66**

4.2 PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Purpose

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

Programme structure

Sub-programmes	Purpose
Sub-programme 2.1: Enterprise Development	To contribute to the creation of an enabling business environment that empowers small business and entrepreneurs to develop and grow.
Sub-programme 2.2: Regional and Local Economic Development	To create opportunities for jobs and inclusive growth across districts and local economies.
Sub-programme 2.3: Economic Empowerment	To facilitate the process of empowerment and creation of an enabling business environment for PDIs. This Sub-programme has been taken up in Sub-Programme 2.1.
Sub-programme 2.4: Red Tape Reduction	To improve the business environment by reducing the regulatory burden on businesses through improved legislation, processes and communication.
Sub-programme 2.5: Management: Integrated Economic Development Services	To conduct the overall management and administrative support to the programme.
Institutional Outcomes	
Programme 2 contributes to the following institutional outcome	Improved Ease of Doing Business.

Sub-programme 2.1: Enterprise Development

Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 2.1: Enterprise Development								
Outcome	**Output**	**Output indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Target 2021/22**	**Actual achievement 2021/22**	**Deviation from planned Target to Actual Achievement 2021/22**	**Reasons for deviations**
Improved ease of doing business	Businesses assisted through entrepreneurship promotion and/or businesses support interventions	2.1 Number of businesses assisted	New Indicator	220	220	272	52	The annual target was met and overachieved due to additional budget received which allowed more businesses to be supported.

Summary of sub-programme 2.1 achievements

Purpose	To contribute to the creation of an enabling business environment that empowers small business and entrepreneurs to develop and grow.
Significant achievements	The SMME Booster Fund initiated 10 projects in the Business Development, Access to Markets (Enterprise and Supplier Development) and the SMME Infrastructure Support categories. Of the 10 projects initiated, seven (7) were implemented by the Enterprise Development (ED) unit and three (3) by the Regional and Local Economic Development (RLED) unit. The seven Booster Fund projects managed by the ED unit assisted 272 businesses. Assistance provided to 254 of these businesses included specialist training and accreditations, provision of equipment and machinery, business skills training, access to market assistance and market linkages, coaching and business mentoring. The unit in partnership with the Witzenberg municipality supported 10 businesses with trading space. The geographic locations of these businesses included areas such as Atlantis, Mbekweni, Athlone, Ceres, Groenheuwel, New Orleans, Mitchells Plain, Khayelitsha, Ottery, Grassy Park, and Mamre. Support was also provided to 8 businesses with trading space at the Long Street Kiosks for a period of 12 months. The Long Street Kiosks trading space enabled them to access new market opportunities in the Cape Town Central Business District (CBD). In conjunction with Seda, business development support (e.g., marketing, certification, access to markets (via the Export Marketing and Investment Assistance (EMIA) and financial clean-up) was provided. The collaboration between the Department and the South African Agricultural Academy for example, resulted in the launch of a new small holder farmer hospitality value chain which enabled these farmers to diversify and broaden their focus beyond primary production. It resulted in the establishment of eight brand new hospitality businesses where the emerging farmers use crops grown on their farms to process food. The Western Cape Entrepreneurship Recognition Awards (WCERA) provided support to the 12 winners who accessed both financial and non-financial support of over R1 million through direct contributions and sponsorships. The sponsorships enabled businesses to access non-financial support such as legal, accounting and tax services, mentorship and coaching, business management and bespoke training programmes. The unit managed to secure sponsorship from organisations such as PwC, False Bay TVET College, Innovator Trust, Pike Law, PUM, Taberer and V&A Waterfront. The unit partnered with the Departments of Transport and Public Works and Human Settlements in supporting businesses to become compliant and identify business opportunities in the public sector. Workshops were held in Parow, Gouda, Villiersdorp, George, Stellenbosch and Knysna. This initiative assisted 122 businesses. The Department (Enterprise Development and Municipal Economic Support units) in collaboration with Seda and the GRDM signed a Memorandum of Understanding over a three-year period to coordinate support initiatives to SMMEs in the region, in line with the broader District Development Model. The partnership resulted in a draft district ecosystem map, and the partnership is in the process of identifying potential projects and programmes that can be rolled out.
Outcome(s)	Improved ease of doing business.
Summary of contribution to outcome (s)	The initiatives of the unit (e.g. COVID-19 Business Relief Fund and the SMME Booster Fund) and their associated impact contributed towards the achievement of the Department's outcome.
Contribution to strategic priorities	Initiatives implemented by the Enterprise Development unit was geared towards achieving the strategic priorities of government with a focus on growing SMMEs and enabling the business ecosystem which contributed towards job creation and business expansion as a key priority of government. The initiatives are aligned to the Medium-Term Expenditure Framework, Provincial Strategic Plan and the Western Cape Recovery Plan. The interventions implemented by the sub-directorate focused on supporting businesses to develop their capacity and operations which enabled them to grow and create jobs.

Response to priority groups	The SMME Booster Fund 2021 strongly accentuated the focus on businesses that are owned by women, youth and people living with disabilities. To this end, businesses supported through the Fund were youth owned (49%), women-owned (54%) and people living with disabilities (2%).

Strategy to overcome areas of underperformance

Not applicable.

Sub-programme 2.2: Regional and Local Economic Development

Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 2.2: Regional and Local Economic Development								
Outcome	**Output**	**Output indicator**	**Audited Actual Perfor-mance 2019/20**	**Audited Actual Perfor-mance 2020/21**	**Planned Annual Target 2021/22**	**Actual achieve-ment 2021/22**	**Deviation from planned Target to Actual Achieve-ment 2021/22**	**Reasons for deviations**
Improved ease of doing business	Businesses assisted through municipal support interventions	2.2 Number of businesses assisted	New Indicator	New Indicator	50	52	2	Within the existing budget of the project, it was possible to assist 2 additional businesses.
	Municipal ease of doing business (EODB) interventions supported	2.3 Number of Municipal EODB interventions supported	New Indicator	6	5	5	-	-

Summary of sub-programme 2.2 achievements

Purpose	To create opportunities for jobs and inclusive growth across districts and local economies.
Significant achievements	• The unit focused its interventions on being responsive to the service delivery needs of municipalities along with providing a coordination support function to the Department that gives effect to the Joint District and Metro Approach (JDMA) and the district development model. • In collaboration with the Enterprise Development unit, the Regional and Local Economic Development unit implemented two Municipal Booster projects and a Business Chamber Support Programme. The Municipal Booster projects provided 10 small business with trading infrastructure in the Laingsburg and Cape Agulhas municipalities and the Business Chamber Programme supported 42 businesses with either mentorship and/or access to the online business hub for small business. • The unit developed and mapped for each district, first-level business support ecosystems that would guide activating public and private economic stakeholders to build municipal-business networks that unlocks local opportunity and investment for economic recovery of regions. • The unit implemented two pilot initiatives to strengthen and expand local ecosystems of business support. The first initiative done in partnership with the Enterprise Development unit guided the development of a Memorandum of Understanding with the Small Enterprise Development Agency (Seda) and the Garden Route District Municipality (GRDM) to coordinate support for local small businesses, and initiate increasing the scope and number of economic players active in the region. The outputs of this initiative include a mapped ecosystem, collaborative projects and the development of a case study that can be replicated in other districts. The second initiative targeted local private sector players (like local business chambers, organised business or sector-specific bodies, etc.) to do peer exchange on support for small business in localities and co-opt them to participate in institutionalising public-private collaboration with the municipalities, going forward. This initiative delivered a mapped ecosystem, collaboration plans and a case study for replication in other districts. • To provide a coordination support function to the Department, the unit delivered on the JDMA inter-governmental relation (IGR) responsibilities that gave effect to implementation of district economic recovery plans and projects in all districts. These plans were developed and successfully tabled with the national government as prescribed. The unit developed a spatial mapping of the Department's delivery footprint across the province and produced economic briefs for each district. The unit operationalised district economic clusters to ensure platforms for engagement and support are activated and that responsiveness to local level queries is maintained that promotes strengthening the municipal • Interface with national and provincial government.
Outcome(s)	Improved ease of doing business.
Summary of contribution to outcome(s)	The targets achieved address empowering municipal and local private sector in regions to create an environment that makes it easier for local small businesses to do business, stimulate economic activity and create jobs in the more rural areas of the province. It also addresses improving the effectiveness of the Department to deliver on its priority, ease of doing business.
Contribution to strategic priorities	The unit's initiatives were developed to advance Vision Inspired Priority 2: Growth and Jobs and promote spatial transformation of Vision Inspired Priority 4. Specifically, in the Medium-Term Strategic Framework the unit's work aligns to accelerating "ease of doing business" as a key pillar, and the priority of Jobs in the Western Cape Economic Recovery Plan. The projects implemented were deliberately focused on acknowledging that the private sector is the generator of jobs, and it is the role of the Department and its municipal support unit to assist in creating enabling conditions for jobs and livelihoods across regions in municipalities.
Response to priority groups	The unit in collaboration with the Enterprise development unit utilized the SMME Booster Fund 2021 to drive and accentuate the focus on businesses that are owned by women, youth and people living with disabilities. To this end, businesses supported through the municipal Booster projects include ones that are (30%) youth-owned and (40%) women-owned. Further, the unit in its public-private collaborative initiatives like business ecosystems in regions, emphasizes prioritization of these designated groups as beneficiaries.

Strategy to overcome areas of underperformance:
Not applicable.

Sub-programme 2.4: Red Tape Reduction

Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 2.4: Red Tape Reduction								
Outcome	**Output**	**Output indicator**	**Audited Actual Perfor-mance 2019/20**	**Audited Actual Perfor-mance 2020/21**	**Planned Annual Target 2021/22**	**Actual achieve-ment 2021/22**	**Deviation from planned Target to Actual Achieve-ment 2021/22**	**Reasons for deviations**
Improved ease of doing business	Ease of doing business interventions supported	2.4 Number of ease of doing business interventions supported	7	6	6	13	7	The overachievement is due to the Ease of Doing Business/ Red Tape Reduction being a priority in the Provincial and Departmental Economic Recovery Plan. As such, resources (financial and human were allocated to drive outputs and outcomes for maximum SMME benefit post COVID-19.
	Enquiries Resolved	2.5 Percentage of enquiries resolved	New Indicator	New Indicator	85%	91% (639/703)	6%	Overachievement is due to various interventions employed to drive the resolution rate. Interventions include training workshops with officials across the department and the implementation of SOP's regarding case management.
	Regulatory reviews conducted	2.6 Number of regulatory reviews conducted	New indicator	New indicator	4	5	1	This is a demand led indicator; therefore the programme responded to all relevant EoDB regulatory calls for comment hence overachievement.

Summary of sub-programme 2.4 achievements

Purpose	To improve the business environment by reducing the regulatory burden on businesses through improved legislation, processes and communication.
Significant achievements	**A. Number of ease of doing business interventions supported** The unit supported numerous EODB interventions with the purpose of creating an enabling environment in which to do business. These are detailed below. 1. Port: Ship Repair Workshop Stakeholders engaged each other and agreed on a joint programme of action to rebuild the industry. An Integrated Ship Repair Forum was established to implement the joint programme of action, which includes immediate, medium term and longer-term interventions. 2. Port: Stakeholder Workshop Businesses were given the opportunity to engage each other and Transnet constructively, specifically on the expectations of growth in export cargo volumes and the need for improved cargo handling capacity in the container terminals. 3. Port: Research Findings Webinar In 2020/21 FY the RTRU procured two service providers to conduct action research. The first study was on data integration for container exports and the second was on the root causes of truck congestion. After completion, the results were presented to the relevant operating divisions of Transnet, where the recommendations for improved service delivery and efficiency were adopted. The Chief Executive of Transnet National Ports Authority responded and confirmed that the recommendations are being implemented. Recommendations included improved alignment between the container handling process in the terminal and the number of containers that are being delivered for export. With reference to reduced truck congestion, the recommendations included better utilization of night shifts and enhanced (real-time) communication between truck drivers and gantry operators in the terminal. 4. Eloqua Communication System for business purposes This is a powerful tool to streamline communication and mass distribution of government communiques. This will lead to time saving and sanitized information to businesses and enhanced stakeholder management. Furthermore, the Department will be able to keep track of data analytics and reach in terms of the number of emails sent, received and opened. 5. Improved regulations on Drones and Unmanned Aerial Vehicles This will lead to an innovative business environment that will attract investors to an area as this typically closed market segment now becomes accessible to businesses. 6. Regulatory compliance framework: provincial export strategy The unit conducted a high-level review of the regulatory system governing the export of fresh fruit, wine and fish products from the Western Cape, focusing on constraints impacting exporters in the above sectors and identifying opportunities for reducing the bureaucratic red tape affecting the efficiency and growth of the sector. 7. Submissions to national government on remote working visa The unit made submissions to the national departments of Home Affairs and Tourism advocating for reforms to be made within the existing immigration regime to account for digital nomads/remote workers to be able to stay for longer periods in South Africa, thereby contributing meaningfully to a struggling tourism industry. 8. Submission to national government on the processing of permanent residency permits The unit petitioned the Department of Home Affairs with regards the then recently promulgated Directions suspending the processing of permanent residence applications. The submission emphasised that the decision to suspend the processing of applications was administratively flawed and requires immediate reversal if South Africa intends to attract highly skilled workers and foreign investors. 9. Regulatory compliance framework: provincial export strategy The unit conducted a high-level review of the regulatory system governing the export of fresh fruit, wine and fish products from the Western Cape, focusing on constraints impacting exporters in the above sectors and identifying opportunities for reducing the bureaucratic red tape affecting the efficiency and growth of the sector.

Significant achievements	10. Submissions to national government on remote working visa. The unit made submissions to the national departments of Home Affairs and Tourism advocating for reforms to be made within the existing immigration regime to account for digital nomads/remote workers to be able to stay for longer periods in South Africa, thereby contributing meaningfully to a struggling tourism industry. 11. Submission to national government on the processing of permanent residency permits. The unit petitioned the Department of Home Affairs with regards the then recently promulgated Directions suspending the processing of permanent residence applications. The submission emphasised that the decision to suspend the processing of applications was administratively flawed and requires immediate reversal if South Africa intends to attract highly skilled workers and foreign investors. 12. Submission to ITAC on Notice 508: Increase in Rate of Duty. After a review of Notice 508, and after consultation with affected industry stakeholders, the unit made a submission to ITAC underlining that the 20% tariff increase represents an irrational response to the threats highlighted by local producers; and that alternatives should accordingly be explored to protect the commercial viability of upstream suppliers such as Mondi, as well as the downstream users. 13. Drakenstein Municipality: The unit conceptualised and oversaw the development of an integrated online property development application tool to eliminate hardcopy applications (i.e., land use, building control, financial, property etc.) to improve the Municipality's existing data model and business processes within the Collaborator Foundation Software System. 14. George Municipality: The unit managed the expansion of the Online Building Control Module and Portal, with the addition of four (4) processes, namely: - Portal and expanded module for Land Use Applications; - Outeniqua Sensitive Conservation Area permitting for Environmental Management; - Register for Lease and Alienation of Council Property; and - Section 28 endorsements and certificates for transfers. 15. Hessequa Municipality: The unit project managed the development of an Electronic Town Planning and Building Control Geographic Information System (GIS System) This allows for the seamless integrated between the financial, valuation, zoning register, building control and GIS systems in the Municipality and allowing the archiving of all records relating to property information and administration. 16. Knysna Municipality: The unit managed the development of a Heritage Resources Inventory and Heritage Digital Tool funding for the compilation of a Heritage Resources Inventory and the development of a Heritage Digital Tool that complies with the Regulation of Building Aesthetics and Heritage By-Law at the Knysna Municipality. **B. Enquiries resolved** The Business Support Helpline Service recorded 703 cases, 639 of which were closed, with 64 in progress. The Helpline exceeded its annual target of 85% by achieving a 91% resolution rate for enquiries logged. The satisfaction rate, after surveys were conducted with assisted businesses, stands at 80%. **C. Number of regulatory reviews conducted** The unit commented on multiple pieces of draft legislation, submitting proposals that ensure legislation supports a more effective and business-friendly regulatory environment. These are outlined below. 1. Comments on Preservation and Development of Agricultural Land Bill Comments were submitted to provincial legal services for consolidating and final submission to the Department of Agriculture, Land Reform and Rural Development. Comments highlighted some glaring issues which require addressing before the Bill is passed and provided actionable recommendations that lend toward improved national regulation of agricultural land and a more meaningful contribution toward Ease of Doing Business for farmers. 2. Comments on Companies Amendment Bill Comments were submitted to the Department of Trade, Industry and Competition proposing that a socio-economic impact assessment is conducted to identify and address many of the unintended consequences and challenges posed by the Bill.

Significant achievements	3. Comments on Gas Amendment Bill Comments were submitted to the Department of Mineral Resources recommending clause 13 of the Bill be declared constitutionally invalid insofar as it does away with the requirements of transparency and accountability on the part of state-controlled entities. 4. Comments on Outdoor Advertising By-law Professional expertise was procured to assist in assessing the economic impact of the draft By-Law on Outdoor Advertising and provide suitable recommendations to ensure a streamlined by-law does not unnecessarily burden business. The findings of the assessment were, accordingly, submitted to the CoCT highlighting the problematic structuring of the By-law was found to be too complex and difficult to follow, which had the effect of adding a significant regulatory burden for the average applicant. A clause-by-clause analysis of the By-law also found that between 8% and 12% of the by-law clauses have unsupported red tape; with potential economic opportunities entirely outweighed by the economic constraints (making up between 30% and 43% of all constraints caused by the by-law). 5. Comments on Plant Health (Phytosanitary) Bill Comments were submitted to the Department of Agriculture, Land Reform and Rural Development underscoring the value of an efficient phytosanitary regime in facilitating trade and attracting long-term foreign investors into the economy. It was ultimately submitted that plant health legislation should be clear in its intent to promote economic development and the interests of business. Adopting globally accepted norms and stands such as the SPS was put forward as an important enabler of trade between South African businesses and foreign markets.
Outcome(s)	Improved ease of doing business.
Summary of contribution to outcome(s)	The removal of red tape will lead to cost savings/economic benefits to both government and officials. Cost savings may take the form of savings in terms of time and/or actual cost and/or complexity if recommendations are adopted. This rand value will be quantified during FY 2022/23.
Contribution to strategic priorities	According to the Medium-Term Strategic Framework the unit's work is rooted in the in the priority "More decent jobs sustained and created". Additionally, the unit's interventions find relevance in the provincial strategic plan, Vision Inspired Priority 2: Growth and Jobs. Lastly, "accelerate ease of doing business" is a key pillar in the province's Economic Recovery plan under the Jobs priority as well as being a key focus area in the Department's economic recovery plan.
Response to priority groups	Not applicable.

Strategy to overcome areas of underperformance

Not applicable.

Linking performance with budgets

During the 2021/22 financial year, an amount of R53.676 million was allocated to the Programme of which the actual expenditure amounted to R53.204 million. This translates into actual expenditure of 99.1% of the Programme's total budget. An overview of the funds spent per economic classification is as follows:

- Compensation of Employees accounted for R18.379 million or 34.5% of total expenditure,
- Goods and Services accounted for R5.846 million or 11.0% of total expenditure,
- Transfers and Subsidies accounted for R28.782 million or 54.1% of total expenditure, and
- Payment for Financial Assets Expenditure amounted to R75 000 or 0.1% of total expenditure.

Sub-programme Name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Enterprise Development	23 052	22 942	110	65 429	65 423	6
Regional and Local Economic Development	16 720	16 718	2	11 261	11 251	10
Red Tape Reduction	13 904	13 544	360	12 687	12 681	6
Total	**53 676**	**53 204**	**472**	**89 377**	**89 355**	**22**

4.3 PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

Purpose

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

Programme structure

Sub-programmes	Purpose
Sub-programme 3.1: Trade and Investment Promotion	To provide resources to the tourism, trade and investment-promotion public entity to enable it to deliver on its mandate, as defined in the Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996), as amended.
Sub-programme 3.2: Sector Development	To stimulate economic growth in tradable sectors through tangible programmes, industry support measures and the implementation of plans and strategies that will result in economic growth and job creation through the growth of export activities and increased investments into prioritised sectors of the Western Cape economy.
Institutional Outcomes	
Programme 3 contributes to the following institutional outcomes	· Increased exports. · Increased rand value of investment.

Sub-programme 3.1: Trade and Investment Promotion

Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 3.1: Trade and Investment Promotion								
Outcome	**Output**	**Output indicator**	**Audited Actual Perfor-mance 2019/20**	**Audited Actual Perfor-mance 2020/21**	**Planned Annual Target 2021/22**	**Actual achieve-ment 2021/22**	**Deviation from planned to Actual Achieve-ment 2021/22**	**Reasons for deviations**
Increased Exports	Oversight of Wesgro Trade Promotion	3.1 Number of Trade Promotion oversight reports compiled	New Indicator	4	4	4	-	-
Increased rand value of investment	Oversight of Wesgro Investment Promotion	3.2 Number of Investment -Promotion oversight reports compiled	New Indicator	4	4	4	-	-

Summary of sub-programme 3.1 achievements

Purpose	To provide resources to the tourism, trade and investment promotion public entity to enable it to deliver on its mandate, as defined in the Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996), as amended.
Significant achievements	The Department provides operational funding to Wesgro for trade and investment-promotion activities via a transfer payment agreement. The Department has effectively exercised its oversight role over the entity through extensive reviews of Wesgro's business plans, regular meetings between Wesgro and DEDAT teams as well as quarterly reviews of Wesgro's performance and expenditure. The Entity's performance has been supported and specific achievements by Wesgro include: • 61 trade agreements signed for the financial year by Wesgro's Export -Promotion team. • Estimated rand value of trade agreements signed to the amount of R2 billion. • 320 jobs facilitated from trade agreements signed. • Eight committed investments projects for the financial year by Wesgro's Investment-Promotion team. • R5.915 billion worth of committed investments. • 4 445 jobs facilitated into the Province as a result of committed investments. Finalisation of the Western Cape Export Strategy which was developed jointly by DEDAT and Wesgro.
Outcome(s)	• Increased Exports, and • Increased rand value of investment.

Summary of contribution to outcome(s)	The Department provided strategic direction to the Entity in relation to the development of the investment and export strategies which will drive the policy position of boosting exports and investment over the next 5 to 10 years. In addition to the strategy-development activities, the Programme is responsible for the oversight over the Entity in order to ensure that the investment and export-promotion mandate - which is executed by Wesgro - is done in accordance with the APP, TPA and business plans. The achievements of Wesgro over the last financial year have contributed to increasing the foreign direct investment and directing domestic investment into the Western Cape which is critical not only for achieving the five-year outcomes but also economic recovery post COVID-19. The activities of Wesgro and the Department has resulted in achievement of R5.915 billion worth of committed investments over the 2021/22 financial year with a strong pipeline of investments to follow. Apart from investment, the export activity from the Western Cape has grown. The objective of this includes increasing international and domestic tourism to the Province, which has partially recovered since the onset of COVID-19. The export activity and tourism arrivals are set to increase in the next financial year as travel bans and global value chain disruptions stabilise.
Contribution to strategic priorities	The boosting of export and investment activities is aligned with the South African Economic Reconstruction and Recovery Plan (2021) as well as the NDP (2013). Wesgro Trade and Investment-promotion contributed to the achievement of VIP 2, the PSP and the WC Recovery plan with a specific focus on boosting exports, investment and job creation, through: • 61 trade agreements signed and 320 jobs facilitated from trade agreements signed. • 8 investment projects realised and 4 445 jobs facilitated. Through its oversight function, the Department ensures that there is alignment between Wesgro's and DEDAT's strategic priorities that are outlined in Wesgro's business plans. The Department conducted quarterly oversight of Wesgro's performance through various mechanisms in order to monitor performance and review. Oversight reports were submitted on a quarterly basis - by the Programme - in this regard.
Response to priority groups	Not applicable.

Strategy to overcome areas of underperformance

There has been no underperformance from the sub-programme in terms of its APP indicators as all targets have been met.

Any performance relating to Wesgro will be reported in the Entity's Annual Report.

Sub-programme 3.2: Sector Development

Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 3.2: Sector Development								
Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual achievement 2021/22	Deviation from planned Target to Actual Achievement 2021/22	Reasons for deviations
Increased Exports	Sector Development Initiatives Supported	3.3 Number of sector initiatives supported	New Indicator	9	8	8	-	-

Summary of sub-programme 3.2 achievements

Purpose	To stimulate economic growth in tradable sectors through tangible programmes, industry-support measures and the implementation of plans as well as strategies that will result in economic growth and job creation. This will be realised through the growth of export activities and increased investments in prioritised sectors of the Western Cape economy.
Significant achievements	**Agri-processing** The support provided by the Department to the Agro-processing sector has been guided by three principles: stakeholder engagements, sub-sector analysis and facilitation. Thus, the agro-processing work plan was the culmination of a set of iterative consultations as well as analytical and facilitation work done by the Department. During this period, the Department supported food processing, beverages and the natural product sectors, and responded to trade barrier enquiries. Achievements: • Facilitated engagements to ensure a more efficient flow of information as well as more collaboration with private, government and across related sectors. • Completed sub-sector analysis covering the Food-processing, Beverages (including Wine) and Natural Products. • Prepared an economic analysis to provide an economic case to mitigate proposed policy measures that may impact the alcohol industry. • Dealt with several export trade barriers that serve as key constraints in accessing international markets. The achievements for the period under review include the following: - Establishing partnerships with National Government departments and agencies in addressing international trade barriers. - Establishing a working relationship with the dtic to operationalise the Export Barrier Monitoring Mechanism (EBMM). - Dealing with the listing of oysters in China. - Facilitation of the addressing of delays in the port of Cape Town of Rooibos containers destined for export markets. - Advocating for the finalisation of pending inspections for live horses to be exported to EU countries. - Supporting the opening of the Russian market for aquaculture products. - Attending to Rooibos consignments to China based on the gazetted tariffs, and - Facilitating the gathering and sharing of information with regard to fish export requirements and accreditation for the US market.

Significant achievements	**Manufacturing sector** The Manufacturing Industry Development Unit built relationships and collaborated with strategic stakeholders in the respective sub-sectors to grow and develop the manufacturing sector. The Manufacturing Unit led and participated in the following interventions: • Task Team member of the Mossel Bay Oil and Gas Forum that will be established to develop the oil and gas industry in the Garden Route region. • Steering Committee members of the Western Cape Maritime Cluster that was registered as a NPO and will implement initiatives to grow the maritime industry in Cape Town, West Coast and the Garden Route. • Participating in the establishment of an integrated Ship Repair Industry Forum for the Western Cape. • The Department operated closely with Wesgro and tertiary institutions (US and UCT) to identify specific initiatives to grow the Health Technology Industry. • Completed sub-sector analysis for the Marine Manufacturing and Associated Services and Clothing, Textile, Footwear and Leather industry. • Participated in the New Way of Work focusing on Sector Support and Growth. • Participated in and contributed to the drafting of the Export Strategy. • Contributed to the drafting of the Oceans Economy Master Plan with the focus on: - Marine Manufacturing and Repairs, and - Offshore Oil and Gas sectors. **Services Sector Development Unit** The Unit built relationships and collaborated with strategic stakeholders in the respective sub-sectors to grow and develop the services sector. The Services Unit participated in the following interventions: • Establish district-specific film platforms to improve the coordination of efforts across the Western Cape, • Established an investment task team that improved the Western Cape's eco-system as well as improved alignment and coordination between DEDAT, Wesgro, ASEZ, SBIDZ and the City of Cape Town, • Developed a draft investment dashboard utilising Power BI to have an updated central dashboard to show investment activities within the Western Cape across all three public entities, and • Resolved numerous queries regarding film permits, visa requests etc., to assist with the EODB within the sector.
Outcome(s)	• Increased Exports, and • Increased rand value of investment.
Summary of contribution to outcome(s)	Supported the implementation of the New Way of Work through the following: • Investment Strategy, • Export Strategy, and • Sector Support and Growth Initiatives.
Contribution to strategic priorities	The sub-programme is aligned with the National Development Plan, IPAP, Sector Master Plans as well as the South African Economic Reconstruction and Recovery Plan. The sub-programme facilitated sector support Initiatives in line with VIP 2 as well as the Jobs theme in the Western Cape Recovery Plan. The sub-programme also participated in, and contributed to, the implementation of the Recovery Plans through the following: • COVID-19 Economic Cluster Initiatives • COVID-19 Hotspot Management
Response to priority groups	Not applicable.

Strategy to overcome areas of underperformance

Not applicable.

Linking performance with budgets

During the 2021/22 financial year, an amount of R73.990 million was allocated to the Programme of which the actual expenditure amounted to R73.976 million. This translates into actual expenditure of 100.0% of the Programme's total budget. An overview of the funds spent per economic classification is as follows:

- Compensation of Employees accounted for R11.197 million or 15.1% of total expenditure,
- Goods and Services accounted for R550 000 or 0.7% of total expenditure, and
- Transfers and Subsidies accounted for R62.227 million or 84.1% of total expenditure.

Sub-programme Name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Trade and Investment Promotion	62 113	62 113	-	59 965	59 965	-
Sector Development	11 877	11 863	14	9 986	9 377	609
Total	**73 990**	**73 976**	**14**	**69 951**	**69 342**	**609**

4.4 PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Purpose

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

Programme structure

Sub-programmes	Purpose
Sub-programme 4.1: Consumer Protection	To contribute to the creation of an enabling business environment that empowers small business and entrepreneurs to develop and grow.
Institutional Outcomes	
Programme 4 contributes to the following institutional outcome	An improved environment conducive to fair business practice and informed consumers.

Sub-programme 4.1: Consumer Protection

Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 4.1: Consumer Protection								
Outcome	**Output**	**Output indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Target 2021/22**	**Actual achievement 2021/22**	**Deviation from planned Target to Actual Achievement 2021/22**	**Reasons for deviations**
An improved environment conducive to fair business practice and informed consumers	Consumer education interventions conducted	4.1 Number of consumer education interventions conducted	152	329	240	292	52	This is a demand led indicator. As a result of COVID-19 the various stakeholders and partners of the OCP approached Department for workshops and/or information sessions on the topics of financial literacy and debt management.
	Complaints resolved within 90 days	4.2 Percentage of complaints resolved within 90 days (total complaints resolved within 90 days/total complaints received)	New Indicator	87%	75%	93% (1 250/1 342)	18%	A willingness from businesses to resolve disputes timeously resulted in the early resolution of disputes.

Summary of sub-programme 4.1 achievements

Purpose	To develop, implement and promote measures that ensure the rights and interests of all consumers.
Significant achievements	**Consumer Education outputs:** The sub-programme has, despite resource and other constraints, managed to exceed the target set for conducting consumer education campaigns within the Province. The campaigns that were conducted focused on important consumer protection topics which were relevant for all consumers, especially in light of the challenging economic conditions caused by the COVID-19 pandemic. A vast number of consumers had unfortunately either lost their source of employment or were placed in conditions that negatively affected their salaries. This resulted in many affected consumers experiencing challenges with debt management as credit providers would still pursue the debt owed despite the personal circumstances of consumers. The interventions from the sub-programme were therefore crucial since consumers could - by virtue of the interventions conducted - engage with relevant stakeholders and obtain support via the interventions of the sub-programme. A total of 292 interventions were conducted during the 2021/22 financial year, many of which were face -to-face interactions especially during quarters 3 and 4. **Complaints Management outputs:** The sub-programme has performed exceptionally well within the complaints management component. A total of 1 342 complaints were received from consumers during the 2021/22 financial year and a total of 1 250 were resolved. The Unit has therefore managed to ensure that 93% of consumer complaints lodged for investigation were resolved within a period of 90 days. The resolution of these matters reflects a finalisation of the dispute and is not necessarily a resolution in favour of the consumer. All disputes are finalised based on factual and legal merit. Invariably some matters submitted by consumers are not resolved in their favour since these lack merit. The results achieved by the Unit, however, indicate that the turnaround time for the resolution of disputes was above average and is commendable. The COVID-19 Business Safety Non-Compliance initiative was developed and implemented by the Department to provide a one-stop platform for citizens to report complaints of alleged non-compliance with protocols against, among other, businesses, work environments as well as to notify the Government of a risk to public health. During the 2021/22 financial year, the OCP continued to manage this initiative in terms of the Standard Operating Procedure established in 2020/21. The objective of the project - to reduce community infection spread and enable businesses to stay open through reductions in workplace infections - was attained to illustrate how businesses could manage COVID-19 responsibly. A total of 1 817 reports of non-compliance were received during the year. The OCP was supported by Digital Economy which developed an automated system for collecting, collating and dealing with complaints of business. Non-compliance to COVID-19 protocols was also established. The identification of non-compliance was not only treated as a punitive measure, but also as a way to engage with business and support improvements to workplace safety and compliance.
Outcome(s)	An improved environment conducive to fair business practice and informed consumers.
Summary of contribution to outcome(s)	The sub-programme's interventions within the consumer education and alternative dispute resolution sphere have contributed to establishing a fair transactional environment between business and consumers. The services have also contributed to ensuring that effective and efficient citizen-focused service delivery has taken place. Consumers have - via the sub-programme - been allowed to access effective consumer redress at no cost to themselves. Business has also benefitted from the service since expensive and time-consuming litigation has been avoided.

Contribution to strategic priorities	The sub-programme has made an effective contribution towards the Department's strategic priorities including the MTSF, PSP and the WCRP especially in light of the work done with consumers who experienced financial challenges owing to COVID-19. The sub-programme ensured that assistance was provided to citizens either by way of providing information and guidance on how to address certain matters or by channelling consumers to other regulatory authorities that could provide direct assistance. The sub-programme has also, through its Complaints Management unit, ensured that the transactional environment between consumers and business is regularised.
Response to priority groups	The sub-programme has initiated specific consumer education interventions where priority categories of consumers are identified. In this regard the sub-programme's consumer education interventions were attended by 2 134 women, 1 653 youths, 107 persons with disabilities and 373 elderly citizens. The interventions focused on specific consumer-protection topics that were relevant to the identified target group.

Strategy to overcome areas of underperformance

Not applicable.

Linking performance with budgets

During the 2021/22 financial year, an amount of R9.580 million was allocated to the Programme of which the actual expenditure amounted to R9.392 million. This translates into actual expenditure of 98.0% of the Programme's total budget. An overview of the funds spent per economic classification are as follows:

- Compensation of Employees accounted for R7.558 million or 80.5% of total expenditure, and
- Goods and Services accounted for R1.834 million or 19.5% of total expenditure.

Sub-programme Name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Consumer Protection	9 580	9 392	188	7 299	7 248	51
Total	**9 580**	**9 392**	**188**	**7 299**	**7 248**	**51**

4.5 PROGRAMME 5: ECONOMIC PLANNING

Purpose

The purpose of this Programme is to provide support to the provincial leadership and enable economic growth through the generation and coordination of economic research as well as planning. This is also provided through the active support of key economic thematic drivers and enablers that will stimulate economic growth across the economy as well as within sections of the economy.

Programme structure

Sub-programmes	Purpose
Sub-programme 5.1: Economic Policy and Planning	To support and develop provincial economic policies and strategies.
Sub-Programme 5.2: Research and Development	To conduct economic research. Note: The outputs of sub-programmes 5.1 and 5.2 are combined in the Annual Performance Plan and will be reported as such in the Annual Report.
Sub-programme 5.3: Knowledge Management	To facilitate the coordination of the economic eco-system and economic advocacy.
Sub-programme: 5.4: Monitoring and Evaluation	The activities for Sub-programme 5.4: Monitoring and Evaluation were incorporated into Sub-programme. 5.2: Research and Development.
Sub-programme 5.5: Enabling Growth Infrastructure and Initiatives (aka Catalytic Initiatives)	To develop and/or stimulate an enabling economic environment through catalytic interventions and infrastructure.
Sub-programme 5.6: Broadband for the Economy (aka Digital Economy)	To support and stimulate the usage, readiness and accessibility of digital technology by citizens and businesses.
Sub-programme 5.7: Green Economy	To stimulate the development of the green economy and associated industries and to facilitate improved resource-efficiency as well as sustainability to enhance thecompetitiveness and resilience of the whole economy.
Institutional Outcomes	
Programme 5 contributes to the following institutional outcomes	• Increased exports • Increased rand value of investment • Resource resilience of the economy improved

Sub-programme 5.1: Economic Policy and Planning
and
Sub-Programme 5.2 Research and Development
Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 5.1: Economic Policy and Planning Sub-Programme 5.2 Research and Development								
Outcome	**Output**	**Output indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Target 2021/22**	**Actual achievement 2021/22**	**Deviation from planned Target to Actual Achievement 2021/22**	**Reasons for deviations**
Increased exports	Economic research on policy and planning reports developed	5.1 Number of research reports developed	10	10	5	5	-	-

Summary of sub-programmes 5.1 and 5.2 achievements

Purpose	5.1 To support and develop provincial economic policies and strategies. 5.2 To conduct economic research.
Significant achievements	The Unit produced five substantive verifiable reports as mentioned below (as well as producing a number of responsive outputs). The five reports linked to its role - of supporting evidence-based planning, strategy and policy development – of enabling growth of the economy and job creation were: • Strategic Analysis of the Quarterly Labour Force Survey (QLFS) 2021Q1: Provides an analysis of the Western Cape's labour force and speaks to its trends. • Strategic Analysis of the Quarterly Labour Force Survey (QLFS) 2021Q2: Provides an analysis of the Western Cape's labour force and speaks to its trends. • Western Cape Manufacturing Overview (April 2021): Provides an analysis of the Western Cape's Manufacturing sector. • Briefing to HOD: Medium-Term Budget Policy Committee (MTBPC), 2022: A detailed document on a range of policy areas covered by the MTBPC process. • Western Cape Economic Intelligence Review (WEIR): An insightful overview of pertinent policy areas and economic intelligence covering vaccine roll-out, high-frequency data and the emergence of the Omicron variant.
Outcome(s)	Increased exports.
Summary of contribution to outcome(s)	The Unit's contribution to understanding how exports can be grown through supporting the development of the Western Cape export strategy as well as understanding challenges to trade within the research conducted in the Growth Diagnostic.
Contribution to strategic priorities	The Unit's role in supplying data and supporting governance is geared towards what has been identified as an enabler in the Western Cape Recovery Plan. Therefore, it supports all the strategic priorities of an accelerate Ease of Doing Business, boosting investment and exports, boosting infrastructure, scaling up of work opportunities and skills for people without jobs as well as economic resilience.
Response to priority groups	Not applicable.

Strategy to overcome areas of underperformance:
Not applicable.

Sub-programme 5.3: Knowledge Management

Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 5.3: Knowledge Management								
Outcome	**Output**	**Output indicator**	**Audited Actual Perfor-mance 2019/20**	**Audited Actual Perfor-mance 2020/21**	**Planned Annual Target 2021/22**	**Actual achieve-ment 2021/22**	**Deviation from planned Target to Actual Achieve-ment 2021/22**	**Reasons for deviations**
Increased rand value of investment	Partnerships established and strengthened	5.2 Number of partnerships established/ strengthened	New Indicator	25	15	15	-	-

Summary of sub-programme 5.3 achievements

Purpose	To facilitate the coordination of the economic eco-system and economic advocacy.
Significant achievements	The COVID-19 pandemic offered a catalyst to broaden and strengthen the WCG's relationships with key economic stakeholders within the eco-system so sharing information and economic intelligence, building partnerships and leveraging resources towards a common objective of weathering the economic negative impact of the pandemic on the economy as well as building resilience. In this respect, the following has been achieved: • Forged 14 partnerships with corporate private sector stakeholders to support and broaden the reach of the vaccination programme for workforces. • Provided regular updates on COVID-19-related regulations and legislation to ensure awareness and understanding that could enable the cost-effective application and inform lobbying efforts. • Regularly engaged with economic stakeholders in a way that resonates with businesses and economic actors. • Worked collaboratively with other WCG Departments and relevant organisations - B4SA, EDP, Wesgro, industry/sector bodies and the private sector - to enable the broader WCG Vaccine roll-out approach to be implemented. • Additionally, the partnership with the Western Cape Economic Development Partnership was strengthened so allowing the EDP to foster partnerships in order to enhance economic recovery and job creation efforts in the Western Cape.
Outcome(s)	Increased rand value of investment.
Summary of contribution to outcome(s)	Support Investment and exports eco-system towards growth and job creation The sub-programme contributes to the investments and exports outcome and seeks to build capability, capacity and competitiveness of the economy for the purposes of investment recruitment and export growth.
Contribution to strategic priorities	By supporting and partnering with business and other economic stakeholders to navigate the negative impact that COVID-19 has had on the economy as well as assisting employees to remain healthy, the sub-unit seeks to protect investment and support the competitiveness of business. This is aligned to the 'Investments and exports' strategic priority of the MTSF, PSP and WC Recovery Plan.
Response to priority groups	Not applicable.

Strategy to overcome areas of underperformance:

Not applicable.

Sub-programme 5.4: Monitoring and Evaluation

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

Sub-programme 5.5: Enabling Growth Infrastructure and Initiatives (aka Catalytic Initiatives)

Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 5.5: Enabling Growth Infrastructure and Initiatives								
Outcome	**Output**	**Output indicator**	**Audited Actual Perfor-mance 2019/20**	**Audited Actual Perfor-mance 2020/21**	**Planned Annual Target 2021/22**	**Actual achieve-ment 2021/22**	**Deviation from planned Target to Actual Achieve-ment 2021/22**	**Reasons for deviations**
Increased rand value of investment	Catalytic infrastructure projects supported	5.3 Number of catalytic infrastructure projects supported	6	5	5	5	-	-

Summary of sub-programme 5.5 achievements

Purpose	To develop and/or stimulate an enabling economic environment through catalytic interventions and infrastructure.
Significant achievements	**Saldanha Bay Industrial Development Zone (SBIDZ)** - The entity has built up a robust investor pipeline which has seen a growing number of tenant leases for setting up operations within the zone. - The SBIDZ's most significant commercial target – number of signed tenant and operator lease agreements – was attained in 2021/22 (signed: 8) and exceeded in 2021/22 (target: 8, signed 15). - The construction of a third investor facility within the SBIDZ was successfully completed during the year. - The SBIDZ created 763 jobs and enabled GDP contribution of R462 million. **Atlantis Special Economic Zone (ASEZ)** - The listing of the ASEZ Co as a PGBE was the key highlight for the ASEZ in the past financial year. As a result of its listing as a company, the ASEZ Co was able to record the land on its balance sheet. - R171 million Investment value was recruited and 25 jobs created. Through the public sector innovation drive, successful integration and participation in the Policy & Strategy Community of Practice occurred, with the result that there was an establishing of the Department as a collaborator, influencer and promoter of innovation in the regional public HEIs, the WCG, industry and broader ecosystem. The Western Cape Design and Innovation Seed fund has supported four innovators towards commercialisation and has already enabled the creation of 256 jobs and R129 million private sector funding leveraged to support innovation.
Outcome(s)	Increased rand value of investment.
Summary of contribution to outcome(s)	R171 million was invested by existing companies in the ASEZ.
Contribution to strategic priorities	In supporting the ASEZ and SBIDZ to recruitment investment and create 50 and 763 jobs respectively, the sub-directorate aligns to the 'Investment and export' Strategic Objective of the MTSF, PSP and WCRP.

Response to priority groups	ASEZ skills and enterprise development programmes address both youth and women. Skills development is offered at high school level, as well as to young persons who have left school. The early childhood development (ECD) practitioner training business programme is aimed specifically at women; 50% of the participants in the technical training programmes offered in the last financial year are women. Similarly, participants in the financial management courses include women-owned businesses.

Strategy to overcome areas of underperformance:

Not applicable.

Sub-programme 5.6: Broadband for the Economy (aka Digital Economy)

Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 5.6: Broadband for the Economy								
Outcome	**Output**	**Output indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Target 2021/22**	**Actual achievement 2021/22**	**Deviation from planned Target to Actual Achievement 2021/22**	**Reasons for deviations**
Increased rand value of investment	Digital economy projects supported	5.4 Number of digital economy projects supported	7	8	5	5	-	-

Summary of sub-programme 5.6 achievements

Purpose	To support and stimulate the usage, readiness and accessibility of digital technology by citizens and businesses.
Significant achievements	The Digital Economy unit supported five projects over the course of the 2021/22 financial year. The outcomes of these projects addressed broadband access, digital skills and digital usage of citizens and businesses within the province plus internal capacitation. • **The I-CAN Centre in Elsies River** continued to provide citizens with access to training opportunities in digital literacy. Even with the challenges of the prevailing COVID-19 restrictions the following was accomplished: 90 new registered members to a total of 3 461 members, continued provision of free uncapped high-speed public Wi-Fi access, 524 free training opportunities and 695 subsidized user-paid training opportunities. Beneficiaries included citizens from the local community and the broader Cape Town metro. • In parallel, **the I-CAN Learn project** via its self-paced online/virtual learning platform was able to register 255 new members who collectively completed 871 modules of online training in basic digital skills. This project has matured and is moving to a stage of decommissioning as, inter alia, our partners cannot support the programme. • **The Khayelitsha Bandwidth Barn** continued to provide enterprise development interventions and programmes empowering entrepreneurs through ICT enablement, and assisting them to compete in challenging markets by adopting digital practices and technologies in their businesses. These entrepreneurs were from Khayelitsha and surrounding communities. The ongoing pandemic and frequent lockdown level adjustments, together with the poor condition of the building's roof, negatively impacted the SMMEs and Informal Traders in the community that the Khayelitsha Bandwidth Barn services. However, businesses continue to recover and pivot to survive the difficult socio-economic climate and the facility provided assistance and support to a total of 329 businesses across the year.

Significant achievements	• The intention to explore an alternative permanent institutional arrangement for **JUMP** (Digital Business Toolkit) as a collaborative platform was the primary focus for the year. The majority of the time was spent considering institutional options and identifying a suitable long term enablement partner to provide a new 'permanent home' for JUMP. A suitable public sector partner was found and they have shown a keen interest in incorporating JUMP into their own digital strategy of developing a national digital solution for SMME support. At the close of the financial year, JUMP had grown to a total of 6 544 user accounts, an increase of 405. • Through the **Digital DEDAT 2.0** initiative, the unit continued to drive the adoption of digital technologies within DEDAT. A total of sixteen initiatives in the areas of data management, analysis, reporting, POPIA management and ICT SteerCom matters were worked on in this financial year. It should be noted that circa 70% of the time of the Digital Economy team was spent supporting other Programmes and priority areas in DEDAT for this year. This included the Business Facing Government Services, Port of Cape Town, Communications and MER priority areas.
Outcome(s)	Increased rand value of investment.
Summary of contribution to outcome(s)	Through the efforts of the Digital Economy unit, opportunities were made available for people, especially young people, to learn digital skills and use digital devices so that they are skilled for the needs of the future economy. Through the promotion of digital technologies, the Department has become increasingly data aware and data driven in its approaches to decision making. Furthermore, having initiated the positioning of the Western Cape as Africa's Tech Capital, the Programme continues to be active in supporting Wesgro with respect to prospective ICT and tech investors.
Contribution to strategic priorities	PSP: VIP 2 identified making digital skills a priority so that our people, especially young people, are skilled for the needs of the future economy. The Digital Economy unit contributed to upskilling citizens, providing access to information and opportunities, and making spaces available for businesses to be established and grow. In support of innovation and culture (PSP: VIP 5), and the importance placed in the WC Recovery Plan on delivering services via digital platforms and being able to continue operations using digital technologies, progress has been made towards providing services in an accessible, innovative, and citizen-centric way.
Response to priority groups	The Khayelitsha Bandwidth Barn offered a 10-week online programme called 'Women in Business (WIB)', aimed at women (youth) owned businesses to gain knowledge and skills on incorporating tech tools in their business to develop and grow. Fifty-four (54) women owned businesses from Khayelitsha and the surrounding communities participated in the programme. A total of 221 women received business support at the facility during the course of the year across the various initiatives.

Strategy to overcome areas of underperformance:

Not applicable.

Sub-Programme 5.7: Green Economy

Outcomes, outputs, output indicators, targets and actual achievements

Sub-Programme 5.7: Green Economy								
Outcome	**Output**	**Output indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Target 2021/22**	**Actual achievement 2021/22**	**Deviation from planned target to Actual Achievement 2021/22**	**Reasons for deviations**
Resource Resilience of the economy improved	Green economy projects supported	5.5 Number of green economy projects supported	6	6	6	6	-	-

Summary of sub-programme 5.7 achievements

Purpose	To stimulate the development of green industries and to facilitate resource-efficiency and sustainability to improve the competitiveness and resilience of the whole economy.
Significant achievements	**Green Economy Ecosystem Support** Four Market Intelligence Reports (MIR) for water, utility-scale renewable energy, energy services and electric vehicles were produced and distributed to the market. The 2021 MIRs were downloaded more than 10 804 times in 2022. A total of 1 931 support engagements were undertaken with businesses and municipalities. An additional 20 businesses were provided with technical advisory support to encourage the uptake of rooftop PV systems and a further 14 businesses who are undergoing the procurement of PV systems being supported with offer analyses. The water and energy sector desks developed four industry briefs and case studies for businesses that provide guidance on regulatory, financial and technical matters. Six industry events – with a total attendance of approximately 167 people -were undertaken that covered various energy, water and green economy-related topics. Eight in-depth technical, regulatory or other inputs were completed along with an additional two in-depth technical, regulatory or other inputs related specifically to rooftop PVs. A database that maps more than 150 different funding opportunities for businesses in the green economy and businesses wishing to green their operations and supply chains was completed. A total of 24 municipalities were assisted with the development of distributed energy generation (including SSEG and/or wheeling). **Green Economy Communications** During the 2021/22 financial year the website went through a partial revamp to improve the overall user experience. Through regular loading of new and relevant content, upcoming events and news, the number of new users has increased to 13 327, with 4 954 of these viewing the MER Initiative RFI page.

Significant achievements	**Municipal Energy Resilience (MER) Coordination** An in-depth regulatory guidance document, which guided the legislative and regulatory aspects of the initiative, was developed. MOUs were successfully signed by all six candidate municipalities (Mossel Bay, Stellenbosch, Drakenstein, Overstrand, Saldanha Bay and Swartland municipality). The objectives of the MOUs are to facilitate the cooperation and collaboration by the Parties in terms of the exploration, identification, funding (pooling or securing of resources), the development and implementation of initiatives and projects that will lead to improved energy resilience of the municipality(s) and the Province, as well as to enable the WCG in terms of prioritising support to those candidate municipalities that are willing to collaborate. **Municipal Energy Resilience (MER) Project Development Services** A total of 97 project submissions were received through the MER Initiative Request for Information (RFI) that were aimed at identifying mature renewable energy projects in the market. These projects totalled 8 749MW of nominal power generation projects, with 41 of the 107 projects in candidate municipalities. The Energy Projects Report categorised appropriate projects for the candidate municipalities and identified pioneering projects that could be implemented for Phase 2 of the MER Initiative. Up to 455MW of nominal power generation in five pioneering projects was identified. An analysis of the institutional and human resource capacity within the candidate municipalities – in terms of undertaking the implementation of the identified pioneering projects - was completed. The Pioneering Projects Roadmap report - that guides the candidate municipalities in the implementation of their identified (individual embedded) pioneering projects, as well as of the multi-jurisdictional special purpose vehicle (MSPV) that will allow pooled buying - was completed. This includes detailed implementation plans as well as capacity-analysis and recommendations. A MER Panel of Service Providers – which will be used to provide transaction advisory and other advisory services to the MER initiative - was successfully established with an initial cohort of reputable panellists in all panel categories. **Municipal Energy Resilience (MER) Foundational Energy Studies** A WC MER Fund was established to provide funding for foundational energy studies in the WC municipalities. These could include electricity master plans, the cost of supply studies and/or mini (local) integrated resource plans. A total of 17 Western Cape municipalities applied for funding totalling R21.5 million, with 13 projects across eight municipalities, being successfully awarded a total of R9.9 million worth of funding. A total of R3.4 million was transferred in the 2021/22 financial year, with the remaining R6.5 million being transferred in the 2022/23 financial year.
Outcome(s)	Resource Resilience of the economy improved.
Summary of contribution to outcome(s)	Through the DEDAT-funded sector desks and Wesgro, green economy investments of approximately R61 million - which are expected to lead to the creation of an approximate total of 156 jobs in the Western Cape - were realised. Businesses, organisations and municipalities were supported through 1 931 engagements. These were all aimed at improving the resource resilience of the economy either through direct support to mainstream businesses and municipalities regarding their energy and water use and supplies. Alternatively through supporting the growth and viability of energy and water sector businesses that provide the technologies, goods and services to mainstream businesses and municipalities.
Contribution to strategic priorities	The work of the green economy (with the focus being on the MER initiative) has all contributed to the resource resilience (energy and water) strategic priorities of the Provincial strategic documents.
Response to priority groups	Not applicable.

Strategy to overcome areas of underperformance

Not applicable.

Linking performance with budgets

During the 2021/22 financial year, an amount of R160.320 million was allocated to the Programme of which the actual expenditure amounted to R157.255 million. This translates into actual expenditure of 98.1% of the Programme's total budget. An overview of the funds spent per economic classification is as follows:

- Compensation of Employees accounted for R31.932 million or 20.3% of total expenditure,
- Goods and Services accounted for R18.831 million or 12.0% of total expenditure,
- Transfers and Subsidies accounted for R106.467 million or 67.7% of total expenditure, and
- Payments for Capital Assets amounted to R25 000 of the total programmatic expenditure.

Sub-programme Name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Economic Policy and Planning	6 183	6 157	26	2 804	2 752	52
Research and Development	8 935	8 487	448	8 763	8 706	57
Knowledge Management	17 106	17 105	1	13 949	13 948	1
Enabling Growth Infrastructure and Initiatives	91 245	91 181	64	81 012	81 002	10
Broadband for the Economy	9 263	9 249	14	16 334	15 754	580
Green Economy	27 588	25 076	2 512	23 906	21 398	2 508
Total	**160 320**	**157 255**	**3 065**	**146 768**	**143 560**	**3 208**

4.6 PROGRAMME 6: TOURISM, ARTS AND ENTERTAINMENT

Purpose

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

Programme structure

Sub-programmes	Purpose
Sub-Programme 6.1: Tourism Planning	To develop and coordinate the strategic agenda.
Sub-Programme 6.2: Tourism Growth and Development	To facilitate the growth and development of the tourism industry. To enhance the quality of the visitor experience to the destination through the provision of quality tourism support services.
Sub-Programme 6.3: Tourism Sector Transformation	To provide for the efficient registration and regulation of tourist guides. To protect the reputation of the destination through improved visitor safety and integrated destination management.
Sub-Programme 6.4: Tourism Destination Marketing	To provide resources to the tourism, trade and investment promotion public entity to enable it to deliver on its mandate as defined in the Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996) as amended.
Institutional Outcomes	
Programme 6 contributes to the following institutional outcome	• Increased exports • Improved Tourism Safety Perception

Sub-Programme 6.1: Tourism Planning

Outcomes, outputs, output indicators, targets and actual achievements

Sub-Programme 6.1: Tourism Planning								
Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual achievement 2021/22	Deviation from planned Target to Actual Achievement 2021/22	Reasons for deviations
Increased exports	Tourism sector development initiatives implemented	6.1 Number of tourism sector initiatives reports developed	New Indicator	2	2	6	4	Ad hoc requests received from the Ministry for industry polls and desktop research resulting in overachievement. These were mostly unforeseen requests and the over performance cannot be mitigated.

Summary of sub-programme 6.1 achievements

Purpose	To develop and coordinate the strategic agenda.
Significant achievements	• Tourism Blueprint 2030 was revised and updated to take into account the impact of COVID-19 and the need to align recovery with the long-term vision and strategy for the Province. In addition, Blueprint briefing sessions were held with the Central Karoo and Garden Route district municipalities. • Conducted various research initiatives to understand the impact of national lockdown regulations on tourism enterprises and prepared submissions to the National Government on the easing of restrictions in support of tourism recovery. • Formulation and implementation of a targeted tourism recovery programme for the 2021/22 summer season in consultation with industry partners. • Hosted an online Omicron industry briefing session with Minister Maynier in response to the re-imposition of international travel restrictions on South Africa. • Designed, uploaded content to and launched the Economic Sector Support website with a dedicated webpage for tourism to make it easier for the public to find out about the Department's various tourism programmes. • Conducted research - and prepared motivations and submissions - for the • Introduction of a remote work visa as well as a digital health travel passport.
Outcome(s)	Increased exports.
Summary of contribution to outcome(s)	Recovery of international tourism spend is an important element of the Western Cape's overall recovery plan that is focused on increased exports. During the year under review, the Department did extensive work to ensure that tourism recovery accelerates by influencing the lifting of international and national restrictions on movement, trade and gatherings. In addition, a recovery action plan was developed in consultation with the industry to guide short-term actions that are aligned to Tourism Blueprint 2030.
Contribution to strategic priorities	The Tourism Directorate contributes towards the achievement of the Provincial Strategic Plan's VIP 2: Growth and Jobs. The Programme is also aligned to the national and provincial strategic economic and tourism frameworks. These include the National Development Plan, the National Tourism Sector Strategy, the National Tourism Sector Recovery Plan and the Western Cape Recovery Plan that identifies tourism as a vulnerable sector requiring support.
Response to priority groups	Not applicable.

Strategy to overcome areas of underperformance

Given the reduction in resources allocated to tourism supply development, which are required to give effect to Tourism Blueprint 2030, the Directorate is investigating alternative sources of funding and financing to stabilise and grow the product base going forward.

Sub-Programme 6.2: Tourism Growth and Development

Outcomes, outputs, output indicators, targets and actual achievements

Sub-Programme 6.2: Tourism Growth and Development								
Outcome	**Output**	**Output indicator**	**Audited Actual Perfor-mance 2019/20**	**Audited Actual Perfor-mance 2020/21**	**Planned Annual Target 2021/22**	**Actual achieve-ment 2021/22**	**Deviation from planned Target to Actual Achieve-ment 2021/22**	**Reasons for deviations**
Increased exports	Tourism niche markets supported	6.2 Number of tourism niche marketing initiatives reports developed	2	4	4	4	-	-
	Tourism products developed	6.3 Number of Progress Reports on the implementation of the tourism product development Programme	New Indicator	2	2	2	-	-

Summary of sub-programme 6.2 achievements

<table>
<tr><td>Purpose</td><td colspan="3">To facilitate the growth and development of the tourism industry.
To enhance the quality of the visitor experience at the destination through the provision of quality tourism support services.</td></tr>
<tr><td>Significant achievements</td><td colspan="3">During the 2021/22 financial year, the Unit continued to support tourism product development by launching phase 2 of the Tourism Product Development Fund. Eleven beneficiaries received financial support with a combined value of R3.8 million.

The project beneficiaries are:</td></tr>
<tr><td></td><td>Name of Beneficiary</td><td>Project Name</td><td>District</td></tr>
<tr><td></td><td>Amabal'engwe Game Farm and Tourism trading as Lasarus Game Farm Pty Ltd</td><td>Amabal'engwe Game Farm</td><td>Garden Route</td></tr>
<tr><td></td><td>Breedekloof Wine and Tourism trading as Breedekloof Wine Valley</td><td>Cycle Breedekloof</td><td>Cape Winelands</td></tr>
<tr><td></td><td>West Coast Fossil Park</td><td>West Coast Fossil Park: Marketing & Visitor Experience</td><td>West Coast</td></tr>
<tr><td></td><td>Dyer Island Conservation Trust</td><td>South African Seabird Centre</td><td>Overberg</td></tr>
<tr><td></td><td>Buffelsdrift Farm trading as Buffelsdrift Lodge</td><td>Free Roaming Cheetah Experience</td><td>Garden Route</td></tr>
<tr><td></td><td>Stellenbosch Adventure Centre CC trading as Adventureshop</td><td>Cycle the Winelands</td><td>Cape Winelands</td></tr>
<tr><td></td><td>Country Hotels Pty Ltd. Trading as the Lord Milner Hotel</td><td>The development of Matjiesfontein's untapped tourism potential</td><td>Central Karoo</td></tr>
<tr><td></td><td>Gravity River Tours cc trading as Gravity Adventures</td><td>Gravity Sea Kayaking, West Coast</td><td>West Coast</td></tr>
<tr><td></td><td>Flying Feet</td><td>Ultimate Montagu Adventure Experience & Montagu Township, Art & Music Experience</td><td>Cape Winelands</td></tr>
<tr><td></td><td>Almenkerk Wine Estate CC trading as Almenkerk Wine Estate</td><td>Active @ Almenkerk</td><td>Overberg</td></tr>
<tr><td></td><td>Formula D Design Consultancy Pty Ltd</td><td>Whale House Museum Hermanus – addition of kids attraction</td><td>Overberg</td></tr>
<tr><td></td><td colspan="3">Since 2020, 15 projects have benefited from the Tourism Product Development Fund. DEDAT is also a key partner in driving the development of latent forms of tourism. To this end, DEDAT has played an active role in the establishment and launch of Cruise Cape Town as well as efforts to update the Cape of Great Events Strategy. These initiatives are aimed at growing the global and national profile of the Western Cape as cruise destination as well as Africa's home of sport, leisure and business events.</td></tr>
<tr><td>Outcome(s)</td><td colspan="3">Increased exports.</td></tr>
<tr><td>Summary of contribution to outcome (s)</td><td colspan="3">Supporting and stabilising the Province can recover tourism earnings and hence achieve increased exports over the long-term in support of the achievement of VIP2. The Tourism Product Development Fund contributed to the tourism product offering as well as improved the market readiness of the districts so attracting more tourists to the Western Cape.</td></tr>
</table>

Contribution to strategic priorities	Through the Tourism Product Development Fund, DEDAT supported the tourism industry in line with the National Tourism Sector Recovery Plan as well as the Western Cape Recovery Plan that calls on support for tourism as a vulnerable sector. The investment in destination and product development in the districts also supports the export growth across the Province by ensuring that the districts build competitive strength leading to longer stays and greater spend. The programme is therefore directly aligned to VIP 2 by supporting growth and jobs as well as the PSP (Exports).
Response to priority groups	Two out of the 11 Tourism Product Development Fund projects supported are female owned.

Strategy to overcome areas of underperformance

Given the reduction in resources allocated to tourism supply development, which are required to give effect to Tourism Blueprint 2030, the Directorate is investigating alternative sources of funding and financing to stabilise as well as grow the product base going forward.

Sub-Programme 6.3: Tourism Sector Transformation

Outcomes, outputs, output indicators, targets and actual achievements

Sub-Programme 6.3: Tourism Sector Transformation								
Outcome	**Output**	**Output indicator**	**Audited Actual Perfor-mance 2019/20**	**Audited Actual Perfor-mance 2020/21**	**Planned Annual Target 2021/22**	**Actual achieve-ment 2021/22**	**Deviation from planned Target to Actual Achieve-ment 2021/22**	**Reasons for deviations**
Increased exports	Tourist guides developed	6.4 Number of tourist guides developed	159	43	30	35	5	There was a slightly-better-than-expected turnout of attendees at the COVID-19 training sessions for tourist guides.
	Tourist guides registered	6.5 Number of individuals registered (tourist guides)	1 554	502	400	697	297	The Department has no control over the number of tourist guides who register or renew their permits, thus as the service is demand-based the over-performance could not be mitigated.
	Individuals/ tourism-related businesses inspected or monitored	6.6 Number of individuals/ tourism related businesses inspected or monitored (tourist guides)	192	20	70	72	2	The Department has no control over the number of tourist guides who are encounterred during field inspections hence the slight overachievement could not be mitigated.

Improved Tourism Safety Perception	Tourism establishments/ individuals -supported by the tourism safety unit	6.7 Number of tourism establishments /individuals supported	389	306	200	333	133	There was a slight increase in the number of tourism businesses requesting tourism safety information. This is a demand-based service hence the slight over performance could not be mitigated.
	Oversight of the establishment of the Tourism Safety Law Enforcement Unit in partnership with City of Cape Town	6.8 Number of oversight reports on the establishment of the Tourism Safety Law Enforcement Unit	New indicator	4	4	4	-	-
	Tourism Safety Strategy Implemented	6.9 Number of Tourism Safety Strategy Implementation Reports	New Indicator	4	2	2	-	-

Report on re-tabled 2021/22 APP

Sub-Programme 6.3: Tourism Sector Transformation									
Outcome	**Output**	**Output indicator**	**Audited Actual Perfor-mance 2019/20**	**Audited Actual Perfor-mance 2020/21**	**Planned Annual Target 2021/22**	**Actual achieve-ment 2021/22**	**Deviation from planned Target to Actual Achieve-ment 2021/22**	**Reasons for deviations**	**Reason for revisions to output/indicator/ annual target**
Improved Tourism Safety Perception	Tourism Safety Perception Surveys conducted	6.10 Number of Tourism Safety Perception surveys conducted	New Indicator	0	1	0	N/A	There was a slightly-better-than-expected turnout of attendees at the COVID-19 training sessions for tourist guides.	The baseline for the perception of safety by tourists was set to be determined in 2020. This Project was postponed owing to COVID-19 as the baseline numbers would've been skewed because of the drastic reduction in international tourists. Owing to the delay in the 2020/21 financial year and because of budget adjustments in The 2021/22 financial year the project was discontinued.

Summary of sub-programme 6.3 achievements

Purpose	To provide for the registration and regulation of tourist guides.
Significant achievements	• A total of 697 new/renewal Tourist Guides applications were processed. The Unit overachieved by 174% owing to the partial recovery in international and domestic tourism which in turn resulted in more guides applying to register with DEDAT. • DEDAT and the Cape Tourist Guide Association recognised the urgent need for the training of tourist guides in COVID-19 industry protocols as endorsed by TBCSA. This was to support recovery in the tourist-guiding sector by ensuring that tourist guides were able to meet increasing demand. During two training sessions 35 tourist guides were trained in COVID-19 protocols. This training was critical as many tour operators are now expecting tourist guides to have a certificate proving that they have participated in COVID-19 training. • Seventy-two inspections were conducted to ensure compliance in terms of regulating a sustainable tourist guiding sub-sector.
Outcome(s)	• Increased exports, and • Improved Tourism Safety Perception.
Summary of contribution to outcome(s)	By supporting visitor safety and regulating the industry effectively, recovery of the export potential of tourism can be maximised.
Contribution to strategic priorities	Tourist guides play an important role in optimising the export earnings from international tourism. To support recovery, DEDAT endeavours to provide an efficient, modernised registration service while clamping down on illegal guiding. This follows the requirements of the Tourism Act, as well as the national and provincial prerogatives of supporting the tourism industry as a vulnerable sector. Tourism safety remains the single biggest constraint to long-term sector recovery as well as the growth and hence the recovery of the foreign earnings potential of tourism. The tourism safety programme is therefore aligned with VIP 2 as well as the PSP (Exports) by strengthening the ability of the destination to compete internationally and domestically together with ultimately maximise growth, jobs and foreign earnings.
Response to priority groups	Nineteen women participated in the tourist guide training programme while 19 training participants were youth. Women, youth and persons with disabilities remain under-represented in the tourist guiding industry.

Strategy to overcome areas of underperformance

Not applicable.

Sub-Programme 6.4: Tourism Destination Marketing

Outcomes, outputs, output indicators, targets and actual achievements

Sub-Programme 6.4: Tourism Destination Marketing								
Outcome	**Output**	**Output indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Target 2021/22**	**Actual achievement 2021/22**	**Deviation from planned Target to Actual Achievement 2021/22**	**Reasons for deviations**
Increased exports	Oversight of Wesgro's Tourism Destination Marketing function	6.11 Number of Tourism Destination Marketing Oversight Reports	New Indicator	2	2	2	-	-

Summary of sub-programme 6.4 achievements

Purpose	To provide resources to the tourism, trade and investment promotion public entity to enable it to deliver on its mandate as defined in the Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996), as amended.
Significant achievements	The Tourism Growth and Development Unit compiled and submitted two Tourism Destination Marketing Oversight Reports. Regular meetings and document reviews were undertaken during the year as part of DEDAT's oversight role. Wesgro DMO achieved the following: • In total, Wesgro achieved an estimated economic impact of R264 million through the number of bids converted. While this is still only half of the annual target (R500 million), it should be noted that the pre-COVID targets were retained. • International and domestic business travel remained constrained during most of the year owing to various international travel restrictions as well as domestic limitations on the size of gatherings. 10 out of a targeted 15 marketing initiatives were supported, 20 (versus a target of 15) joint marketing agreements were secured and 53 (against a target of 35) leisure events were supported.
Outcome(s)	Increased exports.
Summary of contribution to outcome(s)	The R264 million estimated economic value for the financial year, achieved by Wesgro DMO, contributed to the Department's outcome of increased exports.
Contribution to strategic priorities	Wesgro DMO contributed to the achievement of VIP 2 (boosting the economy and job creation), the PSP (Exports) as well as the National and Provincial Recovery Plans (which prioritises international, regional and domestic markets) through: • Securing 18 conference bids with a total estimated economic value of R264 million, and • Implementing a Business Events Support Programme to stimulate small and medium-sized events to host a business gathering in the WC that is aimed at the domestic market. Conducting various marketing and sales activities such as attending trade and road shows, hosting post-show tours for hosted buyers and running marketing campaigns to attract more tourists to the Western Cape.
Response to priority groups	Not applicable.

Strategy to overcome areas of underperformance:

There was no underperformance in terms of the Sub-Programme's APP targets. Performance relating to Wesgro will be reported in the entity's Annual Report.

Linking performance with budgets

During the 2021/22 financial year, an amount of R74.597 million was allocated to the Programme of which the actual expenditure amounted to R74.161 million. This translates into actual expenditure of 99.4% of the Programme's total budget. An overview of the funds spent per economic classification is as follows:

- Compensation of Employees accounted for R7.260 million or 9.8% of total expenditure,
- Goods and Services accounted for R935 000 or 1.3% of total expenditure, and
- Transfers and Subsidies accounted for R65.966 million or 88.9% of total expenditure.

Sub-programme Name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Growth and Development	16 196	15 763	433	19 613	19 480	133
Tourism Sector Transformation	-	-	-	2	-	2
Tourism Destination Marketing	58 401	58 398	3	57 098	57 098	-
Total	**74 597**	**74 161**	**436**	**76 713**	**76 578**	**135**

4.7 PROGRAMME 7: SKILLS DEVELOPMENT AND INNOVATION

Purpose

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

Programme structure

Sub-programmes	Purpose
Sub-Programme 7.1: Provincial Skills and Partnership	To coordinate partnerships and collaboration with stakeholders at a national, provincial and local level to drive systemic changes with the aim of increasing the supply of relevant skills aligned with the current and future skills demands of priority growth sectors in the Province.
Sub-Programme 7.2: Skills Programmes and Projects	To facilitate/support unemployed or underemployed youth with accessing jobs.
Sub-Programme 7.3: Skills Incentives	To leverage funding opportunities along the skills pipeline.
Institutional Outcomes	
Programme 7 contributes to the following institutional outcomes	• Improved employability of beneficiaries supported.

Sub-Programme 7.1: Provincial Skills and Partnership

Outcomes, outputs, output indicators, targets and actual achievements

Sub-Programme 7.1: Provincial Skills and Partnership								
Outcome	**Output**	**Output indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Target 2021/22**	**Actual achievement 2021/22**	**Deviation from planned Target to Actual Achievement 2021/22**	**Reasons for deviations**
Improved employability of beneficiaries supported	Skills Intelligence Report produced	7.1 Number of Skills Intelligence Reports produced	New Indicator	4	Indicator discontinued.	Indicator discontinued.	Indicator discontinued.	Indicator discontinued.
Improved employability of beneficiaries supported	Partnerships strengthened	7.2 Number of partnerships strengthened	New Indicator	New Indicator	4	5	1	The facilitation of key strategic partnerships to support education to align with industry needs better has resulted in an overachievement of strengthened Partnerships.

Summary of sub-programme 7.1 achievements

Purpose	To coordinate partnerships and collaboration with stakeholders, at a national, provincial and local level to drive systemic changes with the aim of increasing the supply of relevant skills that are aligned to the current and future skills demands of priority growth sectors in the Province.
Significant achievements	Significant achievements to highlight are establishing partnerships that supported the development of new skills offerings and the delivery of Departmental skills projects that simultaneously address the lack of coordination between the various partners in the complex skills ecosystem in order to address the systemic skills gaps challenge with the aim of improving the match between the skills supply of qualified people in order to address youth employment and industry skills needs: • Strengthened relationships between Business and Basic Education via a formal collaboration established with the Western Cape Education Department (WCED) to leverage industry support. Collaborations are underway and will be realised in the new financial year between academia and industry to introduce new/amend curricula and/or new training modalities. • Facilitated inter-departmental internship partnership to support the @home-learning project in partnership with both the Department of Cultural Affairs and Sport (DCAS) as well as the WCED to provide interns with workplace experience while supporting the improvement of educational outcomes impacted by the pandemic. • Facilitated internship partnerships with the ASEZ, City of Cape Town and SARETEC, Commercial Training Academy (CTA) Iron Women Trucking skills training initiative as well as leveraged SETA support to develop a new dual occupational qualification. • Facilitated the relationship between West Coast College, the Department of Environmental Affairs and Development Planning, the Bavarian Government and GIZ to train Refrigeration and Airconditioning technicians on green gas technology.
Outcome(s)	Improved employability of beneficiaries supported.
Summary of contribution to outcome(s)	The achievements by the Sub-Programme have supported the Programme with roll-out of skills interventions to improve the employability of beneficiaries supported as well as systemically address the skills gaps with the aim to improve the match between the skills supply of qualified people to address youth employment and industry skills needs.
Contribution to strategic priorities	VIP 2 and the Western Cape Recovery Plan focuses on jobs, a priority directly supported by the Sub-Programme.
Response to priority groups	Not applicable.

Strategy to overcome areas of underperformance

Not applicable.

Sub-Programme 7.2: Skills Programmes and Projects

Outcomes, outputs, output indicators, targets and actual achievements

Sub-Programme 7.2: Skills Programmes and Projects								
Outcome	**Output**	**Output indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Target 2021/22**	**Actual achievement 2021/22**	**Deviation from planned Target to Actual Achievement 2021/22**	**Reasons for deviations**
Improved Employability of beneficiaries supported	Beneficiaries supported through skills interventions	7.3 Number of beneficiaries supports through skills interventions	New Indicator	4 153	1 400	2 429	929	Increased demand from Host Companies resulted in overachievement of beneficiaries placed and assisted. The increase in funding leveraged by the Programme has further supported in the overachievement.

Summary of sub-programme 7.2 achievements

Purpose	To facilitate/support unemployed or underemployed youth to access jobs.
Significant achievements	The Sub-Programme has overachieved on its target of supporting 1 400 beneficiaries with skills development support by 174%. It is also worth noting that all beneficiaries where not only supported with skills development initiatives but that all beneficiaries were afforded with paid experiential learning opportunities that realized monthly household incomes of more than R3 000 per month.
Outcome(s)	Improved employability of beneficiaries supported.
Summary of contribution to outcome(s)	The Sub-Programme's interim impact analysis illustrates that 80% of beneficiaries that complete the internship programmes are afforded further employment opportunities, suggesting that at least 80% of the beneficiaries have increased their employability. The Department's outcome is that of growth and jobs. The Sub-Programme offers the most direct and cost-effective means to support the Department's outcome. It directly incentivised companies to employ 2,429 jobs to unemployed youth at a cost of just over R20 000 per job.
Contribution to strategic priorities	PSP, MTSF, and the Western Cape Recovery plan focuses on jobs, a priority directly supported by the Sub-Programme through incentivising employment opportunities to unemployed youth in the province.
Response to priority groups	100% of beneficiaries supported are youth and more than 50% of beneficiaries supported are women.

Strategy to overcome areas of underperformance

Not applicable.

Sub-Programme 7.3: Skills Incentives

Outcomes, outputs, output indicators, targets and actual achievements

Sub-Programme 7.3: Skills Incentives								
Outcome	**Output**	**Output indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Target 2021/22**	**Actual achievement 2021/22**	**Deviation from planned Target to Actual Achievement 2021/22**	**Reasons for deviations**
Improved Employability of beneficiaries supported	Funds Leveraged	7.4 Value of funds leveraged	New indicator	R105 564 039.19	R40m	R143 327 713	R103 327 713	The deviation is because of the following reasons: 1. Through the sub-programmes efforts, companies have increased their respective contributions to learners. 2. Additional funding for the skills development at national funders appear to have increased. 3. Due to the relationships and confidence in the Programme's ability to deliver on skills development mandates, national funders approach the department in support of skills development.

Summary of sub-programme 7.3 achievements

Purpose	To leverage funding opportunities along the skills pipeline.
Significant achievements	• The COVID-19 pandemic offered a catalyst to broaden and strengthen the sub-programs relationships with key funder stakeholders within the skills eco-system. As a result, the Sub-Programme exceeded its target of leveraging funding for skills development priorities of R40 million by more than 358%. • The Western Cape SETA Cluster is coordinated by the sub-program Skills Incentives. This has fostered funder relationships and funder intelligence that has assisted the successful application and leveraging of funds for skills interventions. • The sub-program has also been awarded funding by the Presidential Youth Employment Fund to meet the growing demand for placement of unemployed youth to gain work experience in the BPO sector.
Outcome(s)	Improved employability of beneficiaries supported.
Summary of contribution to outcome(s)	The Department's focus is that of growth and jobs. The provincial fiscus and Departmental budget cannot address all of the challenges related to skills in the workforce. Leveraging funds from the private sector and other government sources are critical in supporting the provincial skills development priorities. The significant overachievement in a constrained fiscal environment has contributed to addressing skills development and increasing the employability of youth in the province.

Contribution to strategic priorities	The sub-programme leveraged funds that link to the VIP 2 and the Western Cape Recovery plan that focuses on jobs, as well as the MTSF Priority 2 Economic Transformation and Job Creation.
Response to priority groups	Not applicable.

Strategy to overcome areas of underperformance

Not applicable.

Linking performance with budgets

During the 2021/22 financial year, an amount of R71.931 million was appropriated to the Programme to support interventions aimed at closing the gap between skills supplied and those demanded by the economy. The actual expenditure amounted to R70.567 million, this translates to actual expenditure of 98.1% of the Programme's total budget. An overview of the funds spent per economic classification is as follows:

- Compensation of Employees accounted for R11.631 million or 16.5% of total expenditure.
- Goods and Services accounted for R5.643 million or 8.0% of total expenditure.
- Transfers and Subsidies accounted for R53.286 million or 75.5% of total expenditure, with the bulk earmarked for stipend payments to beneficiaries to support experiential workplace learning.
- Payments for Financial Assets accounted for R7 000 of total expenditure.

Sub-programme Name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Provincial Skills and Partnerships	6 753	6 514	239	5 591	5 534	57
Skills Programmes and Projects	60 328	59 208	1 120	72 276	72 265	11
Skills Incentives	4 850	4 845	5	4 167	4 151	16
Total	**71 931**	**70 567**	**1 364**	**82 034**	**81 950**	**84**

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

Not applicable.

4.8 REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

Budget Programme	Intervention	Geographic Location	No. of Beneficiaries	Disaggregation of Beneficiaries	Total Budget Allocation per Intervention	Budget Spent per Intervention	Contribution to the Outputs in the APP	Immediate Outcomes
Branch: Economic Operations	Economic Cluster Co-ordination and Support	Province-wide	N/A	N/A	R0	R0	N/A	13 Economic Cluster meetings. Weekly attendance of SAPS Prov JOC meeting as Business/ Tourism representative. 1 Manco.
Programme 2	UIF TERS	Province-wide	22 Businesses, 651 Employees Average value of overall pay-out of R3.329m	Unable to provide (Dept. does not obtain this level of disaggregated information)	R0	R0	N/A	22 Businesses, 651 Employees Average value of overall pay-out: R3.329m.
Programme 2	Regulatory interpretation	No COVID-19 regulatory interpretation was conducted for 2021/22	No COVID-19 regulatory interpretation was conducted for 2021/22	No COVID-19 regulatory interpretation was conducted for 2021/22	R0	R0	N/A	No COVID-19 regulatory interpretation was conducted for 2021/22.
Programme 4	COVID-19 workplace safety	Province-wide	1817 Non-compliance complaints received	Unable to provide (Dept. does not obtain this level of disaggregated information)	R0	R0	N/A	1817 Non-compliance complaints resolved.
Programme 5	COVID-19 Vaccine roll-out in the Workplace (Private (non-health) Sector Engagement WCG COVID-19 Vaccine Roll-out Programme)	Province-wide	See column, "immediate outcome"	Unable to provide (Dept. does not obtain this level of disaggregated information)	R0	R0	5.2 Number of partnerships established/ strengthened	14 Partnerships established. 51 Business support sessions. 4 Business support tools developed. 1 Database created. 5 Documents drafted / inputs given to improve COVID-19 regulatory environment. 1301 Employers/ employees/ individuals reached through support sessions. 17 Private/public sector initiatives supported. 1976 Stakeholders added to database. 112 Survey responses. 3 Surveys conducted.

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

Name of Public Entity	Key Outputs of the Public Entity	Amount Transferred to the Public Entity (R'000)	Amount Spent by the Public Entity (R'000)	Achievements of the Public Entity
Programme 3: Trade and Sector Development				
Western Cape Destination marketing, Investment and Trade Promotion Agency (Wesgro)	Operational funding in support of Wesgro Trade and Investment promotion activities	62 113	60 974	R2.02bn estimated rand value of trade agreement with 320 jobs facilitated. R5.915 billion value of investment committed with 4 445 jobs facilitated.
Programme 5: Economic Planning				
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	Operational funding for the establishment of the Atlantis SEZ	44 387	31 768	R171m was invested in the ASEZ, creating 25 new jobs. Land to the value of R56m registered on the ASEZ Co's balance sheet; national infrastructure funding of R89m approved for the ASEZ.
Saldanha Bay Industrial Zone Licensing Company	Operational funding for the entity	40 054	40 054	SBIDZ completed a market demand analysis on the changing nature, trends, drivers and opportunities in the energy and maritime sectors. 15 Investors signed new lease agreements with the SBIDZ. Activities within the zone created an estimated 763 jobs and contributed R462m to GDP (preliminary data).
Programme 6: Tourism, Arts and Entertainment				
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	Operational funding in support of Wesgro's tourism destination marketing activities	58 398	57 701	Wesgro DMO achieved an estimated economic impact of R264m.

5.2 Transfer payments to organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2021 to 31 March 2022.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
Programme 1: Administration						
South African Broadcasting Corporation (SABC)	Departmental Agency	Renewal of Television Licences within the Department	Yes	6	6	N/A
Programme 2: Integrated Economic Development Services						
Jacobs Jam Company - (WCERA)	Private Enterprise	Prize money	Yes	30	30	N/A
Delmed Logistics - (WCERA)	Private Enterprise	Prize money	Yes	20	20	N/A
Hypernova Space Technologies – (WCERA)	Private Enterprise	Prize money	Yes	30	30	N/A
Skywalk Innovations - (WCERA)	Private Enterprise	Prize money	Yes	20	20	N/A
FutureMe Holdings - (WCERA)	Private Enterprise	Prize money	Yes	30	30	N/A
H18 Foundations - (WCERA)	Non-profit Institution	Prize money	Yes	20	20	N/A
Unyazi Beads - (WCERA)	Private Enterprise	Prize money	Yes	30	30	N/A
Eyasekuhlaleni Gas - (WCERA)	Private Enterprise	Prize money	Yes	20	20	N/A
Our Poultry Place - (WCERA)	Private Enterprise	Prize money	Yes	30	30	N/A
Home Bao - (WCERA)	Private Enterprise	Prize money	Yes	20	20	N/A
Arion Power - (WCERA)	Private Enterprise	Prize money	Yes	30	30	N/A
Best Training – (WCERA)	Private Enterprise	Prize money	Yes	20	20	N/A
ASISA Foundation	Non-profit Institution	To support the ASISA Foundation Trust FLAME Programme	Yes	3 854	2 751	The duration of the project extends over two financial years and a portion of the funding was transferred in February 2022.
Cape Information and Technology Initiative (CITI)	Non-profit Institution	To support the TopTechTools Programme for woman and youth owned businesses in Khayelitsha	Yes	135	135	N/A

Reconstructed Living Lab	Non-profit Institution	To support the Innovation and Enterprise Programme	Yes	2 150	2 150	N/A
South African Agricultural Academy	Non-profit Institution	To support the SMME Development Programme (Training and Coaching)	Yes	2 000	1846	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2022.
The Innovator Enterprise Development Trust	Non-profit Institution	To support the Innovator Trust Programme	Yes	3 999	3 486	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2022.
False Bay College	Non-profit Institution	To support the provision of a Business Development and Support Programme	Yes	302	302	N/A
Hessequa Municipality	Municipality	To support the development and enhancement of the Kwanokuthula Business Hub and the Riversdale Test Driving Range	Yes	2 751	0	Given that the service provider was appointed mid-March 2022, funds were unspent by 31 March 2022. All funds have been verified as committed to deliverables, by the municipality.
Langeberg Municipality	Municipality	To support the development, improvement and upgrade of the Langeberg Municipality informal trading sites	Yes	857	0	The first set of deliverables linked to spend is to occur during April 2022, hence no funds were therefore spent by 31 March 2022. All funds have been verified as committed to deliverables, by the municipality.
Mossel Bay Municipality	Municipality	To support the Mayixhale Business Hub and Wolwedans Business Space	Yes	2 300	0	Given that the service provider was appointed mid-March 2022, funds were unspent by 31 March 2022. All funds have been verified as committed to deliverables, by the municipality.
Oudtshoorn Municipality	Municipality	To support the development and enhancement of the Oudtshoorn Business Hive and Trading Area	Yes	2 000	48	Given that the service provider was appointed during March 2022, funds were unspent by 31 March 2022. All funds have been verified as committed to deliverables, by the municipality. The funds spent to date relate to ground works completed.

Swellendam Municipality	Municipality	To support the development and enhancement of the Barrydale: Smitsville Container Park	Yes	2 228	228	Given that the service provider was appointed during March 2022, the balance of the funds was unspent by 31 March 2022. The remaining budget is earmarked for construction. All funds have been verified as committed to deliverables, by the municipality.
Labit Consulting	Private Enterprise	To support the SMME Development Programme	Yes	2 910	1 973	The duration of the project extends over two financial years and a portion of the funding was transferred in January 2022.
Woodstock Laundry (Pty) Ltd	Private Enterprise	To support the acquisition of equipment and raw material for the COVID-19 Supplier Development Programme	Yes	15	15	N/A
Jaydu Creations CC	Private Enterprise	To support the acquisition of equipment, tools, raw material and working capital for the COVID-19 Supplier Development Programme	Yes	4	4	N/A
Western Cape Liquor Authority	Statutory Body	Funding in support of creating an online platform and streamlining client services	Yes	1 807	906	Development of e-licence profile and platform.
Programme 5: Economic Planning						
Cape Innovation and Technology Initiative (CITI)	Non-profit Institution	To support the operations of the Khayelitsha Bandwidth Barn	Yes	700	700	N/A
Genesis Community Information Technology Initiative (Genesis IT)	Non-profit Institution	To support the operations of the ICAN Centre in Elsies River	Yes	700	700	N/A
Western Cape Economic Development Partnership (WCEDP)	Non-profit Institution	To support the operations of the WCEDP	Yes	17 105	17 029	The unspent amount is verified and allocated for April 2022.
George Municipality	Municipality	To support the Energy Master Plan	Yes	400	0	The Municipality is on track to spend the total amount transferred by the end of their 2021/22 financial year (June 2022).

Mossel Bay Municipality	Municipality	To support the Cost of Supply Study	Yes	500	0	The Municipality is on track to spend the total amount transferred by the end of their 2021/22 financial year (June 2022).
Overstrand Municipality	Municipality	To support the Cost of Supply Study	Yes	650	275	The Municipality is on track to spend the total amount transferred by the end of their 2021/22 financial year (June 2022).
Stellenbosch Municipality	Municipality	To support the Integrated Resource Plan/ Energy Master Plan	Yes	710	0	The Municipality is on track to spend the total amount transferred by the end of their 2021/22 financial year (June 2022).
Swartland Municipality	Municipality	To support the updating of the Energy Master Plan	Yes	400	0	The Municipality is on track to spend the total amount transferred by the end of their 2021/22 financial year (June 2022).
Bitou Municipality	Municipality	To support the Cost of Supply Study and the updating of the Electrical Master Plan	Yes	750	0	The Municipality is on track to spend the total amount transferred by the end of their 2021/22 financial year (June 2022).
Programme 6: Tourism, Arts and Entertainment						
City of Cape Town	Municipality	A multistakeholder tourism law enforcement task team was established to address specific risk areas such as Table Mountain or the CBD.	Yes	3 667	3 218	The Project is still ongoing. Funds are for committed expenditure and will be spent by June 2022 (at The termination of project).
Buffelsdrift Farm trading as Buffelsdrift Lodge	Private Enterprise	Free Roaming Cheetah Experience	Yes	140	140	N/A
Stellenbosch Adventure Centre CC trading as Adventureshop	Private Enterprise	Cycle the Winelands	Yes	153	153	N/A
Country Hotels Pty Ltd. Trading as the Lord Milner Hotel	Private Enterprise	Development of Matjiesfontein's untapped tourism potential	Yes	270	246	Final building restorations underway. Funds will be spent by end of April 2022.
Flying Feet	Private Enterprise	Ultimate Montagu Adventure Experience & Montagu Township, Art & Music Experience	Yes	220	198	Mechanic training course no longer available. Beneficiary looking for a replacement course. The Adventure Guide Practical Course is only set to take place in May 2022.

Gravity River Tours cc trading as Gravity Adventures	Private Enterprise	Gravity Sea Kayaking, West Coast	Yes	260	220	Some funds are committed to Guide Registrations and a portion will be paid back to the Department.
Almenkerk Wine Estate cc trading as Almenkerk Wine Estate	Private Enterprise	Active @ Almenkerk	Yes	405	404	N/A
Formula D Design Consultancy Pty Ltd	Private Enterprise	Whale House Museum Hermanus – addition of kids attraction	Yes	602	602	N/A
Amabal'engwe Game Farm and Tourism trading as Lasarus Game Farm Pty Ltd	Private Enterprise	Amabal'engwe Game Farm	Yes	200	200	N/A
Breedekloof Wine and Tourism trading as Breedekloof Wine Valley	Non-profit Institution	Cycle Breedekloof	Yes	200	180	Balance of funds will be spent by the end of May 2022 upon completion of the marketing material.
West Coast Fossil Park	Non-profit Institution	West Coast Fossil Park: Marketing & Visitor Experience	Yes	269	236	The balance for marketing & social media marketing support will be paid in portions up until August 2022.
Dyer Island Conservation Trust	Non-profit Institution	South African Seabird Centre	Yes	1 144	1 058	The balance for the building expenses will be paid by the end of April 2022.
Programme 7: Skills Development and Innovation						
Households	Households	Stipends paid to learners for Artisan Development Programme	Yes	13 229	13 229	N/A
Households	Households	Stipends paid to learners for BPO	Yes	34 062	34 062	N/A
Households	Households	Stipends paid to learners for the Experiential Work Placement Supply Project	Yes	4 380	4 380	N/A

The table below reflects the transfer payments which were budgeted for in the period 1 April 2021 to 31 March 2022, but **no transfer payments** were made.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
Not applicable						

6. CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds paid

Not applicable.

6.2. Conditional grants and earmarked funds received

The table/s below details the **earmarked funds** received during for the period 1 April 2021 to 31 March 2022.

Department who transferred the grant	Department of Economic Development and Tourism
Purpose of the grant	Supporting the Saldanha Bay Industrial Development Zone Licencing Company (SBIDZ LiCo) in terms of their core function of establishing an IDZ in Saldanha Bay.
Expected outputs of the grant	Enabling Growth Infrastructure and Initiatives: · 2 standard operating protocols in place, · 28-day turnaround time on building plans, · 8 signed tenant and operator lease agreements, · 2 contractors and professional panels maintained, · 3 partnership agreements established, and · 1 generic agreement agreed by trade unions for negotiation with investors. Promote sustainable commercial business: · 50% of available space tenanted, and · 100% zero dependency on Provincial operational financial support.
Actual outputs achieved	Enabling Growth Infrastructure and Initiatives: · 2 standard operating protocols in place, · 14-day turnaround time on building plans, · 15 signed tenant and operator lease agreements, · 2 contractors and professional panels maintained, · 4 partnership agreements established, and · 1 generic agreement agreed to by trade unions for negotiation with investors. Promote sustainable commercial business: · 27% of available space tenanted (target changed to 30% within year amendments), and · 100% zero dependency on provincial operational financial support.
Amount per amended DORA	N/A
Amount received (R'000)	R40 054

Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R 40 054
Reasons for the funds not being spent by the Entity	N/A
Reasons for deviations in performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Shareholder meetings and structured engagements with entity.

Department who transferred the grant	**Department of Economic Development and Tourism**
Purpose of the grant	To support the establishment of the Atlantis Special Economic Zone (ASEZ).
Expected outputs of the grant	Economic Planning Infrastructure Coordination: · ASEZ Operational - Support to listing Process, and · ASEZ Operational - Property Transfer from City of Cape Town to ASEZ Co. Commercial Property Management: · 2 Leases signed, and · 1 Investor. Prospectus Infrastructure Development: · 2 applications for top structures submitted, · 2 funding applications to the dtic or other for infrastructure projects initiated, · 2 Living Labs, and · Update and finalise Zone Management Model. Business Development Implemented: · Quarterly Pipeline updated: 15 Investors, · 2 signed investors, and · Marketing Communication and PR plan implemented. Integrated eco-system management implemented: · 5 Skills Development & Training projects, · 5 Enterprise Development projects, and · 4 Community Empowerment projects.
Actual outputs achieved	Economic Planning Infrastructure Coordination: · ASEZ Operational – Listing achieved, · ASEZ Operational - Property Transfer from City of Cape Town to ASEZ Co. that was initiated through the Deeds Office and shares issued to the City & land that are effectively the property of the ASEZ Co. Commercial Property Management: · One meeting of the Investment and Adjudication Committee owing to there being no investment applications for the committee to consider. · No leases signed. · Investor Prospectus updated as required: this is an ongoing process as the ASEZ develops. Infrastructure Development: · One application for top structures submitted to the dtic. Application not successful and review of decision requested by ASEZ Co. · One funding application to the dtic – R89 million - was approved. Final infrastructure designs were commissioned for construction in 2022/23. · The ASEZ "Living Lab" was selected as a test case in UNIDO's Eco-Industrial Plants programme so working towards a waste and water strategy progressing towards completion in 2022/23. · Zone Management Model was updated and finalisation was dependent on outstanding matters.

Actual outputs achieved	Business Development: · ASEZ Co. engaged 29 investors in 2021/22. · No new investors were signed. Two existing businesses in the ASEZ were sold to new owners, which represents an investment of R142 million that created 50 new jobs in the ASEZ. · Marketing Communication and PR plan was implemented as agreed. Integrated eco-system management implemented: *Skills Development & Training:* · Renewable Energy Workshop assistant training was given to 29 participants. · Technical Training, including Green Mechanical fitting, was given to 26 participants. · The Ikamva Youth after-school maths and science programme has 20 learners. · ECD Training was given to 11 people. · A total of 150 leaners participated in the Annual Career Expo. *Enterprise Development:* · A total of 56 businesses participated in the first phase of the Flame financial management programme (offered in partnership with the Association for Savings and Investment South Africa (ASISA) Foundation). Thirty enterprises went on to participate in phase 2, which runs into 2022/23. · A Business communication course was offered to 15 entrepreneurs. · A Supplier development programme supported 13 Atlantis Construction businesses. · A total of 110 SMME businesses were registered on the database. These will continue in the Programme to assist companies with preparedness to participate in the ASEZ Co. Build Phase. · Two SMME Knowledge sessions were given to a total of 42 small businesses. *Community empowerment:* · The ASEZ Community Stakeholder Network was provided with continual development programmes towards effective partnership.
Amount per amended DORA	N/A
Amount received (R'000)	R37 387
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R37 387
Reasons for the funds not being spent by the Entity	N/A
Reasons for deviations on performance	· The ASEZ Co missed targets in relation to investors and leases signed as a result of the delays with listing as a Provincial Government Business Enterprise. Without listing it was unable to provide new investors with the certainty that it controlled the land and they could receive infrastructure funding. Infrastructure funding was only secured in March 2022. · The Zone Management Model and Investor Prospectus must continually be updated as the level of infrastructure funding from National. · Government is secured, the funding of top structures is clarified, property and electricity rates are agreed with the City and the question of tax incentives is resolved.
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Quarterly reports and exco meetings.

Department who transferred the grant	Department of Economic Development and Tourism
Purpose of the grant	Specifically and exclusively geared towards supporting Wesgro's export growth, trade and investment promotion initiatives.
Expected outputs of the grant	· 14-18 investment projects realised, and · 45-65 trade agreements signed.
Actual outputs achieved	· 8 investment projects realised with a rand value of investment amounting to R5.915 billion with 4 445 jobs facilitated, and · 61 trade agreements signed with an estimated rand value of R2 billion and 320 jobs facilitated.
Amount per amended DORA	N/A
Amount received (R'000)	R62 113
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R62 113
Reasons for the funds not being spent by the Entity	Wesgro spent R60 973 860 of their total T&I budget which was 98% of the budget transferred.
Reasons for deviations on performance	The application for any rollover funds for committed expenditure will be made for operation costs before the adjustment period.
Measures taken to improve performance	The alignment of Wesgro's export and investment targets to an overall strategy in order to realise additional investments and export opportunities.
Monitoring mechanism by the receiving Department	· Bi-monthly T&I and DEDAT project team meetings, · Bi-annual Bilateral DMO, T&I and DEDAT meetings, · Quarterly Wesgro T&I Business Plan DEDAT Oversight, and · Meetings.

Department who transferred the grant	Department of Economic Development and Tourism
Purpose of the grant	Supporting the Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro) for the purpose of promoting and upscaling destination marketing initiatives to propel economic growth and job creation in the Western Cape.
Expected outputs of the grant	· Between R500 million and R800 million total estimated economic value of tourism destination marketing initiatives supported, · 15 tourism destination marketing initiatives supported, · 15 joint marketing agreements secured, · 35 leisure events supported, and · 15 bids secured.
Actual outputs achieved	· R246 million total estimated economic value of tourism destination marketing initiatives supported, · 10 tourism destination marketing initiatives supported, · 20 joint marketing agreements secured, · 53 leisure events supported, and · 18 bids secured.
Amount per amended DORA	N/A
Amount received (R'000)	R58 398
Reasons if amount as per DORA was not received	N/A

Amount spent by the Department (R'000)	R58 398
Reasons for the funds not being spent by the Entity	The remaining unspent funds are committed funds. TBC
Reasons for deviations in performance	COVID-19 lockdown restrictions. TBC
Measures taken to improve performance	Lobbying to ease lockdown restrictions and have South Africa removed from source markets' travel red lists.
Monitoring mechanism by the receiving department	· Bi-monthly DMO and DEDAT project team meetings, · Bi-annual Bilateral DMO, T&I and DEDAT meetings, and · Quarterly Wesgro DMO Business Plan DEDAT Oversight Meetings.

Department who transferred the grant	**Department of Economic Development and Tourism**
Purpose of the grant	The provision of funding to provide employment opportunities and upskilling of unemployed youth in the BPO and technology sector.
Expected outputs of the grant	A total of 1 000 unemployed beneficiaries over the age of 18 years old to gain work experience to improve employability and support job creation.
Actual outputs achieved	A total of 2 013 beneficiaries were supported within employment opportunities in the BPO sector.
Amount per amended DORA	N/A
Amount received (R'000)	R34 062
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R34 062
Reasons for the funds not being spent by the Entity	N/A
Reasons for deviations on performance	Demand for the programme was much higher expected.
Measures taken to improve performance	None.
Monitoring mechanism by the receiving Department	The Department conducts site visits to ensure the effective rollout of the initiative.

Department who transferred the grant	Department of Economic Development and Tourism
Purpose of the grant	**Municipal Energy Resilience (MER) earmarked fund** To improve energy resilience (energy security, energy affordability, and low carbon) in municipalities across the Western Cape through facilitating, supporting and positioning the implementation of energy infrastructure development (public and private) that supports economic growth, municipal financial sustainability, and a low carbon pathway. This earmarking aligns itself with the climate change theme of the Province.
Expected outputs of the grant	· Pioneering projects report and roadmap including municipal capacity gap analysis, · Transaction advisory & other advisory support to implement renewable energy projects, · Funding and technical support to municipalities (strategic, technical, tactical and operational) including support into draft TORs for the development of foundational energy studies, i.e. Electricity Master Plans, Cost of Supply Study and mini Integrated Resource Plans, · Commencement of foundational energy studies, with completion in 2022/23, and · Support to municipalities on wheeling.
Actual outputs achieved	· Request for Information for mature renewable energy projects in the market. · Completed the energy projects reports (including amalgamation of business case outputs with municipal readiness evaluation). · Developed a pioneering projects roadmap which includes evaluating & developing plans to fill municipal capacity gaps. · Provided a municipal capacity development plan to address gaps for each pioneering project. · Funding and technical support to municipalities (strategic, technical, tactical and operational) including support in draft TORs for the · development of foundational energy studies, i.e. Electricity Master Plans, Cost of Supply Study and mini Integrated Resource Plans, · 13 projects across eight municipalities were approved for funding, with seven of these projects starting in the 2021/22 financial year. The value of the 2021/22 transfers totals R3.4 million with projects approved for the 2022/23 financial year totalling R6.5m which brings the total value of MER Fund Round 1 to R9.9 million. · Wheeling support was provided to seven municipalities. Wheeling frameworks & applications for Nersa wheeling tariff approval were developed.
Amount per amended DORA	N/A
Amount received (R'000)	R14 504
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R12 038
Reasons for the funds not being spent by the Entity	Municipal energy projects beyond concept stage were not available. An RFI for mature renewable energy projects in the market was therefore required to identify possible categories of pioneering projects. This delayed the finalisation of the energy projects report and pioneering projects roadmap which were required for the scoping of transactional advisory as well as other advisory support. Furthermore, municipal capacity additional requirements for defining the job briefs for TA support were not available.
Reasons for deviations in performance	As above.

Measures taken to improve performance	The Department has established a Municipal Energy Resilience (MER) Panel of Service Providers to ensure efficient, compliant and transparent procurement processes for project work required for the MER initiative. The bidders on the panel have been pre-approved, which allows for an expedited process (as compared to an open procurement process). Given that it is necessary for the municipality to have project officer-type capacity, in the interim the MER team is supporting the municipal project officer role where possible.
Monitoring mechanism by the receiving Department	Formal monthly meetings have been structured into the TPAs and SLAs with the municipalities and service providers to enable DEDAT to gain assurance that progress is taking place on projects as required.

Department who transferred the grant	**Department of Economic Development and Tourism**
Purpose of the grant	· The provision of funding towards tourism safety initiatives within the Province. · To fund the City of Cape Town for the establishment of the Tourism Safety Law Enforcement Unit.
Expected outputs of the grant	· Four oversight reports on the establishment of the Tourism Safety Law Enforcement Unit.
Actual outputs achieved	· 4 oversight reports compiled. · 763 tourists were assisted by the Tourism Law Enforcement Unit. · Initiatives were implemented to counter known criminal modus operandi targeting tourists in particular ATM scams. · The successful deployment of 10 tourism law enforcement officers in tourist hotspots including the Cape Town CBD, Bo-Kaap and Table Mountain National Park.
Amount per amended DORA	N/A
Amount received (R'000)	R3 667
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R3 667
Reasons for the funds not being spent by the Entity	N/A
Reasons for deviations in performance	N/A
Measures taken to improve performance	This Project will be discontinued as from 1 July 2022.
Monitoring mechanism by the receiving Department	Quarterly oversight reports.

7. DONOR FUNDS

7.1 Donor Funds Received

Not applicable.

Name of donor	Manufacturing Engineering and Related Services and Training Authority (MERSETA)
Full amount of the funding (R'000)	44 352
Period of the commitment	31 March 2021 – 30 September 2025
Purpose of the funding	To inform the implementation of specific skills development interventions.
Expected outputs	Number of funded learning interventions – 200 apprenticeships.
Actual outputs achieved	0
Amount received in current period (R'000)	11 088
Amount spent by the department (R'000)	Nil
Reasons for the funds unspent	No expenditure incurred to date, due to the risks transferred to the Department by the SETA, the Department intends to return the funds.
Monitoring mechanism by the donor	Progress monitoring report.

Name of donor	Manufacturing Engineering and Related Services and Training Authority (MERSETA)
Full amount of the funding	16 712
Period of the commitment	24 March 2017 – 31 March 2022
Purpose of the funding	To support the Apprenticeship Game Changer.
Expected outputs	To implement a range of skills development interventions to assist with increasing skills levels through the following 5 sub-programmes: 1. Lecturer/educator development programme. 2. Learnerships for the green economy. 3. QCTO qualification pilot in support of green mobility – bicycle mechanic. 4. ARPL pilot to implement the new ARPL policy and guidelines Graduate interns, experiential learners and N6 TVET placements.
Actual outputs achieved	179
Amount received in current period (R'000)	946
Amount spent by the department (R'000)	1 707
Reasons for the funds unspent	The project is closed, the Department awaits the Merseta reimbursement.
Monitoring mechanism by the donor	Progress monitoring report, moderation report and/or closure reports indicating completion of individual learning interventions.

Name of donor	TETA
Full amount of the funding (R'000)	3 995
Period of the commitment	01 February 2021 – 31 March 2025
Purpose of the funding	Artisan development.
Expected outputs	Number of funded learning interventions – 47 apprenticeships
Actual outputs achieved	Project in progress.
Amount received in current period (R'000)	2 142
Amount spent by the department (R'000)	854
Reasons for the funds unspent	Project in progress.
Monitoring mechanism by the donor	Progress monitoring report, site visit.

Name of donor	Job Funds -GTAC 1
Full amount of the funding	39 270
Period of the commitment	16 April 2013 – 31 December 2022
Purpose of the funding	To support work placement programme.
Expected outputs	Number of beneficiaries employed in permanent positions with project partners – 1 755. Number of beneficiaries having completed time bound internships – 2 700.
Actual outputs achieved	Number of beneficiaries employed in permanent positions with project partners – 1 877. Number of beneficiaries having completed time bound internships – 4 489.
Amount received in current period (R'000)	Nil
Amount spent by the department (R'000)	3 616
Reasons for the funds unspent	Project Monitoring Period up to 31 December 2022.
Monitoring mechanism by the donor	Site visits, progress and monitoring reports.

8. CAPITAL INVESTMENT

8.1 Capital Investment, maintenance and asset management plan

Provide commentary on the following:

Progress made on implementing the capital, investment and asset management plan
Not applicable.

Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year. Provide reasons for material variances (2% variance)
Not applicable.

Infrastructure projects that are currently in progress (list projects) and when are they expected to be completed
Assets will be replaced in terms of the asset management policy. In comparison to the previous financial year, the Department will continue with the restructuring of floors and offices during the financial year 2021/22.

Plans to close down or down-grade any current facilities
Not applicable.

Progress made on the maintenance of infrastructure
Not applicable.

Developments relating to the above that are expected to impact on the department's current expenditure
Not applicable.

Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft
During the 2021/22 financial year, the Department embarked on a disposal process where its asset base was reduced by R 3 999 414.59 (A total of 465 Assets). In this regard, the Department considered factors such as the Department's Socio and Economic responsibility and assisting public sector entities in fulfilling their mandate of service delivery to the public at large.

In lieu of this, assets were donated to Non-Governmental Organisations (NGO's), Non-Profit Organisations (NPO's) and public entities in aiding them to fulfil their obligations effectively and efficiently.

Distribution entailed:
A total of 279 assets with the value of R 2 135 263 were donated to NGO's and NPO's.

A total 7 assets with the value of R 91 437 were transferred to other public sector entities of the state.

The asset base was further reduced by:
A total of 46 assets to the value of R 276 499 were disposed through responsible recycling "e-waste".
A total of 3 assets to the value of R 47 448.77 were written off.
A total of 3 assets to the value of R22 326.63 were taken off the assets register and referred to loss control for further investigation.
A total of 127 assets to the value of R 1 426 440 were Sale-to-Staff.

Measures taken to ensure that the Department's asset register remained up-to-date during the period under review.
The asset records are updated on a daily basis, taking into consideration relevant prescripts and asset management guidelines. On a monthly basis the asset register and the BAS system are reconciled to ensure that the register is complete and correct.

The current state of the Department's capital assets, for example what percentage is in good, fair or bad condition:
35% is in a good condition
60% is in a fair condition
5% is in a bad condition

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

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

The expenditure incurred for new and replacement assets are reflected in the table below.

Infrastructure projects	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	-	-	-	3 284	3 284	-
Existing infrastructure assets	-	-	-	-	-	-
1. Upgrades and additions	-	-	-	-	-	-
2. Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
3. Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	-	-	-	-	-	-
4. Current	-	-	-	-	-	-
5. Capital	-	-	-	-	-	-
Total	**-**	**-**	**-**	**3 284**	**3 284**	**-**

PART C:
GOVERNANCE

1. INTRODUCTION

The corporate governance requirements of the King IV report with regards to the Accounting Officer's responsibilities are espoused by section 38 and 40 of the PFMA. Pursuant of this legislative duty and responsibility towards sound governance, the Governance Committee is chaired by the Accounting Officer and composed of all senior management members inclusive of provincial partners in the areas of risk management, information technology, internal audit and forensics. The Governance Committee's key responsibility is to ensure that governance structures are in place and functioning so that the Department's strategic agenda is delivered upon in an ethical and socially responsible manner. The Governance Committee's strategic agenda rests on the key principles of King IV to ensure that decision-making is framed by good governance intent.

Within the ambit of the governance outcomes of ethical culture, good performance, effective control and legitimacy, the Department effected service delivery through fund delivery mechanisms. The Programmes and Financial Management worked in collaboration to ensure that governance structures were operating to support businesses and the Western Cape citizenry. Governance requirements were implemented pervasively throughout the fund process from advertisement phase through to the disbursements of funds. Effectively, the fund/s were managed in a fair, transparent and cost-effective manner so that businesses received the help they needed and where the Department could authentically derive impact.

An increase in site visits to businesses also enhanced the fund process by validating businesses and assessing the extent of the Department's support to those businesses. The 2021/2022 financial year observed a fund process that removed the cogs from the prior year and replaced processes with refinements that ultimately served beneficiaries.

The Department's pursuit of governance outcomes extended to various projects and programmes, namely, the ease of doing business projects, trade and investment promotion through its public entity partner Wesgro as well as the the skills development area where household situations were improved by a youth employed. Economic recovery plans were implemented and are ongoing as the fight for growth and job creation continues to legitimise the role and responsibility of the Department in the Western Cape.

2. RISK MANAGEMENT

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

Enterprise Risk Management Policy and Strategy

The Enterprise Risk Management Policy was approved on 1 April 2020 and is valid for the 5-year period, 2020/21-2024/25. The ERM Strategy and Implementation Plan for 2021/22 was approved on 29 March 2021.

Governance Committee Responsibility

The Governance Committee (GOVCOM) reports that it has complied with its responsibilities arising from Section 38 (1)(a)(i) of the Public Finance Management Act, National Treasury Regulation 3.2.1 and Public Service Regulations of 2016, Chapter 2, Part 1, 2 and 3. The GOVCOM also reports that it has adopted an appropriate formal Terms of Reference (TOR) approved by the GOVCOM chairperson on 3 April 2020 and regulated its affairs in compliance with this TOR and has discharged all its responsibilities as contained therein.

Governance Committee Members

The GOVCOM comprises of selected members of the DEDAT's senior management team. As per its Terms of Reference, the GOVCOM is required to meet four times a year, however due to a high volume of AGSA requests received by the department the 1st quarter meeting was cancelled. The conversation around the budget process and other strategic priorities had rendered the need to postpone the Q3 GOVCOM. GOVCOM therefore only met twice during the 2021/22 financial year.

The table below provides information on GOVCOM members:

Name	Position	Meetings Attended	Date Appointed
Mr S. Fourie	Accounting Officer (Chairperson)	2	23 April 2021
Ms J. Johnston	Deputy Director-General: Economic Co-ordination and Stakeholder Engagement	2	23 April 2021
Mr R. Toefy	Deputy Director-General: Economic Operations	2	23 April 2021
Ms M. Abrahams	Chief Financial Officer (CFO) - Risk Champion	2	23 April 2021
Ms C. Julies	Director: Strategic Operations	2	23 April 2021
Mr J. Peters	Chief Director: Integrated Economic Development Services	2	23 April 2021
Ms I. Van Schalkwyk	Chief Director: Economic Co-ordination and Stakeholder Engagements	2	23 April 2021
Ms H. Davies	Chief Director: Green Economy	2	23 April 2021
Mr N. Joseph	Chief Director: Skills Development and Innovation	2	23 April 2021
Mr P. Ncube	Director (Acting): Business Regulations and Governance	1	23 April 2021
Mr T. Parle	Chief Director: Digital Economy	2	23 April 2021
Ms Bianca Mpahlaza	Chief Director Economic Planning Infrastructure Co-ordination	1	23 April 2021
Ms B. Mott	Deputy Director: Internal Control	2	23 April 2021
Ms J. Lombard	GOVCOM Secretariat	2	23 April 2021

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

Name	Position	Meetings Attended
Adv A. Searle	Director: Business Regulations and Governance	1
Ms A. Haq	Director: Enterprise Risk Management: DotP	2
Ms C. Cochrane	Deputy Director: Enterprise Risk Management: DotP	2
Mr N. Tembani	Assistant Director: Enterprise Risk Management: DotP	1
Mr R. Arendse	Deputy Director: Enterprise Risk Management: DotP	1
Ms N. Mabude	Assistant Director: Enterprise Risk Management: DotP	1
Mr S. Martin	Director: Internal Audit: DotP	1
Ms E. De Bruyn	Services Manager: Ce-I: DotP	1

Governance Committee key activities

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

- Reviewed the Department's Risk Management Strategy and Implementation Plan; for recommendation by the Audit Committee and approval by the Accounting Officer;
- Set, reviewed and applied appropriate risk appetite and tolerances, and recommended same for approval by the Accounting Officer;
- Ensured that risks and related mitigations were articulated in accordance with the Department's risk appetite and tolerance levels;
- Reported to the Accounting Officer any material changes to the risk profile of the Department;
- Assessed the implementation of the departmental Risk Management Policy, Strategy and Implementation Plan;
- Ensured that there was accessible, accurate, timely and relevant risk disclosure to stakeholders;
- Obtained oversight assurance of the effectiveness of risk management processes;
- Evaluated the effectiveness and mitigating strategies to address the material strategic, programme, ethics and economic crime risks;
- Evaluated the effectiveness of the implementation of the Fraud and Corruption Prevention Plan;
- The Department performed oversight on ethics management and business continuity at Departmental Top Management meetings.

Key strategic risks considered and addressed during the year

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

- **The uneven recovery among different markets and market segments within domestic and international visitor numbers.** The tourism sector has been severely affected during the pandemic, mainly due to extended lockdowns and the "Beta" and "Omicron" COVID-19 variants first discovered in South Africa. This placed South Africa at continuous risk of global shutdown as several countries banned travel to and from South Africa. There has been limited disaster and other relief support for the tourism industry to recover. There has also been limited marketing budget available for tourism related businesses because of the decrease in business turnover which impacts resources needed for key marketing activities (domestic and International) to recover. A key initiative in relation to address the recovery within the tourism industry includes the Tourism Recovery Plan and Tourism Blueprint the 10-year strategy and the implementation thereof. To spur recovery, we need to attract fresh investments, develop value-added jobs, recruit new talent, and boost innovation. Also need to address the three key risks around safety, quality of the offering and destination governance.
- **Inadequate energy resilience (security, affordability, and carbon emissions) for economic growth impacting business and citizens in the Western Cape Province.** South African businesses and households have been severely impacted since 2007 by the increased risk of load shedding. The Municipal Energy Resilience (MER) project, which is a key initiative to address this risk, is set to foster renewable energy projects, build energy security, and buffer households and businesses from load shedding. The MER project still needs funding in the outer years beyond 2022/23FY to continue.
- **The Department's efforts in addressing unemployment associated with skills shortages is compromised by internal and external environmental constraints.** This risk is broadly worded but centres around the matters that hinder the Department's efforts in addressing the risk of unemployment. Factors include the mismatch of skills, as the skills ecosystem and academic outcomes are not adequately aligned to current and future industry requirements. There has also been a decline and scarce funding both internal within the department and public/private sectors for skills initiatives. A key initiative is to apply for funding from donors to ensure that there are continuous and differentiating funding streams to increase employability and training opportunities. The department also developed a plan of action to increase sources of funding leverage. To address the mismatch of skills, the department is leading stakeholder engagements that drive collaborations between basic education, post-school education and private sector to ensure that skills offerings are aligned to industry requirements.

- **Budget cuts and cost of employee constraints negatively affecting the Department's ability to deliver on the Departmental Economic Recovery Plan (ERP) and 5-year Strategy.** The ERP seeks to create an enabling environment for job creation and economic growth. The focus areas of the plan are to address the economic challenges resulting from the COVID-19 pandemic and to address the consistent low growth of the economy stemming from economic obstacles that pre-date the pandemic. The delivery of this plan is negatively impacted because of the National fiscal climate exacerbated by COVID-19. The Department is currently in the process of identifying priority areas and aligning resources to these areas because of this risk.
- **SMME Support Ecosystem not effectively developing and growing small businesses.** The risk is mainly caused by a lack of integrated planning and coordination amongst SMME Eco System Stakeholders affecting implementation. A key intervention is the facilitation of engagements between business development support organisations to facilitate joint planning and implementation to prevent duplication of initiatives and programmes that are not as effective and efficient in supporting the growth and development of small businesses. During the pandemic, the department also played a vital role to support businesses in need through the COVID-19 Business Relief Fund.

The Economic Cluster Audit Committee provided independent oversight of the department's system of risk management. The Audit Committee was furnished with Quarterly ERM progress reports and risk registers to execute their independent oversight role.

Key emerging risks for the following financial year

The following emerging risks will be considered in the new financial year:

- Reprioritization and repurposing within the department to ensure the full operationalization of the Economic Recovery Plan in the context of the weak economic outlook;
- Increased negative impact of the Russian invasion on Ukraine and COVID-19 pandemic on industries such as tourism, oil & gas, SMMEs, and trade sector development;
- Increase budget cuts and cost of employee constraints which limits the ability of the Department to deliver on key plans and projects.

Regular strategic and programme risk assessments are conducted to determine the effectiveness of the department's risk management strategy and to identify new and emerging risks because of changes in the internal and/or external environment. Each Programme's risks are also deliberated upon and debated at the quarterly GOVCOM meetings. Programme managers are required to provide feedback on progress with the implementation of action plans to reduce the likelihood of risks materialising and/or the impact should they materialise. EERMCO also referred risks back that should be analysed more extensively and recommends additional mitigations or actions to manage risks.

Conclusion

Consistent with the Governance Committee's protocol, an expert in the field of risk management, Mr Chris Palm, the Chief Risk Advisor for the Institute of Risk Management SA was presented to equip the management structure with tools to initiate, innovate and reinforce progressive thinking in terms of implementing risk management principles and practices. Testament to the success of the engagement was the committee's charge to invite the expert for follow-up and more specific training interventions with the wider management structure to ensure the innovation conversation is pervasive throughout the Department.

With commensurate acknowledgement that risk management is a journey and an ongoing process, the Department is still challenged by a risk conversation that requires more forward-thinking and risk profiling that links to the Department's strategies. The awareness that this is a pre-requisite for true risk management was established in the Chris Palm conversation. The drive for the new financial year is the augmentation of the skill to identify true risks linked to strategies through intensified collaboration with the ERM unit and risk management training for all levels of management and staff.

3. FRAUD AND CORRUPTION

Fraud and corruption represent significant potential risks to the Department's assets and can negatively impact on service delivery efficiency and the Department's reputation.

The WCG adopted an Anti-Fraud and Corruption Strategy which confirms the province's zero-tolerance stance towards fraud, theft, and corruption. In line with this strategy the Department is committed to zero-tolerance regarding corrupt, fraudulent, or any other criminal activities, whether internal or external, and vigorously pursues and prosecutes by all legal means available, any parties who engage in such practices or attempt to do so.

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

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

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

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

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

Cases	Number of cases
Open cases as at 1 April 2021	1
New cases (2021/22)	0
Closed cases (2021/22)	(1)
Open cases as at 31 March 2022	0

The following table further analyses the closed case indicated above:

Nature and investigation outcome of case closed
In 1 case the allegation was substantiated as a case of irregularity / non-compliance.

4. MINIMISING CONFLICT OF INTEREST

A key corporate governance element is effective conflict of interest management. The Department regards this as an important focus area within Supply Chain Management and for all Transfer Payments. Pursuant of this and to achieve conflict of interest coverage and thereby prevention, the Department has for the 2021/22 financial year cemented its stance in terms of ethical service delivery practices and ensured the following:

- All departmental bid committee members sign a declaration of interest for each bid and in the event of any conflict, the relevant members are excused from the meeting. This declaration also mitigates any potential confidentiality issues that may arise.
- Suppliers are required to complete a WCBD 4 document, which requires them to disclose any family members that are involved in the procurement process or in the employment of the Department. The information on the WCBD 4 is verified by the Department prior to the evaluation of a bid or quotation.
- Declarations of interest are completed by all staff inviting quotations for procurement below R10 000.
- Declarations of interests are completed by all staff involved in transfer payments to beneficiaries.
- Vetting of SCM officials and senior management.
- Verification of bidders' conduct against the register of tender defaulters and database of restricted suppliers.

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

5. CODE OF CONDUCT

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

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

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

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

There are four departments that occupy the Waldorf Building, of which the Department of Economic Development and Tourism serves as the leading department for all health and safety issues. The Department held Occupational Health and Safety Committee (OHSC) meetings during the year to discuss and monitor health and safety compliance matters. During the reporting year, all new DEDAT

OHS representatives were successfully trained in their respective roles as First Aider, Fire Fighter, and OHS Marshall.

During the first quarter of the financial year, the Department of Community Safety undertook a Safety and Security Risk Assessment of the Department. The DEDAT Occupational Health and Safety team together with the Department of Community Safeties Security Advisory Service team, organised an onsite walk-about with the aim of identifying potential hazards and risks that may hinder the Department's mandate to fulfil its set of objectives.

Matters relating to COVID-19 compliance and regulatory protocol were also addressed in the Security Risk Assessment of the Department. Each respective office floor was provided with extra precautionary measures i.e. various hand sanitising solutions placed at strategic points, to prohibit the spread of COVID-19 in the workplace. All Departmental OHS representatives were requested to be present at the workplace to fulfil their role of either Fire Marshal, Floor Marshal, and/ or First Aider. This ensured that the Department was fully compliant with OHS regulations for the period under review.

During the reporting period, a number of OHS awareness information was shared with the department to ensure that all employees are fully aware and understand their roles pertaining to OHS within the workplace.

Despite the COVID-19 pandemic, two successful evacuation drills were completed, for the reporting period, with the full participation of all the relevant stakeholders within the Waldorf Building.

7. PORTFOLIO COMMITTEES

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

Date	Matters raised	Response by DEDAT
19th March 2021	Deliberation on Vote 12: Economic Development and Tourism in the Schedule to the Western Cape Third Adjustment Appropriation Bill, 2021 Consideration and adoption of the Draft Committee Report on Western Cape Third Adjustment Appropriation Bill, 2021	The Department and its entities discussed Vote 12 as well as the Western Cape Third Adjustment Appropriation Bill.
26th May 2021	Briefing by the Department of Economic Development and Tourism and Wesgro on the following: 1. The 2020/21 seasonal tourism statistics for the Western Cape; 2. The process for renewal of tour guide permits; and 3. The assistance provided to tour guides in respect of point 2.	The Department alongside Wesgro briefed the Committee on the three items. Presentation submitted to the Standing Committee.
9th June 2021	Briefing by the Department of Economic Development and Tourism on its Business Process Outsourcing and Work Placement Programmes.	The Department and the entities made a presentation to the committee on points (i) to (iv): i. Briefing by the Department of Economic Development and Tourism on its Business Process Outsourcing and Work Placement Programmes; ii. Briefing by Saldanha Bay IDZ Licencing Company on its skills training and education programmes for the oil, gas, and maritime sectors; iii. Briefing by Atlantis SEZ on its skills and education programmes in respect of energy and coding; and iv. Briefing by Wesgro on its Export Advancement Promotion Programme, and the outcomes of their online webinars and virtual international tours.
23rd June 2021	Briefing by the Department of Economic Development and Tourism on the inefficiencies experienced at the Cape Town Port and the impact on the various industries.	The Department made a presentation to the Committee on efficiencies in the Port of Cape Town.
19th July 2021	The Western Cape Provincial Parliament's Ad Hoc Committee on COVID-19 hosted a meeting looking into the effects of the pandemic on the youth of the province. The Committee sought to gain insight into the effect of the pandemic on youth employment and employability.	The Department of Economic Development and Tourism briefed the Committee on the following: i. The youth employment, the support provided to young people to help pursue jobs, and the keeping young people connected to job opportunities; and ii. What is done to reduce social exclusion, job search resilience, and reducing discouragement of young people.

25th August 2021	Briefing by the Department of Economic Development and Tourism on the Spaza Shop Project. Visit to Langa Spaza shops.	The Department briefed the Committee on the Township Economy Revitalisation Initiative, the challenges encountered, and the employment opportunities created so far.
27th August 2021	Briefing by the Department of Economic Development on the societal impact, financial value for money, and the total number of beneficiaries who benefited from the Small, Medium, and Micro-enterprises Booster Fund.	The Department presented on the societal impact, financial value for money, and the total number of beneficiaries who benefited from the Small, Medium, and Micro-enterprises Booster Fund. Presentation provided to the Standing Committee.
25th November 2021	Standing Committee on the 2020/21 Annual Reports.	The Minister and the Department of Economic Development and Tourism, and its Entities; Wesgro, Saldanha Bay IDZ Licencing Company, and the Atlantis Special Economic Zone, briefed the Committee on its 2020/21 Annual Reports.
7th December 2021	Standing Committee on the Western Cape Adjustments Appropriation Bill, 2021.	The Minister and the Department of Economic Development and Tourism briefed the Committee on the budgetary adjustments to Vote 12. Presentation sent to the committee.
8th February 2022	Briefing by the Department of Economic Development and Tourism on the !Khwa ttu Food from the Ancestors Experience and the Department's involvement in the project, the impact on local tourism, and benefits for the local community Walk about of the premises.	The Committee and Department engaged with the beneficiaries of the project on the successes and challenges experienced so far. Presentation sent to the Committee.
17th February 2022	Briefing to the Standing Committee by Transnet and the Department of Economic Development and Tourism.	Briefing by Transnet and the Department of Economic Development and Tourism on the progress made at the Port of Cape Town in respect of the container backlogs.
18th February 2022	Briefing to the Standing Committee on the Tourism Recovery Plan for the Western Cape. The Committee further requested that the Department, Wesgro, and mobile payment solutions such as Yoco, Snapscan and Zapper brief the Committee on the services offered to Small, Medium, and Micro Enterprises, as well as the successes and challenges experienced in the Western Cape by these services providers.	Presentation sent to the Committee.
25th February 2022	Briefing by the Department of Economic Development and Tourism and Wesgro on the following agenda points,: i. Delta Airlines, who are unable to fly to Cape Town; ii. Film permits in the Western Cape, and attracting the film industry to the Province; and iii. Remote Working Visas, electronic visas, and the issuing of visas.	Presentation sent to the Committee.

8. SCOPA RESOLUTIONS

The Committee noted the Auditor-General's audit opinion regarding the Department's annual financial statements for the 2020/21 financial year, having obtained an unqualified audit report with no findings on pre-determined objectives. This audit opinion remains unchanged from the 2019/20 financial year.

No resolutions.

9. PRIOR MODIFICATION TO AUDIT REPORTS

There were no prior year modifications to the audit report.

10. INTERNAL CONTROL UNIT

The Internal Control Unit is an internally employed function that operates within the Chief Directorate: Financial Management. Annually, the unit prepares a risk-based operational plan that is designed to ensure the control environment is sound. The functions of the unit include internal assurance services, governance, fraud, and losses.

The 2021/2022 year observed an intense legislative audit conducted by the unit to ensure the departmental Finance Policy manual is compliant with the financial management legislative framework. Where all Internal Control audits are informed by risks and legislation to maintain the control environment and identify control enhancements, this audit is a review of all legislation to inform policy change and effect efficiency in processes.

The Governance sub-unit delivers on the financial management client strategy in the form of risk management, fraud and corruption prevention, finance policy management, communication, and investigative functions. In terms of the latter, the unit ensures a system to manage irregularities and a dedicated investigative function to remediate and strengthen the control environment.

The Assurance sub-unit has successfully conducted compliance and financial inspections on key risk areas within Financial Management and provides further assurance on the Interim and Annual Financial Statements.

In partnership with the service delivery programmes, the sub-unit has been instrumental in building a governance structure for certain projects. This includes support in developing standard operating procedures, control reviews, and resources for site visits to beneficiaries.

The sub-unit is also responsible for external assurance providers namely, Internal Audit and the Auditor-General. This function had been adequately fulfilled in that each has successfully conducted its audits.

11. INTERNAL AUDIT AND AUDIT COMMITTEE

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

The following key activities are performed in this regard:

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

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

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

- Internal Audit function;
- External Audit function (Auditor General of South Africa - AGSA);
- Departmental Accounting and Reporting;
- Departmental Accounting Policies;
- Review of AGSA Management and Audit Report;
- Review of Departmental In Year Monitoring;
- Departmental Risk Management;
- Internal Control;
- Pre-determined Objectives;
- Ethics and Forensic Investigations.

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

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date resigned	No. of Meetings attended
Mr Richard Rhoda (Chairperson)	CA (SA); CTA (UCT) Advanced Executive Program (Unisa); Tier1 IPFA (Public Finance and Auditing)	External	N/A	1 January 2019 (1st Term)	31 December 2021	5
Mr Comfort Bunting (Chairperson)	ND: Internal Audit MBA	External	N/A	1 January 2022 (1st Term)	N/A	2
Ms Annelise Cilliers	CA(SA)	External	N/A	1 January 2019 (2nd Term)	N/A	7
Ms Merle Kinnes	BA; LLB; Certificate Forensic Examination; Attorney of the High Court of SA.	External	N/A	1 January 2019 (2nd Term)	31 December 2021	5
Ms Lynne Tromp	CA(SA); MBA;	External	N/A	1 January 2019 (2nd Term)	N/A	7
Mr Tsepo Lesihla	ND: IT Master of Technology in IT	External	N/A	1 January 2019 (2nd Term)	N/A	2

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2022.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from S**ection 38 (1) (a) (ii)** of the **Public Finance Management Act (PFMA) and National Treasury Regulations 3.1.** The Audit Committee also reports that it has adopted an appropriate formal Terms of Reference and has regulated its affairs in compliance with its Charter.

The Effectiveness of Internal Control

The Department is required to develop and maintain systems of internal control that would improve the likelihood of achieving its objectives, to adapt to changes in the environment it operates in and to promote efficiency and effectiveness of operations, supports reliable reporting and compliance with laws and regulations. The WCG adopted a Combined Assurance Framework which identifies and integrates assurance providers and used for planning purposes. The first level of assurance is management assurance, requiring of line management to maintain effective internal controls and execute those procedures on a day-to-day basis by means of supervisory controls and taking remedial action where required. The second level of assurance is internal assurance provided by functions separate from direct line management, entrusted with assessing adherence to policies, procedures, norms, standards and frameworks. The third level of assurance is independent assurance providers that are guided by professional standards requiring the highest levels of independence.

A risk-based Combined Assurance Plan was developed for the Department, facilitated by Internal Audit, who is also an independent assurance provider. Internal Audit provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by an approved risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

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

Assurance Engagements

- COVID-19 Relief Fund
- Jobs Fund
- Transfer Payments
- Use of Consultants

Consulting Engagements

- Leverage of Funding for Skills Development

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

In-Year Management and Monthly/Quarterly Report

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

Evaluation of Financial Statements

The Audit Committee has:

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

Compliance

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

Performance Information

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

Report of the Auditor-General South Africa

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

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

Mr Comfort Bunting
Chairperson of the Economic Cluster Audit Committee
Department of Economic Development and Tourism
Date: 12 August 2022

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes / No**	**Discussion (include a discussion on your response and indicate what measures have been taken to comply)**
Determining qualification criteria for the issuing of licenses, concessions or other authorisations in respect of economic activity in terms of any law?	No	This is not applicable as the Department has not issued any licenses, concessions or any other authorisation in respect of economic activity in terms of any law.
Developing and implementing a preferential procurement policy?	No	On 16 February 2022, the Constitutional Court handed down a judgment declaring the entire validity of the Preferential Procurement Regulations, 2017, invalid on the basis that the content of the Regulations exceeded the Minister's power on what could permissibly be regulated in terms of Section 5 of the Preferential Procurement Policy Framework Act, 2000 and Section 217 of the Constitution. Interim arrangements endorsed by Provincial Cabinet on 09 March 2022 to maintain the status quo and apply the Preferential Procurement Policy Framework Regulations (PPPFR) via Cabinet Minutes 85 of 2022 was implemented with immediate effect. Clarification provided by the Constitutional Court on 30 May 2022 in respect of the suspension of invalidity of the regulations, confirmed that the appeal interrupted the suspension after 21 days and that the suspension continues after the judgment was handed down, and that the Regulations remain invalid for the remainder of the 12-month period until 26 January 2023. The WCG subsequently took the decision to revert to its previous position as defined in Cabinet Minute 87 of 2017, i.e., apply its discretion in terms of pre-qualification criteria, i.e., Regulation 4, and in respect of Regulation 6(9)(a)-(c) and 7(9)(a)-(c); conduct empowerment assessments from all procurement above R10 million Exempted Micro Enterprise (EME) threshold and further enabling departments to lower the threshold should its analysis so dictate, and implement regional indicators to target local suppliers using the e-Procurement system and simultaneously considering the rotation of suppliers. The Provincial Treasury is in the process of drafting a preferential procurement policy for the Province in consultation with the WCG Policy Focus Group and the broader SCM cadre, the CFO Forum and the Provincial Top Management seeking consensus, buy-in and sign-off as a provincial policy before finalisation and issuance, and the adoption of the policy by each department.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes / No**	**Discussion (include a discussion on your response and indicate what measures have been taken to comply)**
Determining qualification criteria for the sale of state-owned enterprises?	No	This is not applicable as the Department has not had a sale of state-owned enterprises.
Developing criteria for entering into partnerships with the private sector?	No	This is not applicable as the Department has note entered into any PPP arrangements
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	This is not applicable as the Department has not awarded incentives, grants and investment schemes in support of Broad Black Economic Empowerment.

PART D:
HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

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

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

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

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

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

2. STATUS OF PEOPLE MANAGEMENT AT THE DEPARTMENT

2.1 Departmental workforce planning priorities

- The role of Workforce Planning is important to ensure that the Department has the required number of people with the requisite skills, knowledge and attitudes to perform the work. Through this process the Department annually assesses its workforce profile against current and future organisational needs.
- The aim of this assessment is to identify to what extent the current workforce profile addresses the key people management outcomes that would guarantee service continuity and value.
- The Workforce Plan 2021 - 2026 is therefore aligned to the vision and mission of the Department's Strategic Plan.
- The assumptions on which this Workforce Plan was developed are still valid and the Action Plan was reviewed to ensure that strategies (as per the listed priorities) would achieve its outcomes:
    - Identifying and developing the required organisational capability,
    - Values- and competency-based recruitment practices (which include the possibility of an online Application and Screening system to enhance the recruitment practices and attract the right candidates who are future- and culture-fit,
    - Diversify the talent pool,
    - Talent and skills development for employees on new emerging skills e.g. 4IR Meta competencies/functional and technical skills as well as behavioural skills that are critically needed to support the future-fit organisation,
    - Prioritise training interventions to address Departmental Critical Competencies and CDP requirements,
    - Development and implementation of the Future Fit Skills Strategy (FFSS),
    - Youth development programmes for assisting with creating talent pipelines (internships),
    - Reconfiguration of PTI into a provincial learning and innovation centre,
    - Employment Equity priorities as indicated in the Departmental EE Plan to guide the Recruitment and Selection decisions of the Department,
    - Provide Health and Wellness interventions/services in support of employee well-being, and
    - Develop and implement the transition to a New Way of Work/WCG citizen-centric culture project.

2.2 Employee performance management

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

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

The performance management process requires that a mid-year review and an annual assessment are conducted but that the operational targets and achievements linked to the performance agreement be monitored and communicated on an ongoing basis.

In instances where targets or performance expectations are not met, the gaps are addressed through the management of poor performance. In this context, a performance consulting unit has

been established within the Department of the Premier (Chief Directorate: People Management Practices) to assist line managers (people managers) in dealing with poor performance. The process is developmental, however, in instances where individuals have been identified as poor performers in terms of the legislative framework, they are required to subject themselves to a developmental plan or to disciplinary action.

2.3 Employee wellness

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

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

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

2.4 People management monitoring

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

3. PEOPLE MANAGEMENT OVERSIGHT STATISTICS

3.1 Personnel-related expenditure

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

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

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

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

Table 3.1.1: Personnel expenditure by programme, 2021/22

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Goods & Services (R'000)	Personnel expenditure as a % of total expenditure	Average personnel expenditure per employee (R'000)	Number of Employees remunerated
Programme 1	54 841	41 233	975	10 954	75,2	352	117
Programme 2	53 204	18 379	127	5 846	34,5	1 149	16
Programme 3	73 976	11 197	2	550	15,1	589	19
Programme 4	9 392	7 558	1	1 834	80,5	581	13
Programme 5	157 255	31 932	4	18 831	20,3	639	50
Programme 6	74 161	7 260	46	935	9,8	454	16
Programme 7	70 567	11 631	12	5 643	16,5	364	32
Total	**493 396**	**129 190**	**1 167**	**44 593**	**26,2**	**491**	**263**

Note: 'The number of employees' refers to all individuals remunerated during the reporting period, including interns (i.e. Premier's Advancement of Youth [PAY], matric, graduate and student) but excludes the Provincial Minister. The number of employees is cumulative and not a snapshot as at a specific date.

Table 3.1.2: Personnel expenditure by salary band, 2021/22

Salary bands	Personnel Expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure per employee (R'000)	Number of Employees
Interns	1 381	1,0	40	35
Lower skilled (Levels 1-2)	514	0,4	171	3
Skilled (Levels 3-5)	7 607	5,7	200	38
Highly skilled production (Levels 6-8)	28 705	21,4	416	69
Highly skilled supervision (Levels 9-12)	66 683	49,8	702	95
Senior management (Levels 13-16)	28 999	21,7	1 261	23
Total	**133 888**	**100,0**	**509**	**263**

Note: 'The number of employees' refers to all individuals remunerated during the reporting period, including interns (i.e. Premier's Advancement of Youth [PAY], matric, graduate and student) but excludes the Provincial Minister. The number of employees is cumulative and not a snapshot as at a specific date.

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

Table 3.1.3: Salaries, Overtime, Housing Allowance and Medical Assistance by programme, 2021/22

Programme	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Programme 1	33 638	25,1	222	0,2	818	0,6	2 216	1,7
Programme 2	7 888	5,9	-	-	123	0,1	347	0,3
Programme 3	7 629	5,7	-	-	104	0,1	270	0,2
Programme 4	5 659	4,2	-	-	107	0,1	228	0,2
Programme 5	22 416	16,7	-	-	248	0,2	770	0,6
Programme 6	5 435	4,1	-	-	143	0,1	193	0,1
Programme 7	10 535	7,9	-	-	88	0,1	241	0,2
Total	**93 200**	**69,6**	**222**	**0,2**	**1 632**	**1,2**	**4 265**	**3,2**

Note: The figures in tables 3.1.3 and 3.1.4 are drawn from the PERSAL (Personnel Salary) system and not the Basic Accounting System. The two systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other departments. This means that there may be a difference in the expenditure reflected on these systems, e.g. Salaries, Overtime, Housing and Medical Assistance. Further to this, the table above does not make provision for other expenditure such as Pensions, Performance Bonus and other allowances, which make up the total personnel expenditure. The above expenditure reflects for all individuals remunerated during the reporting period, including interns (PAY, matric, graduate and student), but excluding the Provincial Minister.

Table 3.1.4: Salaries, Overtime, Housing Allowance and Medical Assistance by salary band, 2021/22

Salary Bands	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Interns	1 346	1,0	-	-	-	-	-	-
Lower skilled (Levels 1-2)	325	0,2	-	-	31	0,0	43	0,0
Skilled (Levels 3-5)	5 072	3,8	25	0,0	197	0,1	531	0,4
Highly skilled production (Levels 6-8)	20 199	15,1	127	0,1	824	0,6	1 992	1,5
Highly skilled su- pervision (Levels 9-12)	47 330	35,4	69	0,1	532	0,4	1 654	1,2
Senior manage- ment (Levels 13-16)	18 928	14,1	-	-	48	0,0	45	0,0
Total	**93 200**	**69,6**	**222**	**0,2**	**1 632**	**1,2**	**4 265**	**3,2**

Note: The figures in Table 3.1.3 and 3.1.4 are drawn from the PERSAL (Personnel Salary) system and not the Basic Accounting System. The two systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other departments. This means there may be a difference in the expenditure reflected on these systems, e.g. Salaries, Overtime, Housing and Medical Assistance. Further to this, the table above does not make provision for other expenditure such as Pensions, Performance Bonus as well as other allowances, which make up the total personnel expenditure. The above expenditure reflects for all individuals remunerated during the reporting period, including interns (PAY, matric, graduate and student), but excluding the Provincial Minister.

3.2 Employment and vacancies

The following tables summarise the number of active posts on the establishment, the number of employees (excluding interns and the Provincial Minister), and the percentage active vacant posts as at the end of the financial year. This information is presented in terms of three key variables, namely: Programme (Table 3.2.1), Salary Band (Table 3.2.2) and Critical Occupations (Table 3.2.3). All information in this section is provided as a snapshot as at the end of the financial year under review.

Table 3.2.1: Employment and vacancies by programme, as at 31 March 2022

Programme	Number of active posts	Number of posts filled	Vacancy rate %
Programme 1	97	89	8,2
Programme 2	11	11	-
Programme 3	13	12	7,7
Programme 4	12	12	-
Programme 5	40	40	-
Programme 6	12	11	8,3
Programme 7	18	18	-
Total	203	193	4,9

Table 3.2.2: Employment and vacancies by salary band, as at 31 March 2022

Salary Band	Number of active posts	Number of posts filled	Vacancy rate %
Lower skilled (Levels 1-2)	2	2	-
Skilled (Levels 3-5)	27	25	7,4
Highly skilled production (Levels 6-8)	66	62	6,1
Highly skilled supervision (Levels 9-12)	84	81	3,6
Senior management (Levels 13-16)	24	23	4,2
Total	203	193	4,9

Table 3.2.3: Employment and vacancies by critical occupation, as at 31 March 2022

Critical Occupations	Number of active posts	Number of posts filled	Vacancy rate %
Economists	3	3	-
Engineer*	4	4	-
Total	3	3	-

Note: 'Critical occupations' refers to occupations that are critical for service delivery. If these occupations are not present in the Department, the function/services will collapse.
*"The engineer critical occupation" relates to the energy resilience function.

3.3 Job evaluation

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

Table 3.3.1 summarises the number of posts that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.3.1: Job evaluation, 1 April 2021 to 31 March 2022

Salary Band	Number of active posts as at 31 March 2022	Number of posts evaluated	% of posts evaluated	Posts Upgraded		Posts Downgraded	
				Number	Posts upgraded as a % of total posts	Number	Posts downgraded as a % of total posts
Lower skilled (Levels 1-2)	2	-	-	-	-	-	-
Skilled (Levels 3-5)	27	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	66	1	0,5	-	-	-	-
Highly skilled supervision (Levels 9-12)	84	2	1,0	-	-	-	-
Senior Management Service Band A (Level 13)	15	1	0,5	-	-	-	-
Senior Management Service Band B (Level 14)	6	-	-	-	-	-	-
Senior Management Service Band C (Level 15)	2	-	-	-	-	-	-
Senior Management Service Band D (Level 16)	1	-	-	-	-	-	-
Total	**203**	**4**	**2,0**	**-**	**-**	**-**	**-**

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

Table 3.3.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2021 to 31 March 2022

Beneficiaries	African	Coloured	Indian	White	Total
None					

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

Table 3.3.3: Employees who have been granted higher salaries than those determined by job evaluation per major occupation, 1 April 2021 to 31 March 2022

Major Occupation	Number of employees	Job evaluation level	Remuneration on a higher salary level	Remuneration on a higher notch of the same salary level	Reason for deviation
None					

Table 3.3.4: Profile of employees who have been granted higher salaries than those determined by job evaluation, 1 April 2021 to 31 March 2022

Beneficiaries	African	Coloured	Indian	White	Total
None					

3.4 Employment changes

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

Table 3.4.1: Annual turnover rates by salary band, 1 April 2021 to 31 March 2022

Salary Band	Number of employees as at 31 March 2021	Turnover rate % 2020/21	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2021/22
Lower skilled (Levels 1-2)	3	-	-	-	1	-	33,3
Skilled (Levels 3-5)	27	45,2	11	-	12	2	51.9
Highly skilled production (Levels 6-8)	68	6,3	4	-	5	3	11,8
Highly skilled supervision (Levels 9-12)	86	14,9	9	-	14	2	18,6
Senior Management Service Band A (Level 13)	10	8,3	2	-	-	-	-
Senior Management Service Band B (Level 14)	7	-	-	-	-	-	-
Senior Management Service Band C (Level 15)	2	33,3	-	-	-	-	-
Senior Management Service Band D (Level 16)	1	-	-	-	-	-	-
Total	**204**	**16,0**	**26**	**-**	**32**	**7**	**19,1**
			26		**39**		

Note: 'Transfers' refer to the lateral movement of employees from one Public Service Department to another (both Provincially & Nationally). The turnover rate is determined by calculating the total exits as a percentage of the baseline (number of employees as at 31 March 2021).

Table 3.4.2: Annual turnover rates by critical occupation, 1 April 2021 to 31 March 2022

Critical Occupation	Number of employees as at 31 March 2021	Turnover rate % 2020/21	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2021/22
Economists	3	-	-	-	-	-	-
Engineer*	3	-	1	-	-	-	-
Total	**6**	-	**1**	**-**	**-**	**-**	**-**
			1		**-**		

Note: 'Transfers' refers to the lateral movement of employees from one Public Service Department to another (both Provincially & Nationally). The turnover rate is determined by calculating the total exits as a percentage of the baseline (number of employees as at 31 March 2021).
*The engineer critical occupation relates to the energy resilience function.

Table 3.4.3: Staff leaving the employ of the Department, 1 April 2021 to 31 March 2022

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2021
Death	2	5,1	1,0
Resignation *	15	38,5	7,4
Expiry of contract	11	28,2	5,4
Dismissal – operational changes	-	-	-
Dismissal – misconduct	-	-	-
Dismissal – inefficiency	-	-	-
Discharged due to ill-health	-	-	-
Retirement	4	10,3	2,0
Employee initiated severance package	-	-	-
Transfers to Statutory Body	-	-	-
Transfers to other Public Service departments	5	12,8	2,5
Promotion to another WCG Department	2	5,1	1,0
Total	**39**	**100,0**	**19,1**

Note: Table 3.4.3 identifies the various exit categories for those staff members who have left the employ of the Department.
*Resignations are further discussed in tables 3.4.4 and 3.4.5.

Table 3.4.4: Reasons why staff resigned, 1 April 2021 to 31 March 2022

Resignation Reasons	Number	% of total resignations
Balance between work and life	1	6,7
Interpersonal relationships at work	1	6,7
No reason provided	9	60,0
Personal Grievances	1	6,7
Personal Health	1	6,7
Starting own business	2	13,3
Total	**15**	**100,0**

Table 3.4.5: Different age groups of staff who resigned, 1 April 2021 to 31 March 2022

Resignation Reasons	Number	% of total resignations
Ages <19	-	-
Ages 20 to 24	2	13,3
Ages 25 to 29	4	26,7
Ages 30 to 34	4	26,7
Ages 35 to 39	3	20,0
Ages 40 to 44	1	6,7
Ages 45 to 49	-	-
Ages 50 to 54	-	-
Ages 55 to 59	1	6,7
Ages 60 to 64	-	-
Ages 65 >	-	-
Total	**15**	**100,0**

Table 3.4.6: Employee initiated severance packages

Total number of employee-initiated severance packages offered in 2021/22	None

Table 3.4.7: Promotions by salary band, 1 April 2021 to 31 March 2022

Salary Band	Number of employees as at 31 March 2021	Promotions to another salary level	Promotions as a % of total employees	Progressions to another notch within a salary level	Notch progressions as a % of total employees
Lower skilled (Levels 1-2)	3	-	-	-	-
Skilled (Levels 3-5)	27	-	1	-	-
Highly skilled production (Levels 6-8)	68	1	1,5	-	-
Highly skilled supervision (Levels 9-12)	86	3	3,5	-	-
Senior management (Levels 13-16)	20	1	5,0	-	-
Total	**204**	**5**	**2,5**	**-**	**-**

Note: 'Promotions' refers to the total number of employees who have advanced to a higher post level within the Department by applying for – and successfully getting - an advertised post through the recruitment and selection process. The information reflects the salary level of an employee after he/she was promoted. Employees who do not qualify for notch progressions are not included.

Table 3.4.8: Promotions by critical occupation, 1 April 2021 to 31 March 2022

Critical Occupation	Number of employees as at 31 March 2021	Promotions to another salary level	Promotions as a % of total employees in critical occupations	Progressions to another notch within a critical occupation	Notch progressions as a % of total employees in critical occupations
Economists	3	-	-	-	-
Engineer*	3	-	-	-	-
Total	**6**	**-**	**-**	**-**	**-**

Note: 'Promotions' refers to the total number of employees who have advanced to a higher post level within the Department by applying for, and successfully getting, an advertised post through the recruitment and selection process. The information reflects the salary level of an employee after he/she was promoted. Employee who do not qualify for notch progressions are not included.
*The engineer critical occupation relates to the energy resilience function.

3.5 Employment equity

Table 3.5.1: Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2022

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	-	2	-	-	-	1	-	-	-	-	**3**
Senior management (Levels 13-14)	2	4	-	3	1	6	1	2	1	-	**20**
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	4	18	4	6	5	34	1	8	1	-	**81**
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	9	10	-	-	15	26	-	2	-	-	**62**
Semi-skilled and discretionary decision making (Levels 3-5)	2	7	1	-	3	10	-	2	-	-	**25**
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	1	1	-	-	-	-	**2**
Total	**17**	**41**	**5**	**9**	**25**	**78**	**2**	**14**	**2**	**-**	**193**
Temporary employees	-	-	-	-	-	-	-	-	-	-	**-**
Grand Total	**17**	**41**	**5**	**9**	**25**	**78**	**2**	**14**	**2**	**-**	**193**

A = African; C = Coloured; I = Indian; W = White.

Note: The figures reflected per occupational levels include all permanent, part-time and contract employees but exclude interns. Furthermore, the information is presented by salary level and not post level. For the number of employees with disabilities, refer to Table 3.5.2.

Table 3.5.2: Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2022

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	-	-	-	-	-	-	-	-	-	-	**-**
Senior management (Levels 13-14)	-	-	-	-	-	-	-	-	-	-	**-**
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	-	1	-	-	-	-	-	-	-	-	**1**
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	-	-	-	-	-	-	-	1	-	-	**1**
Semi-skilled and discretionary decision making (Levels 3-5)	-	-	-	-	-	1	-	-	-	-	**1**
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	-	-	-	-	-	-	**-**
Total	**-**	**1**	**-**	**-**	**-**	**1**	**-**	**1**	**-**	**-**	**3**
Temporary employees	-	-	-	-	-	-	-	-	-	-	**-**
Grand Total	**-**	**1**	**-**	**-**	**-**	**1**	**-**	**1**	**-**	**-**	**3**

A = African; C = Coloured; I = Indian; W = White.

Note: The figures reflected per occupational level include all permanent, part-time and contract employees but exclude interns. Furthermore, the information is presented by salary level and not post level.

Table 3.5.3: Recruitment, 1 April 2021 to 31 March 2022

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	-	-	-	-	-	-	-	-	-	-	**-**
Senior management (Levels 13-14)	1	1	-	-	-	-	-	-	-	-	**2**
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	-	2	1	2	-	3	1	-	-	-	**9**
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	1	1	-	-	-	2	-	-	-	-	**4**
Semi-skilled and discretionary decision making (Levels 3-5)	2	3	-	-	2	4	-	-	-	-	**11**
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	-	-	-	-	-	-	**-**
Total	**4**	**7**	**1**	**2**	**2**	**9**	**1**	**-**	**-**	**-**	**26**
Temporary employees	-	-	-	-	-	-	-	-	-	-	**-**
Grand Total	**4**	**7**	**1**	**2**	**2**	**9**	**1**	**-**	**-**	**-**	**26**

A = African; C = Coloured; I = Indian; W = White.

Note: 'Recruitment' refers to the appointment of new employees to the staff complement of the Department but excludes interns. The totals include transfers from other government departments and/or institutions, as per Table 3.4.1.

Table 3.5.4: Promotions, 1 April 2021 to 31 March 2022

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	-	-	-	-	-	-	-	-	-	-	**-**
Senior management (Levels 13-14)	-	-	-	-	-	1	-	-	-	-	**1**
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	-	-	1	-	-	2	-	-	-	-	**3**
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	-	-	-	-	1	-	-	-	-	-	**1**
Semi-skilled and discretionary decision making (Levels 3-5)	-	-	-	-	-	-	-	-	-	-	**-**
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	-	-	-	-	-	-	**-**
Total	**-**	**-**	**1**	**-**	**1**	**3**	**-**	**-**	**-**	**-**	**5**
Temporary employees	-	-	-	-	-	-	-	-	-	-	**-**
Grand Total	**-**	**-**	**1**	**-**	**1**	**3**	**-**	**-**	**-**	**-**	**5**

A = African; C = Coloured; I = Indian; W = White.

Note: 'Promotions' refers to the total number of employees who have advanced to a higher post level within the Department by applying for, and successfully getting, an advertised post, through the recruitment and selection process as per Table 3.4.7.

Table 3.5.5: Terminations, 1 April 2021 to 31 March 2022

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Levels 13-14)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	2	4	1	2	-	2	4	1	-	-	16
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	-	1	-	-	1	6	-	-	-	-	8
Semi-skilled and discretionary decision making (Levels 3-5)	2	3	-	1	3	5	-	-	-	-	14
Unskilled and defined decision making (Levels 1-2)	-	1	-	-	-	-	-	-	-	-	1
Total	**4**	**9**	**1**	**3**	**4**	**13**	**4**	**1**	**-**	**-**	**39**
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	**4**	**9**	**1**	**3**	**4**	**13**	**4**	**1**	**-**	**-**	**39**

A = African; C = Coloured; I = Indian; W = White.
Note: Terminations refer to those employees (excluding interns) who have left the employ of the Department, including transfers to other departments, as per Table 3.4.1.

Table 3.5.6: Disciplinary actions, 1 April 2021 to 31 March 2022

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
None											

A = African; C = Coloured; I = Indian; W = White.
Note: 'The disciplinary actions total' refers only to formal outcomes and not headcount. For further information on the outcomes of the disciplinary hearings - and the types of misconduct addressed at disciplinary hearings - refer to Tables 3.12.2 and Table 3.12.3.

Table 3.5.7: Skills development, 1 April 2021 to 31 March 2022

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15-16)	-	1	-	-	-	1	-	-	**2**
Senior management (Levels 13-14)	-	2	1	3	1	4	1	2	**14**
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	5	18	3	3	5	31	4	7	**76**
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	7	10	1	-	14	28	1	2	**63**
Semi-skilled and discretionary decision making (Levels 3-5)	4	9	1	1	4	11	-	1	**31**
Unskilled and defined decision making (Levels 1-2)	-	1	-	-	-	-	-	-	**1**
Total	**16**	**41**	**6**	**7**	**24**	**75**	**6**	**12**	**187**
Temporary employees	-	-	-	-	-	-	-	-	**-**
Grand Total	**16**	**41**	**6**	**7**	**24**	**75**	**6**	**12**	**187**

A = African; C = Coloured; I = Indian; W = White.
Note: The above table refers to the total number of employees who have received training during the period under review, and not the number of training interventions attended by individuals. For further information on the actual training provided, refer to Table 3.13.2.

3.6 Signing of performance agreements by SMS members

Table 3.6.1: Signing of Performance Agreements by SMS Members, as at 31 May 2021

SMS Post Level	Number of active SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed Performance Agreements as % of SMS members per level
Head of Department	1	1	1	100,0
Salary Level 15	2	2	2	100,0
Salary Level 14	7	7	7	100,0
Salary Level 13	11	10	10	100,0
Total	**21**	**20**	**20**	**100,0**

Note: This table refers to employees who are only appointed as Senior Management Service (SMS) members. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded. Furthermore, the table reflects post salary details and not the individual salary level of employees. The allocation of performance-related rewards (cash bonus) for SMS members is dealt with later in the report. Refer to Table 3.8.5 in this regard.

Table 3.6.2: Reasons for not having concluded Performance Agreements with all SMS Members on 31 May 2021

Reasons for not concluding Performance Agreements with all SMS
None

Table 3.6.3: Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2021

Disciplinary steps taken against SMS Members for not having concluded Performance Agreements
None required

3.7 Filling of SMS posts

The tables in this section provide information on employment and vacancies as it relates to members of the SMS by salary level. It also provides information about advertising and the filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken in cases of non-compliance.

Table 3.7.1: SMS posts information, as at 30 September 2021

SMS Post Level	Number of active SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100,0	-	-
Salary Level 15	2	2	100,0	-	-
Salary Level 14	7	7	100,0	-	-
Salary Level 13	12	10	83,3	2	16,7
Total	**22**	**20**	**90,9**	**2**	**9,1**

Note: This table refers to employees who are appointed as Senior Management Service (SMS) members only. Employees who are remunerated higher than a SL12, but who are not SMS members, have been excluded.

Table 3.7.2: SMS posts information, as at 31 March 2022

SMS Post Level	Number of active SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100,0	-	-
Salary Level 15	2	2	100,0	-	-
Salary Level 14	6	6	100,0	-	-
Salary Level 13	15	14	93,3	1	6,7
Total	**24**	**23**	**95,8**	**1**	**4,2**

Note: This table refers to employees who are appointed as Senior Management Service (SMS) members only. Employees who are remunerated higher than a SL12, but who are not SMS members, have been excluded.

Table 3.7.3: Advertising and Filling of SMS posts, as at 31 March 2022

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months after becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Head of Department	1	-	-
Salary Level 15	-	-	-
Salary Level 14	-	-	-
Salary Level 13	-	3	-
Total	**1**	**3**	**-**

Table 3.7.4: Reasons for not having complied with the filling of active vacant SMS posts – Advertised within 6 months and filled within 12 months after becoming vacant

SMS Level	Reasons for non-compliance
Head of Department	N/A
Salary Level 15	N/A
Salary Level 14	N/A
Salary Level 13	N/A

Table 3.7.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months

Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts
None

3.8 Employee performance

The following tables note that the number of staff by salary band (table 3.8.1) and staff within critical occupations (3.8.2) who received a notch progression as a result of performance management. (i.e. qualifying employees who scored between 3 and 4 in their performance ratings).

Table 3.8.1: Notch progressions by salary band, 1 April 2021 to 31 March 2022

Salary Band	Employees as at 31 March 2021	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	3	-	-
Skilled (Levels 3-5)	27	-	-
Highly skilled production (Levels 6-8)	68	-	-
Highly skilled supervision (Levels 9-12)	86	-	-
Senior management (Levels 13-16)	20	-	-
Total	**204**	**-**	**-**

Table 3.8.2: Notch progressions by critical occupation, 1 April 2021 to 31 March 2022

Salary Band	Employees as at 31 March 2021	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Economists	3	-	-
Engineer*	3	-	-
Total	**6**	**-**	**-**

*The engineer critical occupation relates to the energy resilience function.

To encourage good performance, the Department has granted the following performance rewards to employees for the performance period 2020/21 but paid in the financial year 2021/22. The information is presented in terms of race, gender and disability (Table 3.8.3), salary bands (Table 3.8.4 and Table 3.8.5) as well as critical occupations (Table 3.8.6).

Table 3.8.3: Performance rewards by race, gender, and disability, 1 April 2021 to 31 March 2022

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2021	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
African	-	**44**	-	-	-
Male	-	17	-	-	-
Female	-	27	-	-	-
Coloured	-	**121**	-	-	-
Male	-	41	-	-	-
Female	-	80	-	-	-
Indian	-	**11**	-	-	-
Male	-	6	-	-	-
Female	-	5	-	-	-
White	-	**24**	-	-	-
Male	-	10	-	-	-
Female	-	14	-	-	-
Employees with a disability	**-**	**4**	**-**	**-**	**-**
Grand Total	**-**	**204**	**-**	**-**	**-**

Table 3.8.4: Performance rewards (cash bonus), by salary bands for personnel below Senior Management Service level, 1 April 2021 to 31 March 2022

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2021	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	-	3	-	-	-	
Skilled (Levels 3-5)	-	27	-	-	-	
Highly skilled production (Levels 6-8)	-	68	-	-	-	
Highly skilled supervision (Levels 9-12)	-	86	-	-	-	
Grand Total	**-**	**184**	**-**	**-**	**-**	

Note: The cost is calculated as a percentage of the total personnel expenditure for salary levels 1-12 employees, as reflected in Table 3.1.2.

Table 3.8.5: Performance rewards (cash bonus), by salary band, for Senior Management Service level, 1 April 2021 to 31 March 2022

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2021	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
Senior Management Service Band A (Level 13)	-	10	-	-	-	-
Senior Management Service Band B (Level 14)	-	7	-	-	-	-
Senior Management Service Band C (Level 15)	-	2	-	-	-	-
Senior Management Service Band D (Level 16)	-	1	-	-	-	-
Grand Total	**-**	**20**	**-**	**-**	**-**	**-**

Note: The cost is calculated as a percentage of the total personnel expenditure for those employees at salary levels 13-16 as reflected in Table 3.1.2.

Table 3.8.6: Performance rewards (cash bonus) by critical occupation, 1 April 2021 to 31 March 2022

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2021	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
Economists	-	3	-	-	-	-
Engineer*	-	3	-	-	-	-
Grand Total	**-**	**6**	**-**	**-**	**-**	**-**

*The engineer critical occupation relates to the energy resilience function.

3.9 Foreign workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary bands (Table 3.9.1) and major occupation (Table 3.9.2). The tables also summarise changes in the total number of foreign workers in each salary band as well as by each major occupation.

Table 3.9.1: Foreign Workers by salary band, 1 April 2021 to 31 March 2022

Salary Band	1 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	1	50,0	1	50,0	-	-
Senior management (Levels 13-16)	1	50,0	1	50,0	-	-
Grand Total	**2**	**100,0**	**2**	**100,0**	**-**	**-**

Note: The table above includes non-citizens with permanent residence in the Republic of South Africa.

Table 3.9.2: Foreign Workers by major occupation, 1 April 2021 to 31 March 2022

Major Occupation	1 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% change
Deputy Director: Consumer Education and Awareness	1	50,0	1	50,0	-	-
Director	1	50,0	1	50,0	-	-
Total	**2**	**100,0**	**2**	**100,0**	**-**	**-**

Note: The table above includes non-citizens with permanent residence in the Republic of South Africa.

3.10 Leave utilisation for the period 1 January 2021 to 31 December 2021

The following tables provide an indication of the use of sick leave (Table 3.10.1) and incapacity leave (Table 3.10.2). In both instances, the estimated cost of the leave is also provided.

Table 3.10.1: Sick leave, 1 January 2021 to 31 December 2021

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	Total number of employees	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Interns	49	42,9	17	39	43,6	3	11
Lower skilled (Levels 1-2)	5	100,0	2	3	66,7	3	2
Skilled (Levels 3-5)	150	85,3	21	36	58,3	7	98
Highly skilled production (Levels 6-8)	267	78,7	49	69	71,0	5	336
Highly skilled supervision (Levels 9-12)	389	77,9	59	95	62,1	7	800
Senior management (Levels 13-16)	64	76,6	11	23	47,8	6	206
Grand Total	**924**	**77,5**	**159**	**265**	**60,0**	**6**	**1 453**

Note: The leave allowance as determined in the "Leave Determination", read with the applicable collective agreements, provides for normal sick leave of 36 working days in a sick leave cycle of three years. The three-year sick leave cycle started in January 2019 and ends in December 2021. The information in each case reflects the totals - excluding incapacity leave - taken by employees. For an indication of incapacity leave taken, refer to Table 3.10.2.

Table 3.10.2: Incapacity leave, 1 January 2021 to 31 December 2021

Salary Band	Total days	% days with medical certification	Number of Employees using incapacity leave	Total number of employees	% of total employees using incapacity leave	Average days per employee	Estimated Cost (R'000)
Interns	-	-	-	39	-	-	-
Lower skilled (Levels 1-2)	-	-	-	3	-	-	-
Skilled (Levels 3-5)	-	-	-	36	-	-	-
Highly skilled production (Levels 6-8)	162	100,0	1	69	1,4	162	167
Highly skilled supervision (Levels 9-12)	102	100,0	3	95	3,2	34	230
Senior management (Levels 13-16)	-	-	-	23	-	-	-
Grand Total	**264**	**100,0**	**4**	**265**	**1,5**	**66**	**397**

Note: The leave allowance – as determined in the "Leave Determination", read with the applicable collective agreements – provides for normal sick leave of 36 working days in a sick leave cycle of three years. If an employee has exhausted his or her normal sick leave, the employer must conduct an investigation into the nature and extent of the employee's incapacity. Such investigations must be carried out in accordance with item 10 (1) of Schedule 8 of the Labour Relations Act (LRA).

Incapacity leave is not an unlimited amount of additional sick leave days at an employee's disposal. Incapacity leave is additional sick leave granted conditionally at the employer's discretion, as provided for in the Leave Determination and Policy on Incapacity Leave and Ill-Health Retirement (PILIR).

Table 3.10.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Coordinating Bargaining Council (PSCBC) in 2000 requires the management of annual leave to prevent high levels of accrued leave having to be paid at the time of termination of service.

Table 3.10.3: Annual Leave, 1 January 2021 to 31 December 2021

Salary Band	Total days taken	Total number employees using annual leave	Average number of days taken per employee
Interns	247	34	7
Lower skilled (Levels 1-2)	74	3	25
Skilled (Levels 3-5)	557	37	15
Highly skilled production (Levels 6-8)	1 498	68	22
Highly skilled supervision (Levels 9-12)	1 892	93	20
Senior management (Levels 13-16)	563	22	26
Grand Total	**4 831**	**257**	**19**

Table 3.10.4: Capped leave, 1 January 2021 to 31 December 2021

Salary Band	Total capped leave available as at 31 Dec 2020	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Number of employees with capped leave as at 31 Dec 2021	Total capped leave available as at 31 Dec 2021
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	39	-	-	-	4	39
Highly skilled supervision (Levels 9-12)	79	1	1	1	11	78
Senior management (Levels 13-16)	17	-	-	-	2	17
Grand Total	**135**	**1**	**1**	**1**	**17**	**134**

Note: It is possible for the total number of capped leave days to increase as employees - who were promoted or transferred into the Department - retain their capped leave credits, which form part of that specific salary band and (ultimately) the departmental total.

Table 3.10.5: Leave pay-outs, 1 April 2021 to 31 March 2022

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave pay-outs during 2021/22 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave pay-outs on termination of service	89	3	29 745
Current leave pay-outs on termination of service	653	33	19 775

3.11 Health promotion programmes, including HIV and AIDS

Table 3.11.1: Steps taken to reduce the risk of occupational exposure, 1 April 2021 to 31 March 2022

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
The nature of the Department's work does not expose employees to an increased risk of contracting HIV & AIDS. Despite the very low occupational risk, all employees have been targeted at all levels within the Department.	Owing to the COVID-19 pandemic and lockdown conditions, the HCT and wellness services were suspended. Employee Health and Wellness Services are rendered to all employees in need and include the following: • 24/7/365 Telephone counselling; • Face-to-face counselling (4 session model); • Trauma and critical incident counselling; • Advocacy on HIV&AIDS awareness, including online services. • Training, coaching and targeted Interventions as required.

Table 3.11.2: Details of Health Promotion including HIV & AIDS Programmes, 1 April 2021 to 31 March 2022

Question	Yes	No	Detailed, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2016? If so, provide her/his name and position.	✓		Ms Letitia Isaacs, Acting Director: Organisational Behaviour (Department of the Premier)
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		The Department of the Premier provides a transversal service to the 11 Provincial departments, including the Department of Economic Development and Tourism. A designated Employee Health and Wellness unit within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and well-being of employees in the 11 client departments. The Unit consists of a Deputy Director, three Assistant Directors, and two EHW Practitioners. Budget: R3.5 m

Question	Yes	No	Detailed, if yes
3. Has the department introduced an Employee Assistance or Health-Promotion Programme for employees? If so, indicate the key elements/services of this Programme.	✓		The Department of the Premier has entered into a service level agreement with Metropolitan Health (external service provider) to render an Employee Health and Wellness Service to 11 provincial departments. The following interventions were conducted: Self-care for Managers, Work life Balance, Managing my Anxiety, Personal Development and resilience, Work life balance, Taking back control, Positivity and resilience, Transversal webinar LGBTQIA, Transversal Webinar : understanding the psychological impact of COVID-19, Stress Management and Prevention, Youth Webinar: Stress, Self-Care & Resilience, GRIT Session, Enhancing the Way We Work, Effective Communication, Developing and managing my own personal brand and Effective Communication and Relationship Building. These interventions are based on the outbreak of the COVID-19 pandemic as well as trends reflected in the quarterly reports and implemented to address employee or departmental needs. The targeted interventions for both employees and managers were aimed at personal development, the promotion of healthy lifestyles as well as improving coping skills. This involved presentations, workshops, group discussions to create awareness and encourage employees to have a proactive approach to limit the impact of these problems in the workplace. Targeted Interventions were also implemented to equip managers with tools to engage employees in the workplace. Information on how to access the Employee Health and Wellness (EHW) Programme was distributed online.
4. Has the Department established: (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Ser- vice Regulations, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	✓		The Provincial Employee Health and Wellness Steering Committee has been established with members nominated by each department. The Department of Economic Development and Tourism is represented by Ms Mymona Jacobs and Mr Noel Smit.

Question	Yes	No	Detailed, if yes
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 reviewed.	✓		The Transversal Management Framework for Employee Health and Wellness Programmes in the Western Cape Government is in effect and was adopted by the Coordinating Chamber of the PSCBC for the Western Cape Province in December 2016 (currently under review). In this regard, all employment policies make provision for fair practices, regardless of the HIV status of staff or applicants. Workplace practices are constantly monitored to ensure policy compliance and fairness. Under the EHW banner, four EHW Policies were approved which include HIV & AIDS and TB Management that responds to the prevention of discrimination against employees affected and infected by HIV & AIDS – as well as TB - in the workplace. Further to this, the Department of Health - that is the lead department for HIV & AIDS - has approved the Transversal HIV and AIDS/STI Workplace Policy and Programme that is applicable to all departments of the Western Cape Government. The document is in line with the four pillars of the National EHW Strategic Framework 2018 as amended. During the reporting period, the transversal EHW policies - including the HIV, AIDS and TB Management Policy - have been reviewed against the DPSA policies as well as the National Strategic Plan for HIV, TB and STIs (2017-2022). This ensures inclusivity and elimination of discrimination and stigma against employees with HIV.
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.	✓		The Provincial Strategic Plan on HIV & AIDS, STIs and TB 2017- 2022 has been implemented to mainstream HIV and TB as well as its gender and rights-based dimensions into the core mandates to reduce HIV-related stigma. The aim is to: • Reduce HIV and TB discrimination in the workplace. This includes campaigns against unfair discrimination and empowering employees. • Reduce unfair discrimination in access to services. This included ensuring that the Directorate Employee Relations addresses complaints or grievances relating to unfair discrimination and provides training to employees. The Department implemented the following measures to address the stigma and discrimination against those infected or perceived to be infective with HIV: • Wellness Screenings (Blood pressure, Glucose, Cholesterol, TB, BMI) • HCT Screenings • TB Talks and Screenings • Distributing posters and pamphlets. • Condom distribution and spot talks; and • Commemoration of World AIDS Day and Wellness events. NB. These measures are in place but have not implemented due to COVID-19 pandemic.

Question	Yes	No	Detailed, if yes
7. Does the Department encourage its employees to undergo HIV counselling and testing (HCT)? If so, list the results that achieved.	✓		**HCT SESSIONS:** World Aids Day: 01 December 2021 No Attendees from DEDAT.
8. Has the Department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		The EHWP is monitored through Quarterly and Annual reporting and trend analysis can be derived through comparison of departmental utilisation and demographics, i.e. age, gender, problem-profiling, employee vs manager utilisation, number of cases. Themes and trends also provide a picture of the risks and impact that the EHW issues have on individual and the workplace.

3.12 Labour relations

The following provincial collective agreements were entered into with trade unions for the period under review.

Table 3.12.1: Collective agreements, 1 April 2021 to 31 March 2022

Total collective agreements	None

Table 3.12.2 summarises the outcome of disciplinary hearings conducted within the Department for the period.

Table 3.12.2: Misconduct and disciplinary hearings finalised, 1 April 2021 to 31 March 2022

Outcomes of disciplinary hearings	Number of cases finalised	% of total
None		

Note: Outcomes of disciplinary hearings refer to formal cases only.

Table 3.12.3: Types of misconduct addressed at disciplinary hearings, 1 April 2021 to 31 March 2022

Type of misconduct	Number	% of total
None		

Table 3.12.4: Grievances lodged, 1 April 2021 to 31 March 2022

Grievances lodged	Number	% of total
None		

Note: 'Grievances lodged' refers to cases that were finalised within the reporting period. 'Grievances not resolved' refers to cases where the outcome was not in favour of the aggrieved. All cases, resolved and not resolved, have been finalised.

Table 3.12.5: Disputes lodged with Councils, 1 April 2021 to 31 March 2022

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	-	-
Number of disputes dismissed	2	100,0
Grand Total	**2**	**100,00**

Note: 'Councils' refers to the Public Service Coordinating Bargaining Council (PSCBC) and General Public Service Sector Bargaining Council (GPSSBC). When a dispute is "upheld", it means that the Council endorses the appeal as legitimate and is in favour of the aggrieved. When a dispute is "dismissed", it means that the Council is not ruling in favour of the aggrieved.

Table 3.12.6: Strike actions, 1 April 2021 to 31 March 2022

Strike actions	Number
None	

Table 3.12.7: Precautionary suspensions, 1 April 2021 to 31 March 2022

Precautionary suspensions	Number
None	

Note: 'Precautionary suspensions' refers to staff who were suspended with full pay while the case was being investigated.

3.13 Skills development

This section highlights the efforts of the Department regarding skills development. Table 3.13.1 reflects the training needs as at the beginning of the period under review. Table 3.13.2 reflects the actual training provided.

Table 3.13.1: Training needs identified, 1 April 2021 to 31 March 2022

Occupational Categories	Gender	Number of employees as at 1 April 2021	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers (Salary Band 13 – 16)	Female	10	-	28	-	**28**
	Male	10	-	33	-	**33**
Professionals (Salary Band 9 - 12)	Female	50	-	47	-	**47**
	Male	36	-	35	-	**35**
Technicians and associate professionals (Salary Band 6 - 8)	Female	49	-	52	-	**52**
	Male	18	-	24	-	**24**
Clerks (Salary Band 3 – 5)	Female	17	-	7	-	**7**
	Male	10	-	4	-	**4**
Elementary occupations (Salary Band 1 – 2)	Female	2	-	1	-	**1**
	Male	1	-	-	-	**-**
Sub Total	Female	**128**	-	**135**	-	**135**
	Male	**75**	-	**96**	-	**96**
Total		**203**	**-**	**231**	**-**	**231**
Employees with disabilities	Female	2	-	3	-	**3**
	Male	2	-	-	-	-

Note: The above table identifies the training needs at the start of the reporting period as per the Department's Workplace Skills Plan.

Table 3.13.2: Training provided, 1 April 2021 to 31 March 2022

Occupational Categories	Gender	Number of employees as at 1 April 2021	Training provided during the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers (Salary Band 13 – 16)	Female	11	-	45	-	**45**
	Male	12	-	26	-	**26**
Professionals (Salary Band 9 - 12)	Female	48	-	211	-	**211**
	Male	33	-	96	-	**96**
Technicians and associate professionals (Salary Band 6 - 8)	Female	43	-	183	-	**183**
	Male	19	-	64	-	**64**
Clerks (Salary Band 3 – 5)	Female	15	-	51	-	**51**
	Male	10	-	45	-	**45**
Elementary occupations (Salary Band 1 – 2)	Female	2	-	-	-	**-**
	Male	-	-	6	-	**6**
Sub Total	Female	**119**	-	**490**	-	**490**
	Male	**74**	-	**237**	-	**237**
Total		**193**	**-**	**727**	**-**	**727**
Employees with disabilities	Female	2	-	12	-	**12**
	Male	1	-	-	-	-

Note: The above table identifies the number of training courses attended by individuals during the period under review.

3.14 Injury on duty

This section provides basic information on injuries sustained whilst being on official duty.

Table 3.14.1: Injury on duty, 1 April 2021 to 31 March 2022

Nature of injury on duty	Number	% of total
None		

3.15 Utilisation of consultants

Table 3.15.1: Consultant appointments using appropriated funds

Programme	Consulting firm	Gender	Nature of the proect	Total number of consultants that worked on the project	Duration: work days/ hours	Contract value in rand	Total number of projects	Total individual consultants	BBBEE Level
1	BEE Online Advisory	BBB-E Verification	To appoint a duly accredited Broad Based Black Economic Empowerment (BB-BEE) Agency to conduct an annual BB-BEE verification for the Department.	3	1 Year	R69 000.00	1	3	1
1	Wilfred Jewell Consultancy CC	Translation of Annual Performance Plan	To appoint a service provider to render translation services for the Departments Annual Performance Plan.	4	180 days	R114 556.80	1	4	1
1	Department of Cultural Affairs and Sport	Translation of Annual Report	For the procurement of specialist translation services.	1	30 days	R76 194.55	1	1	N/A
2	Gain Group	Enhance the Provincial Freight Demand Model for containerised cargo through the Port of Cape Town	To appoint a service provider to enhance the Provincial Freight Demand Model to serve as an integrated evidence base for the planning and implementation of interventions to improve efficiency in the Port of Cape Town container cargo logistics chain and facilitate appropriate service level capacity development for the anticipated growth in exports from the Western Cape.	3	30 days	R215 625.00	1	3	4
2	Bureau for Food and Agricultural Policy	Enhance the decision support tool for improved efficiency of containerised cargo exports through the port of Cape Town	To appoint a service provider to enhance the decision support tool for improved efficiency of containerised cargo exports through the Port of Cape Town, specifically for wine exports.	3	30 days	R126 100.50	1	3	4

Programme	Consulting firm	Gender	Nature of the proect	Total number of consultants that worked on the project	Duration: work days/ hours	Contract value in rand	Total number of projects	Total individual consultants	BBBEE Level
2	Cliffe Dekker Hofmeyr	Improved Regulations for Drone and Unmanned Aerial Vehicles	To appoint a service provider to undertake a review of current legislation impacting the Drone and Unmanned Aerial Vehicle (UAV) sector. To formulate regulatory recommendations that will support the growth of this emerging sector.	11	60 days	R245 640.00	1	11	1
2	AIH Econogistics	Local Content Impact Assessment	To procure the services of a professional to conduct an assessment of the local content requirements as set out in procurement regulations and policies, as these impact the construction sector in the Western Cape.	5	60 days	R425 860.00	1	5	2
2	Strategic Economic Solutions	Support Programme to Western Cape non-metro municipalities as part of the Western Cape Government's (WCG) Ease of Doing Business strategy	To procure the services of an expert to provide inputs in terms of informing the support to Western Cape non-metro municipalities as part of the Western Cape Government's (WCG) Ease of Doing Business strategy.	3	60 days	R499 502.00	1	3	4
3	TOMA – Tomorrow Matters Now	Agro Processing Sector Brief	To procure the services of a professional service provider to provide the agro-processing sector research on the sector. This includes an industry value chain assessment for both economic recovery and economic growth purposes.	4	30 days	R86 077.50	1	4	1
3	Urban Econ Development Economists	ICT Sector Brief	To procure the services of a professional service provider to provide ICT Sector research to the sector including an industry value chain assessment to both economic recovery and economic growth purposes.	6	183 days	R150 000.00	1	6	2

Programme	Consulting firm	Gender	Nature of the proect	Total number of consultants that worked on the project	Duration: work days/ hours	Contract value in rand	Total number of projects	Total individual consultants	BBBEE Level
3	Urban Econ Development Economists	Manufacturing Sector Brief	To procure the services of a professional service provider to provide a deep dive into the manufacturing sector and industry value chain for both post COVID-19 economic recovery and economic growth purposes.	6	122 days	R112 608.00	1	6	2
5	Intellidex	Growth Diagnostic	To appoint a service provider to conduct a growth diagnostic to identify opportunities, constraints to economic growth at a high level, as well as at a granular level and make recommendations to overcome constraints to economic growth.	9	90 days	R1 334 237.94	1	9	4
5	The GreenCape Sector Development Agency	Green Economy Ecosystem Support	To undertake green economy ecosystem support work, which entails working closely with industry, investors, and government, in several sectors including water, renewable energy and energy services to: - Identify economically viable green economy business opportunities and to unlock barriers that prevent them from being realised, and - Help businesses to green their operations, value chains and product lines, thereby enabling organisations to improve their own resource resilience and stimule demand for green technologies, products and services.	31	330 days	R8 822 637.84	1	31	1

Programme	Consulting firm	Gender	Nature of the proect	Total number of consultants that worked on the project	Duration: work days/ hours	Contract value in rand	Total number of projects	Total individual consultants	BBBEE Level
5	J Maynard (South Africa) (Pty) Ltd	MER: Project Development Services	The appointment of a service provider for the provision of highly specialised technical expertise and experience that is required by the Department to assist in the implementation of the Municipal Energy Resilience (MER) project, especially relating to: - Business case development, - Energy projects development, and - Pioneering projects roadmaps.	14	60 days	R4 720 946.26	1	14	2
6	Urban Econ Development Economists	Tourism Sector Brief	To procure the services of a professional service provider to provide Tourism Sector research for the sector including an industry value chain assessment for both economic recovery and economic growth purposes.	5	30 days	R277 728.00	1	5	2

Table 3.15.2: Consultant appointments using Donor funds

Programme	Consulting firm	Project timeline	Nature of the proect	Total number of consultants that worked on the project	Duration: work days/ hours	Contract value in rand	Total number of projects	Total individual consultants	BBBEE Level
None									

PART E:
FINANCIAL INFORMATION

AUDITOR GENERAL'S REPORT

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON VOTE NO. 12: WESTERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Western Cape Department of Economic Development and Tourism set out on pages 187 to 247, which comprise the appropriation statement, statement of financial position as at 31 March 2022, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the department as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

BASIS OF OPINION

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

EMPHASIS OF MATTERS

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

Material impairments

7. As disclosed in note 12 to the financial statements, the department has provided for impairment of investments amounting to R24 384 000 (2021: R23 346 000).

OTHER MATTER

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 248 to 262 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

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS 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.
11. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate

governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

12. 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.
13. 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

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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.
16. 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 objective presented in the department's annual performance report for the year ended 31 March 2022:

Objective	Pages in the annual performance report
Programme 5 – Economic Planning	Pages 78 - 86

17. 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.
18. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
    - Programme 5 – economic planning

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON VOTE NO. 12: WESTERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

OTHER MATTER

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the annual performance report on pages 78 to 86 for information on the achievement of planned targets for the year and management's explanations provided for the overachievement of targets.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

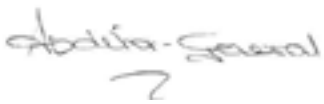
21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
22.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

OTHER INFORMATION

23. 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 objectives presented in the annual performance report that have been specifically reported in this auditor's report.
24. 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 on it.
25. 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 objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. If, based on the work I have performed, I concluded that there is a material misstatement in this other information, I am required to report that fact.
27. I have nothing to report in this regard.

INTERNAL CONTROL DEFICIENCIES

28. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.



Cape Town
30 July 2022

ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected objectives and on the department's compliance with respect to the selected subject matters.

FINANCIAL STATEMENTS

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting 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 relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern.
    - Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

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Appropriation per programme

Voted funds and Direct charges	2021/22							2020/21	
	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
Programme									
1. Administration	56 601	-	(796)	55 805	54 841	964	98.3%	62 744	62 678
2. Integrated Economic Development Services	52 880	-	796	53 676	53 204	472	99.1%	89 377	89 355
3. Trade and Sector Development	73 980	-	10	73 990	73 976	14	100.0%	69 951	69 342
4. Business Regulation and Governance	9 545	-	35	9 580	9 392	188	98.0%	7 299	7 248
5. Economic Planning	160 320	-	-	160 320	157 255	3 065	98.1%	146 768	143 560
6. Tourism, Arts and Entertainment	74 642	-	(45)	74 597	74 161	436	99.4%	76 713	76 578
7. Skills Development and Innovation	71 931	-	-	71 931	70 567	1 364	98.1%	82 034	81 950
TOTAL	**499 899**	**-**	**-**	**499 899**	**493 396**	**6 503**	**98.7%**	**534 886**	**530 711**
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				21 194				1 825	
Aid assistance				-				1 173	
Actual amounts per statement of financial performance (total revenue)				**521 093**				**537 884**	
ADD									
Aid assistance					3 316				342
Actual amounts per statement of financial performance (total expenditure)					**496 712**				**531 053**

Appropriation per economic classification									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	**178 716**	**1 122**	**(3)**	**179 835**	**173 784**	**6 051**	**96.6%**	**176 749**	**172 787**
Compensation of employees	131 667	(527)	-	131 140	129 191	1 949	98.5%	124 688	124 611
Goods and services	47 049	1 649	(3)	48 695	44 593	4 102	91.6%	52 061	48 176
Transfers and subsidies	**318 526**	**(1 275)**	**-**	**317 251**	**316 804**	**447**	**99.9%**	**347 886**	**347 753**
Provinces and municipalities	17 213	-	-	17 213	17 213	-	100.0%	7 834	7 833
Departmental agencies and accounts	204 959	1 810	-	206 769	206 765	4	100.0%	196 655	196 655
Public corporations and private enterprises	5 458	9	-	5 467	5 460	7	99.9%	50 991	50 870
Non-profit institutions	32 561	20	-	32 581	32 578	3	100.0%	24 741	24 738
Households	58 335	(3 114)	-	55 221	54 788	433	99.2%	67 665	67 657
Payments for capital assets	**2 650**	**23**	**-**	**2 673**	**2 671**	**2**	**99.9%**	**10 188**	**10 110**
Machinery and equipment	2 408	240	-	2 648	2 646	2	99.9%	7 412	7 385
Software and other Intangible assets	242	(217)	-	25	25	-	100.0%	2 776	2 725
Payments for financial assets	**7**	**130**	**3**	**140**	**137**	**3**	**97.9%**	**63**	**61**
TOTAL	**499 899**	**-**	**-**	**499 899**	**493 396**	**6 503**	**98.7%**	**534 886**	**530 711**

Programme 1: Administration									
	2021/22							2020/21	
	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. Office of the HOD	5 512	(57)	-	5 455	5 172	283	94.8%	11 387	11 378
2. Financial Management	34 217	15	-	34 232	33 827	405	98.8%	37 450	37 413
3. Corporate Services	16 872	42	(796)	16 118	15 842	276	98.3%	13 907	13 887
Total for Sub-programmes	**56 601**	**-**	**(796)**	**55 805**	**54 841**	**964**	**98.3%**	**62 744**	**62 678**
Economic classification									
Current payments	**54 134**	**(191)**	**(796)**	**53 147**	**52 188**	**959**	**98.2%**	**55 292**	**55 230**
Compensation of employees	41 437	(25)	-	41 412	41 234	178	99.6%	43 939	43 926
Goods and services	12 697	(166)	(796)	11 735	10 954	781	93.3%	11 353	11 304
Transfers and subsidies	**52**	**26**	**-**	**78**	**76**	**2**	**97.4%**	**50**	**49**
Departmental agencies and accounts	7	-	-	7	6	1	85.7%	5	5
Households	45	26	-	71	70	1	98.6%	45	44
Payments for capital assets	**2 408**	**117**	**-**	**2 525**	**2 524**	**1**	**100.0%**	**7 388**	**7 385**
Machinery and equipment	2 408	117	-	2 525	2 524	1	100.0%	7 388	7 385
Payments for financial assets	**7**	**48**	**-**	**55**	**53**	**2**	**96.4%**	**14**	**14**
TOTAL	**56 601**	**-**	**(796)**	**55 805**	**54 841**	**964**	**98.3%**	**62 744**	**62 678**

Programme 2: Integrated Economic Development Services									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-Programme									
1. Trade and Investment Promotion	23 327	(275)	-	23 052	22 942	110	99.5%	65 429	65 423
2. Sector Development	16 716	4	-	16 720	16 718	2	100.0%	11 261	11 251
3. Red Tape	12 837	271	796	13 904	13 544	360	97.4%	12 687	12 681
Total for Sub-programmes	**52 880**	**-**	**796**	**53 676**	**53 204**	**472**	**99.1%**	**89 377**	**89 355**
Economic classification									
Current payments	**26 014**	**(2 118)**	**796**	**24 692**	**24 225**	**467**	**98.1%**	**25 915**	**25 902**
Compensation of employees	19 079	(246)	-	18 833	18 379	454	97.6%	19 339	19 334
Goods and services	6 935	(1 872)	796	5 859	5 846	13	99.8%	6 576	6 568
Transfers and subsidies	**26 733**	**2 053**	**-**	**28 786**	**28 782**	**4**	**100.0%**	**63 423**	**63 416**
Provinces and municipalities	10 136	-	-	10 136	10 136	-	100.0%	1 624	1 623
Departmental agencies and accounts	-	1 807	-	1 807	1 807	-	100.0%	5 410	5 410
Public corporations and private enterprises	2 930	280	-	3 210	3 209	1	100.0%	46 848	46 845
Non-profit institutions	12 442	20	-	12 462	12 460	2	100.0%	9 115	9 112
Households	1 225	(54)	-	1 171	1 170	1	99.9%	426	426

Programme 2: Integrated Economic Development Services									
	2021/22							2020/21	
	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
Payments for capital assets	**133**	**(10)**	**-**	**123**	**122**	**1**	**99.2%**	**-**	**-**
Machinery and equipment	-	123	-	123	122	1	99.2%	-	-
Software and other intangible assets	133	(133)	-	-	-	-	-	-	-
Payments for financial assets	**-**	**75**	**-**	**75**	**75**	**-**	**100.0%**	**39**	**37**
TOTAL	**52 880**	**-**	**796**	**53 676**	**53 204**	**472**	**99.1%**	**89 377**	**89 355**

Programme 3: Trade and Sector Development									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-Programme									
1. Trade and Investment Promotion	62 113	-	-	62 113	62 113	-	100.0%	59 965	59 965
2. Sector Development	11 867	-	10	11 877	11 863	14	99.9%	9 986	9 377
Total for Sub-programmes	**73 980**	**-**	**10**	**73 990**	**73 976**	**14**	**100.0%**	**69 951**	**69 342**
Economic classification									
Current payments	**11 864**	**(111)**	**7**	**11 760**	**11 747**	**13**	**99.9%**	**9 430**	**8 822**
Compensation of employees	11 317	(111)	-	11 206	11 197	9	99.9%	8 539	8 537
Goods and services	547	-	7	554	550	4	99.3%	891	285
Transfers and subsidies	**62 116**	**111**	**-**	**62 227**	**62 227**	**-**	**100.0%**	**60 521**	**60 520**
Departmental agencies and accounts	62 113	-	-	62 113	62 113	-	100.0%	59 965	59 965
Public corporations and private enterprises	-	-	-	-	-	-	-	529	529
Households	3	111	-	114	114	-	100.0%	27	26
Payments for financial assets	**-**	**-**	**3**	**3**	**2**	**1**	**66.7%**	**-**	**-**
TOTAL	**73 980**	**-**	**10**	**73 990**	**73 976**	**14**	**100.0%**	**69 951**	**69 342**

Programme 4: Business Regulation and Governance									
	2021/22							2020/21	
	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. Consumer Protection	9 545	-	35	9 580	9 392	188	98.0%	7 299	7 248
Total for Sub-programmes	**9 545**	**-**	**35**	**9 580**	**9 392**	**188**	**98.0%**	**7 299**	**7 248**
Economic classification									
Current payments	**9 545**	**-**	**35**	**9 580**	**9 392**	**188**	**98.0%**	**7 278**	**7 238**
Compensation of employees	7 745	-	-	7 745	7 558	187	97.6%	6 139	6 107
Goods and services	1 800	-	35	1 835	1 834	1	99.9%	1 139	1 131
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**-**
Households	-	-	-	-	-	-	-	1	-
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10**	**-**
Machinery and equipment	-	-	-	-	-	-	-	10	-
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10**	**10**
TOTAL	**9 545**	**-**	**35**	**9 580**	**9 392**	**188**	**98.0%**	**7 299**	**7 248**

Programme 5: Economic Planning									
	2021/22							2020/21	
	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. Economic Policy and Planning	6 107	76	-	6 183	6 157	26	99.6%	2 804	2 752
2. Research and Development	9 089	(154)	-	8 935	8 487	448	95.0%	8 763	8 706
3. Knowledge Management	17 106	-	-	17 106	17 105	1	100.0%	13 949	13 948
4. Enabling Growth Infrastructure and Initiative	91 333	(88)	-	91 245	91 181	64	99.9%	81 012	81 002
5. Broadband for the Economy	9 199	64	-	9 263	9 249	14	99.8%	16 334	15 754
6. Green Economy	27 486	102	-	27 588	25 076	2 512	90.9%	23 906	21 398
Total for Sub-programmes	**160 320**	**-**	**-**	**160 320**	**157 255**	**3 065**	**98.1%**	**146 768**	**143 560**
Economic classification									
Current payments	**53 851**	**(24)**	**-**	**53 827**	**50 763**	**3 064**	**94.3%**	**55 382**	**52 177**
Compensation of employees	32 119	(108)	-	32 011	31 932	79	99.8%	28 307	28 285
Goods and services	21 732	84	-	21 816	18 831	2 985	86.3%	27 075	23 892

Programme 5: Economic Planning									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	**106 360**	**108**	**-**	**106 468**	**106 467**	**1**	**100.0%**	**89 501**	**89 500**
Provinces and municipalities	3 410	-	-	3 410	3 410	-	100.0%	-	-
Departmental agencies and accounts	84 441	-	-	84 441	84 441	-	100.0%	74 177	74 177
Non-profit institutions	18 505	-	-	18 505	18 505	-	100.0%	15 236	15 236
Households	4	108	-	112	111	1	99.1%	88	87
Payments for capital assets	**109**	**(84)**	**-**	**25**	**25**	**-**	**100.0%**	**1 885**	**1 883**
Software and other intangible assets	109	(84)	-	25	25	-	100.0%	1 885	1 883
TOTAL	**160 320**	**-**	**-**	**160 320**	**157 255**	**3 065**	**98.1%**	**146 768**	**143 560**

Programme 6: Tourism, Arts and Entertainment									
	2021/22							2020/21	
	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. Tourism Growth and Development	16 244	(3)	(45)	16 196	15 763	433	97.3%	19 613	19 480
2. Tourism Destination Marketing	58 398	3	-	58 401	58 398	3	100.0%	57 098	57 098
3. Tourism Sector Transformation	-	-	-	-	-	-	-	2	-
Total for Sub-programmes	**74 642**	**-**	**(45)**	**74 597**	**74 161**	**436**	**99.4%**	**76 713**	**76 578**
Economic classification									
Current payments	**8 435**	**231**	**(45)**	**8 621**	**8 195**	**426**	**95.1%**	**9 333**	**9 317**
Compensation of employees	7 417	(37)	-	7 380	7 260	120	98.4%	8 025	8 025
Goods and services	1 018	268	(45)	1 241	935	306	75.3%	1 308	1 292
Transfers and subsidies	**66 207**	**(231)**	**-**	**65 976**	**65 966**	**10**	**100.0%**	**66 869**	**66 750**
Provinces and municipalities	3 667	-	-	3 667	3 667	-	100.0%	5 710	5 710
Departmental agencies and accounts	58 398	3	-	58 401	58 398	3	100.0%	57 098	57 098
Public corporations and private enterprises	2 528	(271)	-	2 257	2 251	6	99.7%	3 614	3 496
Non-profit institutions	1 614	-	-	1 614	1 613	1	99.9%	390	390
Households	-	37	-	37	37	-	100.0%	57	56

Programme 6: Tourism, Arts and Entertainment									
	2021/22							2020/21	
	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
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**511**	**511**
Software and other intangible assets	-	-	-	-	-	-	-	511	511
TOTAL	**74 642**	**-**	**(45)**	**74 597**	**74 161**	**436**	**99.4%**	**76 713**	**76 578**

Programme 7: Skills Development and Innovation									
	2021/22							2020/21	
	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. Provincial Skills and Partnership	6 577	176	-	6 753	6 514	239	96.5%	5 591	5 534
2. Skills Programme and Projects	61 146	(818)	-	60 328	59 208	1 120	98.1%	72 276	72 265
3. Skills Incentives	4 208	642	-	4 850	4 845	5	99.9%	4 167	4 151
Total for Sub-programmes	**71 931**	**-**	**-**	**71 931**	**70 567**	**1 364**	**98.1%**	**82 034**	**81 950**
Economic classification									
Current payments	**14 873**	**3 335**	**-**	**18 208**	**17 274**	**934**	**94.9%**	**14 119**	**14 101**
Compensation of employees	12 553	-	-	12 553	11 631	922	92.7%	10 400	10 397
Goods and services	2 320	3 335	-	5 655	5 643	12	99.8%	3 719	3 704
Transfers and subsidies	**57 058**	**(3 342)**	**-**	**53 716**	**53 286**	**430**	**99.2%**	**67 521**	**67 518**
Provinces and municipalities	-	-	-	-	-	-	-	500	500
Households	57 058	(3 342)	-	53 716	53 286	430	99.2%	67 021	67 018
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**394**	**331**
Machinery and equipment	-	-	-	-	-	-	-	14	-
Software and other intangible assets	-	-	-	-	-	-	-	380	331

Programme 7: Skills Development and Innovation									
	2021/22							2020/21	
	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
Payments for financial assets	-	7	-	7	7	-	100.0%	-	-
TOTAL	71 931	-	-	71 931	70 567	1 364	98.1%	82 034	81 950

ECONOMIC DEVELOPMENT AND TOURISM VOTE 12

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

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

Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Administration	55 805	54 841	964	1.73%
Integrated Economic Development Services	53 676	53 204	472	0.88%
Trade and Sector Development	73 990	73 976	14	0.02%
Business Regulation and Governance	9 580	9 392	188	1.96%
Economic Planning	160 320	157 255	3 065	1.91%
Tourism, Arts and Entertainment	74 597	74 161	436	0.58%
Skills Development and Innovation	71 931	70 567	1 364	1.90%
TOTAL	**499 899**	**493 396**	**6 503**	**1.30%**

Programme 1: Administration: *The underspending is due to the delayed implementation of the "We mean Business" communication campaign aimed at promoting the province as a business destination of choice.*

Programme 4: Business Regulation and Governance: *The underspending is as a result of delays experienced in the appointment of the Director: Office of the Consumer Protector.*

Programme 5: Economic Planning: *The underspending is as a result of delays in the appointment of the transaction advisors for the Municipal Energy Resilience (MER) suite of projects.*

Programme 7: Skills Development and Innovation: *The underspending is due to delays experienced in the filling of posts.*

4.2 Per economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	131 140	129 191	1 949	1.49%
Goods and services	48 695	44 593	4 102	8.42%
Transfers and subsidies				
Provinces and municipalities	17 213	17 213	-	0.00%
Departmental agencies and accounts	206 769	206 765	4	0.00%
Public corporations and private enterprises	5 467	5 460	7	0.13%
Non-profit institutions	32 581	32 578	3	0.01%
Households	55 221	54 788	433	0.78%
Payments for capital assets				
Machinery and equipment	2 648	2 646	2	0.08%
Intangible assets	25	25	-	0.00%
Payments for financial assets	140	137	3	2.14%

Goods and services: *The underspending on the Goods and services item primarily relates to the delays in the implementation of the MER Transaction advisors within Programme 5: Economic Planning and the non-implementation of the "We mean Business" communication campaign within Programme 1: Administration.*

ECONOMIC DEVELOPMENT AND TOURISM VOTE 12

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2022

	Note	2021/22	2020/21
		R'000	R'000
REVENUE			
Annual appropriation	1	499 899	534 886
Departmental revenue	2	21 194	1 825
Aid assistance	3	-	1 173
TOTAL REVENUE		**521 093**	**537 884**
EXPENDITURE			
Current expenditure			
Compensation of employees	4	129 191	124 611
Goods and services	5	44 593	48 176
Aid assistance	3	3 230	342
Total current expenditure		**177 014**	**173 129**
Transfers and subsidies			
Transfers and subsidies	7	316 804	347 753
Aid assistance	3	86	-
Total transfers and subsidies		**316 890**	**347 753**
Expenditure for capital assets			
Tangible assets	8	2 646	7 385
Intangible assets	8	25	2 725
Total expenditure for capital assets		**2 671**	**10 110**
Payments for financial assets	6	137	61
TOTAL EXPENDITURE		**496 712**	**531 053**
SURPLUS FOR THE YEAR		**24 381**	**6 831**
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		6 503	4 175
Departmental revenue and NRF Receipts	14	21 194	1 825
Aid assistance	3	(3 316)	831
SURPLUS FOR THE YEAR		**24 381**	**6 831**

ECONOMIC DEVELOPMENT AND TOURISM VOTE 12

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2022

	Note	2021/22	2020/21
		R'000	R'000
ASSETS			
Current assets		**22 596**	**10 368**
Cash and cash equivalents	9	20 291	9 747
Prepayments and advances	10	-	-
Receivables	11	2 305	621
Non-current assets		**304 238**	**303 853**
Investments	12	304 022	303 853
Receivables	11	216	-
TOTAL ASSETS		**326 834**	**314 221**
LIABILITIES			
Current liabilities		**20 925**	**10 278**
Voted funds to be surrendered to the Revenue Fund	13	6 503	4 175
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	105	1
Payables	15	11 532	1
Aid assistance unutilised	3	2 785	6 101
TOTAL LIABILITIES		**20 925**	**10 278**
NET ASSETS		**305 909**	**303 943**
Represented by:			
Capitalisation reserve		304 022	303 853
Recoverable revenue		1 877	90
TOTAL		**305 909**	**303 943**

ECONOMIC DEVELOPMENT AND TOURISM VOTE 12

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2021/22	2020/21
		R'000	R'000
Capitalisation Reserves			
Opening balance		303 853	303 853
Transfers:			
Movement in Equity		169	-
Closing balance		**304 022**	**303 853**
Recoverable revenue			
Opening balance		90	192
Transfers:		1 797	(102)
Debts revised		(2)	(102)
Debts recovered (included in departmental receipts)		(63)	(12)
Debts raised		1 862	12
Closing balance		1 887	90
TOTAL		**305 909**	**303 943**

ECONOMIC DEVELOPMENT AND TOURISM VOTE 12

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	Note	2021/22	2020/21
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**521 410**	**538 202**
Annual appropriated funds received	1.1	499 899	534 886
Departmental revenue received	2	21 492	2 115
Interest received	2.2	19	28
Aid assistance received	3	-	1 173
Net (increase)/decrease in working capital		9 847	(5 562)
Surrendered to Revenue Fund		(25 636)	(14 758)
Current payments		(177 014)	(173 129)
Payments for financial assets		(137)	(61)
Transfers and subsidies paid		(316 890)	(347 753)
Net cash flow available from operating activities	16	**11 580**	**(3 061)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(2 671)	(10 110)
Proceeds from sale of capital assets	2.3	54	33
(Increase)/decrease in investments		(169)	-
(Increase)/decrease in non-current receivables	11	(216)	165
Net cash flows from investing activities		**(3 002)**	**(9 912)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		1 966	(102)
Net cash flows from financing activities		**1 966**	**(102)**
Net increase/(decrease) in cash and cash equivalents		10 544	(13 075)
Cash and cash equivalents at beginning of period		9 747	22 822
Cash and cash equivalents at end of period	17	**20 291**	**9 747**

ECONOMIC DEVELOPMENT AND TOURISM VOTE 12

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

ACCOUNTING POLICIES

Summary of significant accounting policies

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

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

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

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Modified Cash Standard.

2. GOING CONCERN

The financial statements have been prepared on a going concern basis.

3. PRESENTATION CURRENCY

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

4. ROUNDING

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).

5. FOREIGN CURRENCY TRANSLATION

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.

6. COMPARATIVE INFORMATION

6.1 Prior period comparative information

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7. REVENUE

7.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

7.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.
Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the department's debt write-off policy.

8. EXPENDITURE

8.1 Compensation of employees

8.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment.

The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

8.3 Accruals and payables not recognised
Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.

8.4 Leases
8.4.1 Operating leases
Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

8.4.2 Finance leases
Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

- The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:
- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

9. AID ASSISTANCE

9.1 Aid assistance received
Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

9.2 Aid assistance paid
Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

10. CASH AND CASH EQUIVALENTS
Cash and cash equivalents are stated at cost in the statement of financial position.
Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

11. PREPAYMENTS AND ADVANCES

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

Prepayments and advances are recognised in the Statement of Financial Performance if the amount is material and budgeted for as an expense in the year in which the actual prepayment or advance was made.

12. LOANS AND RECEIVABLES

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

13. INVESTMENTS

Investments are recognised in the statement of financial position at cost.

14. FINANCIAL ASSETS

14.1 Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost-plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

14.2 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

15. PAYABLES

Payables recognised in the statement of financial position are recognised at cost.

16. CAPITAL ASSETS

16.1 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost.

Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

16.2 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost.
Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

16.3 Project costs: Work-in-progress

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

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.

Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

17. PROVISIONS AND CONTINGENTS

17.1 Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

17.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

17.3 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

17.4 Capital commitments

Capital commitments are recorded at cost in the notes to the financial statements.

18. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

19. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

20. IRREGULAR EXPENDITURE

Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in the note.

Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

21. CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

22. EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

23. PRINCIPAL-AGENT ARRANGEMENTS

The department is party to a principal-agent arrangement with the Manufacturing, Engineering, Related Services Sector Education Training Authority and the Transport Education Training Authority to carry out projects on behalf of the SETAS's.

In terms of the arrangement the department is the agent and is responsible to provide apprenticeship and relevant training to unemployed learners.

All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

24. CAPITALISATION RESERVE

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

25. RECOVERABLE REVENUE

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

26. RELATED PARTY TRANSACTIONS

Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.

27. EMPLOYEE BENEFITS

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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:

	2021/22			2020/21		
	Final Appropriation	Actual Funds Received	Funds Not Requested / Not Received	Final Appropriation	Appropriation Recevied	Funds Not Requested / Not Received
	R'000	R'000	R'000	R'000	R'000	
Administration	55 805	55 805	-	62 744	62 744	-
Integrated Economic Development Services	53 676	53 676	-	89 377	89 377	-
Trade and Sector Development	73 990	73 990	-	69 951	69 951	-
Business Regulation and Governance	9 580	9 580	-	7 299	7 299	-
Economic Planning	160 320	160 320	-	146 768	146 768	-
Tourism, Arts and Entertainment	74 597	74 597	-	76 713	76 713	-
Skills Development and Innovation	71 931	71 931	-	82 034	82 034	-
Total	**499 899**	**499 899**	**-**	**534 886**	**534 886**	**-**

Administration: *The reduction in budgeted allocation for 2021/22 from the 2020/21 financial year was primarily due to the Computer Refresh project taking place in the 2020/21 financial year. The project was a once off project which contributed to the payments for capital assets economic classification. A further contributing factor to the reduction in spending is the correct placement of the two DDG offices to their respective Programmes.*

Integrated Economic Development Services: *The reduction in budgeted allocation for 2021/22 from the 2020/21 financial year was primarily due to the COVID-19 SMME Relief Fund project taking place in the 2020/21 financial year. This project was a once off project which provided financial assistance to qualifying beneficiaries aimed at saving jobs.*

Business Regulation and Governance: *The increase in budgeted allocation was received to contribute to the advertising of the Consumer Tribunal project.*

Economic Planning: *The increase in budget allocation from 2020/21 to the 2021/22 financial year is due to additional allocations being made to the Western Cape Economic Development Partnership for a project related to the Department of Community Safety and the Department of the Premier (DotP). Furthermore, additional funds were also allocated to the Atlantis Special Economic Zone in favour of the cost related to the VAT charged for the transfer of land from the City of Cape Town.*

Skills Development and Innovation: *The reduction in budgeted allocation between the financial years of 2020/21 to 2021/22 was a result of the additional need to process stipend payments for learners on the work placement and supply suite of projects during the 2020/21 financial year due to COVID-19. The 2021/22 financial year saw a reduction in the numbers placed on the various work placement and supply projects.*

2. DEPARTMENTAL REVENUE

	Note	2021/22	2020/21
		R'000	R'000
Sales of goods and services other than capital assets	2.1	1 144	177
Interest, dividends and rent on land	2.2	19	28
Sales of capital assets	2.3	54	33
Transactions in financial assets and liabilities	2.4	19 654	259
Transfers received	2.5	694	1 679
Total revenue collected		**21 565**	**2 176**
Less: Own revenue included in appropriation	14	(371)	(351)
Departmental revenue collected		**21 194**	**1 825**

2.1 Sales of goods and services other than capital assets

	Note	2021/22	2020/21
		R'000	R'000
Sales of goods and services produced by the department	2	1 144	177
Administrative fees		273	157
Other sales		871	20
Total		**1 144**	**177**

*The increase in **Sales of goods and services other than capital assets - Other sales** relates to fees earned in respect of a principal-agent arrangement entered into with Manufacturing Engineering and Related Services SETA during the current financial year.*

2.2 Interest, dividends and rent on land

	Note	2021/22	2020/21
		R'000	R'000
Interest	2	19	28
Total		**19**	**28**

***Interest** received relates to interest earned on debt recovered during the year under review.*

2.3 Sale of capital assets

	Note	2021/22	2020/21
		R'000	R'000
Tangible assets	2	**54**	**33**
Machinery and equipment	28	54	33
Total		**54**	**33**

Machinery and equipment *relate to revenue generated from the sale to staff of obsolete IT equipment.*

2.4 Transactions in financial assets and liabilities

	Note	2021/22	2020/21
		R'000	R'000
Other Receipts including Recoverable Revenue	2	19 654	259
Total		**19 654**	**259**

The increase in current year is mainly due to the pay-over of Cash surpluses from Wesgro and unspent funds reimbursed by Edge Growth Access.

The amount of R1 679 000 relating to funds received from MerSETA in 2020/21 was disclosed in ***Transactions in financial assets and liabilities*** *but was reclassified in the current year to fairly represent the nature of these transactions.*

2.5 Transfers received

	Note	2021/22	2020/21
		R'000	R'000
Other governmental units	2	694	1 679
Total		**694**	**1 679**

The decrease is due to the completion of legacy projects that commenced in 2017 with Manufacturing Engineering and Related Services SETA. The amounts were previously disclosed in Transactions in financial assets and liabilities but was reclassified in the current year to fairly represent the nature of these transactions.

3. AID ASSISTANCE

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		6 101	5 270
Transferred from statement of financial performance		(3 316)	831
Total		**2 785**	**6 101**

Aid assistance *relates to funds received from the Government Technical Advisory Centre (GTAC) for the Work and Skills Programme.*

The remaining balance will be utilised for HR capacity to undertake the monitoring and evaluation (tracking and tracing) of beneficiaries on the Work and Skills Programme.

3.1 Analysis of balance by source

	Note	2021/22	2020/21
	3	R'000	R'000
Aid assistance from other sources		2 785	6 101
Closing balance		**2 785**	**6 101**
Analysis of balance by source			
Opening balance		6 101	5 270
Revenue		-	1 173
Expenditure		(3 316)	(342)
Closing balance	Annexure 1F	**2 785**	**6 101**

3.2 Analysis of balance

	Note	2021/22	2020/21
	3	R'000	R'000
Aid assistance unutilised		2 785	6 101
Closing balance		**2 785**	**6 101**

3.3 Aid assistance expenditure per economic classification

	Note	2021/22	2020/21
	3	R'000	R'000
Current		3 230	342
Transfers and subsidies		86	-
Closing balance		**3 316**	**342**

4. COMPENSATION OF EMPLOYEES

4.1 Salaries and Wages

	Note	2021/22	2020/21
		R'000	R'000
Basic salary		90 852	89 670
Service based		54	51
Compensative /circumstantial		968	1 509
Other non-pensionable allowances		21 704	18 275
Total		**113 578**	**109 505**

*The increase in **Basic salary and Other non-pensionable allowances** is attributable to a once-off salary increase of 1.5% backdated to 01 April 2021 and a non-pensionable cash allowance implemented by the Department of Public Service and Administration in respect of the public service wage agreement.*

4.2 Social contributions

	Note	2021/22	2020/21
		R'000	R'000
Employer contributions			
Pension		11 408	11 193
Medical		4 184	3 892
Bargaining council		21	21
Total		**15 613**	**15 106**
Total compensation of employees		**129 191**	**124 611**
Average number of employees		217	210

5. GOODS AND SERVICES

	Note	2021/22	2020/21
		R'000	R'000
Administrative fees		3 420	3 994
Advertising		4 552	3 199
Minor assets	5.1	14	411
Bursaries (employees)		456	191
Catering		220	41
Communication		794	944
Computer services	5.2	2 925	1 696
Consultants: Business and advisory services		17 277	21 809
Legal services		442	34
Contractors		1 226	623
Agency and support / outsourced services		556	490
Entertainment		17	-
Audit cost – external	5.3	3 362	2 555
Fleet services		807	537
Consumables	5.4	531	5 085
Operating leases		197	54
Property payments	5.5	-	11
Rental and hiring		348	377
Travel and subsistence	5.6	203	219
Venues and facilities		158	133
Training and development		6 215	4 821
Other operating expenditure	5.7	873	952
Total		**44 593**	**48 176**

Administrative fees: *The decrease in subscriptions paid for research and development was a result of a reduction in allocations due to budget pressures.*

Advertising: *The increase is due to advertising the call for nominations to appoint members for the Western Cape Consumer Affairs Tribunal within Programme 4 as well as various advertising expenses within Programme 2: Red Tape for creating awareness for ease of doing business.*

Catering: *The increase in catering relates to the lifting of Covid-19 restrictions resulting in the return of face-to-face engagements.*

Consultants: *The decrease in consultants is as a result of the delays in the implementation of the Municipal Energy Resilience Projects.*

Legal services: *The increase in expenditure against this item is as a result of legal expertise required to assess the regulatory impact of the draft By-Law on Outdoor Advertising Project in the City of Cape Town by the Ease of Doing business Programme.*

Contractors: *The increase is due to the commencement of the annual WCERA project that was halted in prior years due to Covid-19 regulations, as well as the editorial services for the Tourism Blueprint project.*

Fleet services: *The increase relates to lifting of Covid-19 travel restrictions.*

Training and development: *The increase is due to the lifting of Covid-19 travel restrictions which has enabled a higher uptake of learners for face-to-face training.*

5.1 Minor assets

	Note	2021/22	2020/21
	5	R'000	R'000
Tangible assets		**14**	**331**
Machinery and equipment		14	331
Intangible assets		**-**	**80**
Software		-	80
Total		**14**	**411**

*The **Minor assets** were replenished in the last financial year and therefore no major upgrades were required in 2021/22.*

5.2 Computer services

	Note	2021/22	2020/21
	5	R'000	R'000
SITA computer services		339	342
External computer service providers		2 586	1 354
Total		**2 925**	**1 696**

The increase is largely attributed to the implementation of improved business-facing systems at municipalities.

5.3 Audit cost – External

	Note	2021/22	2020/21
	5	R'000	R'000
Regularity audits		3 362	2 555
Total		**3 362**	**2 555**

The increase is due to the 2020/21 audit commencing later than anticipated resulting in the portion of the billing being affected in the 2021/22 financial year.

5.4 Consumables

	Note	2021/22	2020/21
	5	R'000	R'000
Consumable supplies		313	4 759
Uniform and clothing		-	2
Household supplies		68	1 503
Building material and supplies		29	123
IT consumables		115	565
Other consumables		101	2 566
Stationery, printing and office supplies		**218**	**326**
Total		**531**	**5 085**

*The decrease in **Consumables** is due to significant expenditure for Personal Protective Equipment (PPE) toolkits for SMME's in 2020/21 due to the Covid-19 pandemic.*

5.5 Property payments

	Note	2021/22	2020/21
	5	R'000	R'000
Municipal services		-	2
Other		**-**	**9**
Total		**-**	**11**

*Expenditure classified under '**Other**' in the prior year relates to COVID-19 deep cleaning protocols.*

5.6 Travel and subsistence

	Note	2021/22	2020/21
	5	R'000	R'000
Local		203	219
Total		**203**	**219**

The travel in the prior year relates to site visits that were undertaken for the SMME Covid-19 Relief Fund beneficiaries.

5.7 Other operating expenditure

	Note	2021/22	2020/21
	5	R'000	R'000
Professional bodies, membership and subscription fees		24	-
Resettlement costs		22	39
Other		827	913
Total		**873**	**952**

*'**Other**' includes printing costs incurred for the organisation's strategic publications such as the Annual Performance Plan, Annual Report, Marketing and Awareness publications.*

6. PAYMENTS FOR FINANCIAL ASSETS

	Note	2021/22	2020/21
		R'000	R'000
Material losses through criminal conduct		**-**	**31**
Theft	6.3	-	31
Other material losses written-off	6.1	75	25
Debts written-off	6.2	62	5
Total		**137**	**61**

6.1 Other material losses written-off

	Note	2021/22	2020/21
	6	R'000	R'000
Nature of losses			
Assets discrepancies		-	3
Damage to car rentals		-	10
Damage to Government vehicles		-	12
Loss written-off (1 case)		75	-
Total		**75**	**25**

In accordance with the Departmental Debt Policy, all material losses written off are investigated and referred to the State Attorney. Debts are written off upon the recommendation of the State Attorney.

The amount written off during the current period relates to management fees earned by a service provider who was appointed to manage the Western Cape Funding Fair event. The event never went ahead because of Covid-19 restrictions however the service provider was entitled to the management fees for having met certain deliverables as per the service level agreement.

6.2 Debts written-off

	Note	2021/22	2020/21
	6	R'000	R'000
Nature of debts written-off *Other debt written-off*			
Debt accounts written off (12 cases)		62	5
Total		**62**	**5**

Debts are written off in accordance with the Departmental Debt Policy. These debts have been analysed internally and/or handed over to the State Attorney and have been found to be irrecoverable. The twelve (12) cases relate to leave without pay, salary overpayment and bursary debt.

6.3 Details of theft

	Note	2021/22	2020/21
	6	R'000	R'000
Nature of theft			
Theft of equipment		-	31
Total		**-**	**31**

Prior period balance relates to one (1) case which was written-off upon the recommendation of the State Attorney.

7. TRANSFERS AND SUBSIDIES

	Note	2021/22	2020/21
		R'000	R'000
Provinces and municipalities	Annexure 1A	17 213	7 833
Departmental agencies and accounts	Annexure 1B	206 765	196 655
Public corporations and private enterprises	Annexure 1C	5 460	50 870
Non-profit institutions	Annexure 1D	32 578	24 738
Households	Annexure 1E	54 788	67 657
Total		**316 804**	**347 753**

Provinces and municipalities:
The increase relates to payments made to Municipalities in support of SMME Booster for infrastructure and the Municipal Energy Resilience Fund project.

Departmental agencies and accounts:
The increase is due to an additional amount transferred to Atlantis Special Economic Zone SOC Limited for VAT payment as it relates to the purchase of land from City of Cape Town as well as a transfer to Western Cape Liquor Authority to support the development of an online client services platform.

Public corporations and private enterprises:
The decrease is due to transfers made for the SMME Covid-19 Relief Fund providing financial assistance to qualifying beneficiaries in the previous year.

Non-profit institutions:
The increase relates to payments made to non-profit organisations in support of SMME Booster for business support programmes.

Households:
The decrease between the financial years was a result of a reduction in allocations due to budget pressures.

8. EXPENDITURE FOR CAPITAL ASSETS

	Note	2021/22	2020/21
		R'000	R'000
Tangible assets		**2 646**	**7 385**
Machinery and equipment	27	2 646	7 385
Intangible assets		**25**	**2 725**
Software	28	25	2 725
Total		**2 671**	**10 110**

Included in the amount of R2 646 000 is expenditure for finance leases for an amount of R2 478 277 for the 2021/22 financial year (2021: R2 557 882).

Significant balance of prior year for Machinery and equipment relates to replacement of IT equipment (Project Refresh) that had reached its useful life (tangible assets) and capitalisation of intangible assets.

8.1 Analysis of funds utilised to acquire capital assets – 2021/22

	Voted Funds	Aid Assistance	Total
	R'000	R'000	R'000
Tangible assets	**2 646**	**-**	**2 646**
Machinery and equipment	2 646	-	2 646
Intangible assets	**25**	**-**	**25**
Software	25	-	25
Total	**2 671**	**-**	**2 671**

8.2 Analysis of funds utilised to acquire capital assets – 2020/21

	Voted Funds	Aid Assistance	Total
	R'000	R'000	R'000
Tangible assets	**7 385**	**-**	**7 385**
Machinery and equipment	7 385	-	7 385
Intangible assets	**2 725**	**-**	**2 725**
Software	2 725	-	2 725
Total	**10 110**	**-**	**10 110**

8.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2021/22	2020/21
		R'000	R'000
Tangible assets			
Machinery and equipment		2 478	2 558
Total		**2 478**	**2 558**

Finance lease expenditure *relates to vehicles leased from Government Motor Transport. The department currently leases nineteen (19) vehicles (2021: 29). The department returned ten (10) vehicles during the last quarter of the financial year.*

9. CASH AND CASH EQUIVALENTS

	Note	2021/22	2020/21
	9	R'000	R'000
Consolidated Paymaster General Account		20 271	9 778
Disbursements		(40)	(91)
Cash on hand		60	60
Total		**20 291**	**9 747**

The ***Consolidated Paymaster General Account*** *comprise of the bank account, which includes unspent voted funds, as well as SETA and GTAC aid assistance balances paid into the department's bank account on 31 March 2022.*

10. PREPAYMENTS AND ADVANCES

10.1 Prepayments (Expensed)

Listed by economic classification	Note	Amount as at 1 April 2021	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2022
		R'000	R'000	R'000	R'000	R'000
Goods and services		6 430	(4 230)	(1 104)	3 687	4 783
Transfers and subsidies		-	-	-	556	556
Total		**6 430**	**(4 230)**	**(1 104)**	**4 243**	**5 339**

Prepayments (expensed) included in goods and services:

The amount mainly relates to an annual subscription paid in advance for 2022/23 and training costs for the Lean Management Institute Programme which was expensed in the 2019/20 financial year. The Lean Management Training could not be rolled out due to Covid-19 restrictions. Training commenced in the current year with Phase 1 completed and the remaining phases commencing in May 2022.

Prepayments expensed included in transfers and subsidies:

The amount relates to stipends paid towards the Artisan Development Programme.

Listed by economic classification	Note	Amount as at 1 April 2020	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2021
		R'000	R'000	R'000	R'000	R'000
Goods and services		5 682	(3 152)	-	3 900	6 430
Total		**5 682**	**(3 152)**	**-**	**3 900**	**6 430**

10.2 Advances paid (Expensed)

Listed by economic classification	Note	Amount as at 1 April 2021	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2022
		R'000	R'000	R'000	R'000	R'000
Other institutions		-	-	-	449	449
Total		-	**-**	**-**	449	**449**

Advances paid (Expensed) *relate to transfers made to City of Cape Town for the Tourism Safety and Law Enforcement project.*

11. RECEIVABLES

	Note	2021/22			2020/21		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	
Claims recoverable	11.1	-	-	-	9	-	9
Recoverable expenditure	11.2	418	-	418	318	-	318
Staff debt	11.3	82	216	298	294	-	294
Other receivables	11.4	1 805	-	1 805	-	-	-
Total		**2 305**	**216**	**2 521**	**621**	**-**	**621**

11.1 Claims recoverable

	Note	2021/22	2020/21
		R'000	R'000
Provincial departments	Annex 3	-	9
TOTAL		**-**	**9**

Claims recoverable *in 2020/21 relates to transactions between Departments that have not been settled within that financial year.*

11.2 Recoverable expenditure (disallowance accounts)

	Note	2021/22	2020/21
		R'000	R'000
Disallowances, damages, and losses	11	418	318
TOTAL		**418**	**318**

Included in the amount for Recoverable expenditure are four (4) cases relating to government vehicles, eighteen (18) cases relating to loss/theft of state assets and one (1) case relating to a fraudulent salary transaction which have not yet been finalised.

11.3 Staff debt

	Note	2021/22	2020/21
		R'000	R'000
Debt account		284	289
Salary reversal		10	2
Salary disallowance		-	2
Salary income tax		3	1
Salary tax debt		1	-
TOTAL		**298**	**294**

Staff debt comprises of the following:

	Number of cases	Value
		R'000
Salary overpayment	8	73
GG vehicle	53	24
Assets	1	18
Leave	6	120
Bursary	1	35
NP Cash allowances	1	14

11.4 Other receivables

	Note	2021/22	2020/21
		R'000	R'000
Goods and services – WC Funding Fair Project		1 368	-
Transfers and subsidies – Pick 'n Pay Township Revitalisation Programme		314	-
Transfers and subsidies – Township Revitalisation Project		77	-
Transfers and subsidies – Township Revitalisation Project		46	-
TOTAL		**1 805**	**-**

WC Funding Fair Project

A service provider was appointed via a service level agreement, through an open bid process, to manage and arrange the logistical requirements for the Western Cape Funding Fair (WCFF) event scheduled for 9 and 10 June 2020. Funds were transferred to the service provider at the end of the financial year to secure the venue. On 20 March 2020, the WCFF Steering Committee (comprising Deloitte and DEDAT) decided to postpone the event amidst the COVID-19 pandemic and lockdown. During 2021 the appointed service provider was contacted by DEDAT to discuss the way forward on the hosting of the WCFF. It was determined that the event would no longer go ahead, and the service provider would be required to reimburse the department. The service provider is required to refund the department for the funds transferred, after deducting the portion of management fees reasonably considered as earned by the service provider, for having met certain deliverables as per the service level agreement.

Pick 'n Pay Township Revitalisation Programme

The department transferred funds during the 2018/19 financial year to a beneficiary for the purpose of opening a Market Store in Delft as part of the Pick 'n Pay Township Revitalisation Programme. The beneficiary spent a portion of the funds and later withdrew their interest to set up the Market Store on grounds of ill health of a director. The State Attorney was then consulted to cancel the transfer payment agreement and recover the unspent funds. The beneficiary was issued with a cancellation letter and an acknowledgement of debt letter.

Township Revitalisation Project

The department transferred funds to two (2) beneficiaries in the 2018/19 financial year for the purpose of purchasing machinery and equipment for their businesses. The beneficiaries failed to provide supporting evidence for the purchase of the machinery and equipment purchased. The State Attorney was then consulted to cancel the agreements and recover the unspent funds.

11.5 Impairment of receivables

	Note	2021/22	2020/21
		R'000	R'000
Estimate of impairment of receivables		180	220
TOTAL		**180**	**220**

All debts are individually reviewed for the possibility of impairment. The impairment includes debtors that were handed over to the State Attorney for recovery.

The following criteria was used for the impairment test of receivables:
- *Non-payment by debtors that have shown no indication of recoverability for a period longer than 12-months.*
- *Debtors handed over to the State Attorney for collection and no indication of recovery is evident.*

12. INVESTMENTS

	Note	2021/22	2020/21
		R'000	R'000
Non-Current			
Shares and other equity			
Atlantis Special Economic Zone Company (SOC) Limited		169	-
Cape Town International Convention Centre Company (SOC) Limited (RF)		303 790	303 790
Saldanha Bay IDZ Licencing Company (SOC) Limited		63	63
TOTAL		**304 022**	**303 853**
Analysis of non-current investments			
Opening balance		303 853	303 853
Non-cash movements		169	-
Closing balance		**304 022**	**303 853**
Number of shares			
Atlantis Special Economic Zone Company (SOC) Limited		100	-
Cape Town International Convention Centre Company (SOC) Limited RF		60 425	60 425
Saldanha Bay IDZ Licencing Company (SOC) Limited		120	120

Atlantis Special Economic Zone Company (SOC) Limited - (ASEZ)

On the 15th of December 2021, ASEZ was listed as a Schedule 3D PFMA public entity. The Department is a majority shareholder (54.64%) in ASEZ, the shareholding comprises 100 no par value shares with an issue price of R1 per share. The purpose of ASEZ is to establish and fulfil the purpose of a Special Economic Zone within the greater Atlantis area.

Cape Town International Convention Centre Company (SOC) Limited (RF) - (CTICC)

On 5 July 2004, the Department became a shareholder in CTICC. The shareholding comprises of 14 200 shares translating to 25.09% investment.

On 28th March 2014, the CTICC issued a notice of fresh subscription offer letter to all its shareholders. The Department acquired 46 225 additional shares between the 2014/15 and 2017/18 financial years.

On 01 July 2021, a resolution was authorized to create 50 000 (fifty thousand) "C" ordinary shares of the same class, with no par value in CTICC. The need for this arose from the impact of COVID-19 on the core business of CTICC and the City of Cape Town, as the majority shareholder in CTICC, was approached to ascertain if the City of Cape Town would be willing to inject further funding into CTICC in return for additional shares.
At reporting date, the Provincial Government of the Western Cape has a shareholding of 22.20% (2021: 23.24%) in the CTICC.

The total number of shares held in CTICC is 60 425.

Saldanha Bay IDZ Licencing Company (SOC) Limited - (SBIDZ)

On 1 April 2017, the Department became a 100% shareholder in SBIDZ. The shareholding comprises of 120 no par value shares. The purpose of SBIDZ is to establish and fulfil the purpose of a Special Economic Zone within the greater Saldanha Bay area.

12.1 Impairment of investments

	Note	2021/22	2020/21
		R'000	R'000
Estimate of impairment of impairment		24 384	23 346
TOTAL		**24 384**	**23 346**

The Department assesses at each reporting date whether there is any indication that the impairment loss may no longer exist or has reversed. The indicator for the impairment is a recoverable value lower than carrying value. The impairment above is calculated based on the revised assessment by the CTICC.

CTICC Management considers cash-generating assets to be those assets which are used to host events, which represents the company's core revenue stream, which is all of its assets as a cash-generating unit (CGU). As such, the impairment testing process applicable to cash-generating assets has been applied.

As at 30 June 2021, CTICC management considered the impact of the Covid-19 on its operations resulting in an expected reduction in cash flows projections, which are used by management to determine the value in use of the cash generating units of the company, when performing the impairment test.

CTICC estimated the recoverable amount by calculating the value in use of the cash generating unit of R308 732 454 (2020: R412 147 827) and comparing it to the carrying value of the relevant assets in that cash-generating unit of R418 570 968 (2020: R512 605 921) at the date of impairment testing.

CTICC recognised an impairment loss of R109 838 514 (2020: R100 458 094) as disclosed in the impairment line item on the Statement of Financial Performance.

Based on the revised assessment, the investment in the CTICC reflects an impairment loss and the Department's portion of the impairment is R24 384 150 (2021: R23 346 000) calculated at 22.20% (2021:23.24%).

13. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		4 175	12 480
Transfer from statement of financial performance		6 503	4 175
Paid during the year		(4 175)	(12 480)
Closing balance		**6 503**	**4 175**

The closing balance relates to the unspent funds at the end of each financial year.

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

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		1	103
Transfer from Statement of Financial Performance		21 194	1 825
Own revenue included in appropriation		371	351
Paid during the year		(21 461)	(2 278)
Closing balance		**105**	**1**

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15. PAYABLES – CURRENT

	Note	2021/22	2020/21
		R'000	R'000
Clearing accounts	15.1	1	1
Other payables	15.2	11 531	-
Total		**11 532**	**1**

15.1 Clearing accounts

	Note	2021/22	2020/21
	15	R'000	R'000
Salary: Pension fund		1	1
Total		**1**	**1**

15.2 Other payables

	Note	2021/22	2020/21
	15	R'000	R'000
Manufacturing Engineering and Related Services SETA		10 238	-
Transport Education Training Authority		1 288	-
Disallowance miscellaneous		5	-
Total		**11 531**	**-**

Other payables *mainly comprise of funds received from Manufacturing Engineering and Related Services SETA and Transport Education Training Authority in respect of a principal-agent arrangements entered into during the current year. The balance relates to the unspent portion of funds received.*

16. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	Note	2021/22	2020/21
		R'000	R'000
Net surplus as per Statement of Financial Performance		24 381	6 831
Add back non cash/cash movements not deemed operating activities		(12 801)	(9 892)
(Increase)/decrease in receivables		(1 684)	92
Increase/(decrease) in payables – current		11 531	(5 654)
Proceeds from sale of capital assets		(54)	(33)
Expenditure on capital assets		2 671	10 110
Surrenders to Revenue Fund		(25 636)	(14 758)
Own revenue included in appropriation		371	351
Net cash flow generated by operating activities		**11 580**	**(3 061)**

17. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	Note	2021/22	2020/21
		R'000	R'000
Consolidated Paymaster General account		20 271	9 778
Disbursements		(40)	(91)
Cash on hand		60	60
Net cash flow generated by operating activities		**20 291**	**9 747**

18. CONTINGENT ASSETS

18.1 Contingent assets

	Note	2021/22	2020/21
		R'000	R'000
Nature of contingent asset			
Leony's Leather and Clothing		-	46
Lorna Jasmine Design		-	77
Western Cape Tourism Promotion Agency		30 000	-
Total		**30 000**	**123**

*The **Contingent assets** in the prior year is now disclosed in the 2021/22 year as Receivables due to additional information which has now become available.*

PILIR Cases

A total number of eleven (11) cases were received by Corporate Services Centre (CSC) of which eight (8) were approved and three (3) were declined. One (1) of the cases which was declined was taken on as staff debt.

Wesgro

The Agency has a put option agreement with Cape Town Film Studios (Pty) Ltd (CTFS), secured by two other shareholders, Videovision Dreamworld (Pty) Ltd and eMedia Investments (Pty) Ltd. The put option has a strike price of R30 000 000 and is exercisable at the discretion of Wesgro should certain conditions, as specified in section 4 of the heads of agreement, be met.

CTFS indicated not to renew the put option for a further 5 years and Wesgro submitted a board resolution dated 20 December 2021, electing to exercise the rights under the put option agreement. Payment is to be made within 180 days of the put option exercise date of which CTFS have until 30 June 2022 to confirm the estimate of the settlement value. The payment will ultimately flow to the Department for pay over to the Provincial Revenue Fund.The existence of the asset will be confirmed only by the actual receipt of the refund by Wesgro which is not wholly within the control of the Department.

Government Housing Scheme

As at financial year end, the Department is not able to reliably measure the contingent asset in terms of the Government Housing Scheme of the Individually Linked Savings Facility (ILSF) relating to resignations and termination of service.

19. ACCRUALS AND PAYABLES NOT RECOGNISED

19.1 Accruals

	30 Days	30+ Days	2021/22	2020/21
			R'000	R'000
			Total	Total
Listed by economic classification				
Goods and services	246	3	249	185
Transfers and subsidies	82	-	82	1 947
Total	**328**	**3**	**331**	**2 132**

*The **Goods and services** accruals in the current year exceeding 30 days relates to an inter-departmental claim.*

	Note	2021/22	2020/21
		R'000	R'000
Listed by programme level			
Programme 1		146	157
Programme 2		90	17
Programme 3		1	5
Programme 4		1	48
Programme 5		6	7
Programme 6		3	42
Programme 7		84	1 856
Total		**331**	**2 132**

The significant balance in prior year was due to the increase in stipends to support unemployed learners in the Work and Skills Programme and the BPO sector.

19.2 Payables not recognised

	30 Days	30+ Days	2021/22	2020/21
			R'000	R'000
			Total	Total
Listed by economic classification				
Goods and services	34	14	48	643
Transfers and subsidies	-	-	-	20
Total	**34**	**14**	**48**	**663**

	Note	2021/22	2020/21
		R'000	R'000
Listed by programme level			
Programme 1		14	1
Programme 2		10	21
Programme 3		16	626
Programme 4		1	-
Programme 5		7	9
Programme 6		-	-
Programme 7		-	6
Total		**48**	**663**
Included in the above totals are the following:			
Confirmed balances with other departments		124	10
Total		**124**	**10**

20. EMPLOYEE BENEFITS

	Note	2021/22	2020/21
		R'000	R'000
Leave entitlement		7 883	8 874
Service bonus		2 615	2 681
Capped leave		220	259
Other		-	7
Total		**10 718**	**11 821**

*Included in the 2021/22 disclosure for **Leave entitlement** is the credit amount of R16 342 for leave owed to the Department for those employees who exceeded their leave credits due.*

***Capped leave** relates to annual leave due to an employee accrued prior to 01 July 2000 which will be disbursed upon death, retirement, or medical boarding.*

21. LEASE COMMITMENTS

21.1 Operating leases

	Machinery and equipment	Total
	R'000	R'000
2021/22		
Not later than 1 year	358	358
Later than 1 year and not later than 5 years	503	503
Later than five years	-	-
Total lease commitments	**861**	**861**
2020/21		
Not later than 1 year	41	41
Later than 1 year and not later than 5 years	-	-
Later than five years	-	-
Total lease commitments	**41**	**41**

*The increase in **Operating leases** relate to ten (10) new contracts for photocopy machines entered into during the 2021/22 financial year. Nine (9) leases are for a 36-month period and one (1) is for a 24-month period.*

21.2 Finance lease commitments

As determined by the National Accountant General, the arrangement between the Department of Economic Development and Tourism and Government Motor Transport (GMT) constitutes finance leases. The obligation in respect of the finance leases are presented below:

	Within 1 year	2 – 5 years	Total
	R'000	R'000	R'000
2021/22	1 653	1 693	3 346
Total lease commitments	**1 653**	**1 693**	**3 346**
2020/21	2 599	2 108	4 707
Total lease commitments	**2 599**	**2 108**	**4 707**

The Department leased nineteen (19) vehicles from GMT as at 31 March 2022 (2021: 29). Daily tariffs are payable on a monthly basis, covering the operational costs, capital costs of replacement of vehicles, and the implicit finance costs.

The implicit interest is based on Provincial Treasury's approved tariffs for GMT. The department uses the vehicle for most of the useful life of the vehicle. The agreement does not provide for contingent lease payments, and at the end of the useful life as determined by the lessor, the vehicles are returned where it is sold on auction for the benefit of the lessor.

22. IRREGULAR EXPENDITURE

22.1 Reconciliation of irregular expenditure

	Note	2021/22	Total
		R'000	R'000
Opening balance		1 469	7 977
Add: Irregular expenditure – relating to current year		-	1 469
Less: Prior year amounts condoned		-	(7 977)
Closing balance		**1 469**	**1 469**
Analysis of closing balance			
Current year		-	1 469
Prior years		1 469	-
Total		**1 469**	**1 469**

***Irregular expenditure** brought forward from the prior year relates to two (2) cases.*

Case (1) relates to a payment made to a beneficiary. The condonation submission has been submitted to the PT.

Case (2) was identified by the AG during the 2020/21 audit cycle where less than 3 quotes were obtained for the procurement of goods. The investigation has been concluded and the request for condonation is in progress as no losses were suffered.

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23. FRUITLESS AND WASTEFUL EXPENDITURE

23.1 Reconciliation of fruitless and wasteful expenditure

	Note	2021/22	Total
		R'000	R'000
Opening balance		1	-
Fruitless and wasteful expenditure – relating to prior year		63	-
Fruitless and wasteful expenditure – relating to current year		-	1
Less: Amounts recoverable		(1)	-
Closing balance		**63**	**1**

23.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	Total
		R'000
Penalty fee for late payment	Investigation in progress	-
Salary payment	Investigation in progress	63
Closing balance		**63**

Fruitless and wasteful expenditure *relates to two (2) cases.*

Case (1) The fruitless and wasteful expenditure (R80) relates to the penalty fees for renewal fees to the SA Post Office. The investigation has been concluded and the outcome report is in progress.

Case (2) The fruitless and wasteful expenditure relates to the fraudulent disbursement of salaries. The Provincial Forensic Services (PFS) concluded the investigation and have requested the Department to incur the fruitless and wasteful expenditure as this is incurred against the Department's vote. The transgression occurred within the DotP: People Management Practices (PMP) and the PFS report has recommended that disciplinary action be applied in terms of the DotP official, and recovery is applied in terms of the open SAPS investigation of theft.

24. RELATED PARTY TRANSACTIONS

List related party relationships

During the financial year the Department of Economic Development and Tourism (Department) maintained, and where applicable, received services from the following related parties:

- *The Department has three public entities under its control:*

1. *Western Cape Tourism Investment & Trade Promotion Agency (Wesgro)*
2. *Saldanha Bay Industrial Development Zone Licencing Company (SBIDZ LiCo)*
3. *Atlantis Special Economic Zone Company (SOC) Limited*

- *The Department has a shareholding in Cape Town International Convention Centre Company (SOC) Limited (RF).*
- *Mr S Fourie (Head of Department) is an ex-officio member of the Wesgro Board and resigned as a director of Cape Town International Convention Centre Company (SOC) Limited (RF) in January 2022.*
- *Ms J Johnston (Deputy Director General Strategic Economic Accelerators and Development) is Chairperson on the Board of Directors of Atlantis Special Economic Zone Company (SOC) Limited.*
- *All Provincial Departments within the Western Cape are related parties.*
- *The Department, Provincial Treasury, Western Cape Gambling and Racing Board and Atlantis SEZ (SOC) Limited are included in Minister David Maynier's Cabinet portfolio.*
- *The Department makes use of government motor vehicles managed by Government Motor Transport (GMT) based on tariffs approved by the Department of Provincial Treasury.*
- *The Department received Security Advisory Services and Security Operations from the Department of Community Safety in the Western Cape.*
- *The Department occupies a building free of charge by the Department of Transport and Public Works. Parking space is also provided for government officials at an approved fee that is not market related.*
- *The Department received corporate services from the Corporate Services Centre of the Department of the Premier in the Western Cape Province with effect from 1 November 2010 in respect of the following service areas:*
  - *Information and Communication Technology*
  - *Organisation Development*
  - *Provincial Training (transversal)*
  - *Human Resource Management*
  - *Enterprise Risk Management*
  - *Internal Audit*
  - *Provincial Forensic Services*
  - *Legal Services*
  - *Corporate Communication*

25. KEY MANAGEMENT PERSONNEL

	No. of Individuals	2021/22	Total
		R'000	R'000
Officials: Management	11	15 589	15 071
Closing balance		**15 589**	**15 071**

Key management personnel *are those officials having the authority and responsibility for planning, directing, and controlling the activities of the department.*

The Accounting Officer assesses the independence and objectivity of key management personnel related to financial and operating decisions.

26. NON-ADJUSTING EVENTS AFTER REPORTING DATE

On 15 May 2022, Mireille Wenger was sworn into the Provincial Cabinet as new Minister of Finance and Economic Opportunities.

27. MOVABLE TANGIBLE CAPITAL ASSETS 2021/22

Movement in movable tangible capital assets per asset register for the year ended 31 march 2022

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Machinery and equipment	**19 814**	**-**	**168**	**(3 431)**	**16 551**
Transport assets	-	-	-	-	-
Computer equipment	13 089	-	61	(3 325)	9 825
Furniture and office equipment	4 361	-	25	(79)	4 307
Other machinery and equipment	2 364	-	82	(27)	2 419
Total movable tangible capital assets	**19 814**	**-**	**168**	**(3 431)**	**16 551**

Information on GG Vehicle Finance lease assets for the current and comparative years are disclosed in Annexure 7.

Movable Tangible Capital Assets under investigation

There are no assets under investigation as at 31 March 2022.

27.1 Movement for 2020/21

Movement in tangible capital assets per asset register for the year ended 31 March 2021

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**16 198**	**-**	**4 861**	**(1 245)**	**19 814**
Transport assets	-	-	-	-	-
Computer equipment	9 292	-	4 820	(1 023)	13 089
Furniture and office equipment	4 355	-	6	-	4 361
Other machinery and equipment	2 551	-	35	(222)	2 364
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**16 198**	**-**	**4 861**	**(1 245)**	**19 814**

27.2 Minor assets

Movement in minor assets per the asset register for the year ended as at 31 March 2022

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	115	6 287	6 402
Additions	-	14	14
Disposals	-	(562)	(562)
TOTAL MINOR ASSETS	**115**	**5 739**	**5 854**
Number of R1 minor assets	-	113	113
Number of minor assets at cost	36	2 465	2 501
TOTAL NUMBER OF MINOR ASSETS	**36**	**2 578**	**2 614**

*The number of R1 **Minor assets** relates to assets transferred from the Department of Transport and Public Works for no consideration.*

Minor Capital Assets under investigation

There are no assets under investigation as at 31 March 2022.

Movement in minor assets per the asset register for the year ended as at 31 March 2021

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	35	6 104	6 139
Additions	80	332	412
Disposals	-	(149)	(149)
TOTAL MINOR ASSETS	**115**	**6 287**	**6 402**
Number of R1 minor assets	-	117	117
Number of minor assets at cost	36	2 824	2 860
TOTAL NUMBER OF MINOR ASSETS	**36**	**2 941**	**2 977**

27.3 Movable assets written off

Movable assets written off for the year ended as at 31 March 2022

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Assets written off	-	47	47
TOTAL INTANGIBLE CAPITAL ASSETS	**-**	**47**	**47**

*The **assets written off** comprise of three (3) major assets, a camera and two (2) laptops.*

28. INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
SOFTWARE	13 253	25	(6)	13 272
TOTAL INTANGIBLE CAPITAL ASSETS	**13 253**	**25**	**(6)**	**13 272**

The Department currently has five (5) systems in use as at 31 March 2022:
- *I-CAN Learn*
- *JUMP*
- *Red Tape Case Management System*
- *Work Placement Management System*
- *Tourist Registration Guide*

Movement for 2020/21

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
SOFTWARE	3 636	-	9 617	13 253
TOTAL INTANGIBLE CAPITAL ASSETS	**3 636**	**-**	**9 617**	**13 253**

29. CAPITAL WORK-IN-PROGRESS

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

	Note	Opening balance 1 April 2020	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing Balance 31 March 2021
	Annexure 5	R'000	R'000	R'000		R'000
Intangible assets		6 892	-	2 385	(9 277)	-
TOTAL		**6 892**	**-**	**2 385**	**(9 277)**	**-**

30. PRINCIPAL-AGENT ARRANGEMENTS

30.1 Department acting as the agent

30.1.1 Revenue received for agency activities

	2021/22	2020/21
	R'000	R'000
Manufacturing Engineering and Related Services SETA (Administration fees)	851	-
TOTAL	**851**	**-**

30.1.2 Reconciliation of funds and disbursements – 2021/22

Category of revenue or expenditure per arrangement	Total funds received	Expenditure incurred against funds
	R'000	R'000
Transport Education Training Authority		
Transfers and subsidies	-	854
TOTAL	**-**	**854**

30.1.3 Reconciliation of carrying amount of payables – 2021/22

Payables

Name of principal entity	Opening balance 1 Apr 2021	Expenses incurred on behalf of the principal	Cash paid on behalf of principal	Closing Balance 31 Mar 2022
	R'000	R'000	R'000	R'000
Transport Education Training Authority				
Africa Skills Village	-	3 330	(854)	2 476
TOTAL	**-**	**3 330**	**(854)**	**2 476**

Manufacturing Engineering and Related Services SETA (MerSETA)

The department entered into a binding agreement to a value of R44 352 350 with MerSETA for the period of 01 March 2021 to 30 September 2025 to support 200 apprenticeships which the department will effect as stipends to learners. The funds will be transferred in 4 tranches (25%) which will be linked to milestones as outlined in the agreement.

Administration fees for an amount of R851 000 was earned on funds received in respect of compensation for the transactions carried out on behalf of MerSETA. No expenditure or commitments have been incurred for the funds received during the 2021/22 financial year. The department assessed the nature of the agreement in terms of the Modified Cash Standard and Classification Circular 23 (Budgeting and accounting for amounts received from/paid to the SETA's) and determined that the department will act as an agent to perform services on behalf of the SETA.

Name of donor	*MerSETA*
Full amount of the funding	*R44 352 000*
Period of the commitment	*31 March 2021 – 30 September 2025*
Amount received in current period	*R11 088 000*
Compensation earned for performing services on behalf of principal	*R851 000*
Expenses incurred on behalf of principal	*NIL*
Cash paid on behalf of principal	*NIL*
Balance payable for expenditure incurred on behalf of principal	*NIL*

Transport Education Training Authority (TETA)

The department entered into a binding agreement to a value of R3 995 000 with TETA for the duration of 01 February 2021 to 31 March 2025 to carry out services on behalf of the SETA. The department is therefore the agent in the arrangement. The funding provided is to support 47 apprenticeships which the department will effect as stipends to learners.

The funds will be transferred in 5 tranches which are linked to milestones as outlined in the agreement:

- *Tranche 1: R 1 198 500 (representing 30% of total amount payable)*
- *Tranche 2: R 799 000 (representing 20% of the total amount payable)*
- *Tranche 3: R 799 000 (representing 20% of the total amount payable)*
- *Tranche 4: R 799 000 (representing 20% of the total amount payable)*
- *Tranche 5: R 399 500 (representing 10% of the total amount payable)*

No fees are earned on funds received in respect of compensation for the transactions carried out on behalf of TETA. The department assessed the nature of the agreement in terms of the Modified Cash Standard and Classification Circular 23 (Budgeting and accounting for amounts received from/paid to the SETA's) and determined that the department will act as an agent to perform services on behalf of the SETA.

A Memorandum of Agreement was entered into with a third party (Africa Skills Village) on 26 October 2021 for a period of 18 months whereby 37 learners will be placed at Africa Skills Village for experiential learning. The department will support the learners by paying a monthly stipend of R5 000 per learner.

Name of donor	*TETA*
Full amount of the funding	*R3 995 000*
Period of the commitment	*01 February 2021 – 31 March 2025*
Amount received in current period	*R2 142 000*
Compensation earned for performing services on behalf of principal	*NIL*
Expenses incurred on behalf of principal - Transfers and subsidies	*R3 330 000*
Cash paid on behalf of principal - Transfers and subsidies	*R854 000*
Balance payable for expenditure incurred on behalf of principal	*R2 476 000*

Risk Mitigation

All programmes and projects implemented by the department on behalf of the principal are aligned to the strategic objectives of the department. The significant advantage of the agreements to carry out services on behalf of MerSETA and TETA is that all the progammes and projects supported in Programme 7: Skills Development are aligned to the strategic objectives of the department. Some of the programmes and projects are to some extent funded by the department's own funding. Therefore, from a risk mitigation perspective, if the SETA's fail to provide funding, the programmes and projects can still be rolled out albeit on a smaller scale.

31. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

	2021/22							2020/21	
	GRANT ALLOCATION				TRANSFER				
NAME OF MUNICIPALITY	Other transfers	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Bitou Municipality	750	-	-	750	750	-	-	-	125
Cape Agulhas Municipality	-	-	-	-	-	-	-	-	150
City of Cape Town	3 667	-	-	3 667	3 667	-	-	-	4 920
Garden Route District Municipality	-	-	-	-	-	-	-	-	465
George Municipality	400	-	-	400	400	-	-	-	100
Hessequa Municipality	2 751	-	-	2 751	2 751	-	-	-	-
Laingsburg Municipality	-	-	-	-	-	-	-	-	1 110
Langeberg Municipality	857	-	-	857	857	-	-	-	-
Mossel Bay Munipality	2 800	-	-	2 800	2 800	-	-	-	-
Oudtshoorn Municipality	2 000	-	-	2 000	2000	-	-	-	-
Overstrand Municipality	650	-	-	650	650	-	-	-	-
Stellenbosch Municipality	710	-	-	710	710	-	-	-	-
Swartland Municipality	400	-	-	400	400	-	-	-	-
Swellendam Municipality	2 228	-	-	2 228	2 228	-	-	-	100
West Coast Municipality	-	-	-	-	-	-	-	-	500
Witzenberg Municipality	-	-	-	-	-	-	-	-	363
TOTAL	**17 213**	**-**	**-**	**17 213**	**17 213**	**-**	**-**	**-**	**7 833**

32. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

33. COVID 19 RESPONSE EXPENDITURE

	Note	2021/22	2020/21
	Annexure 6	R'000	R'000
Goods and services		-	5 225
Transfers and subsidies		19	43 652
Total		**19**	**48 877**

*The **Covid-19 Response Expenditure** in prior year primarily relates to funding provided to SMMEs' through our Covid-19 Relief Fund, Business Chamber Programme as well as our PPE SMME Toolkits.*

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	Other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Witheld	Re-allocations by National Treasury or National Departent	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Bitou Municipality	750	-	-	750	750	-	-	750	-	750	-	-	125
Cape Agulhas Municipality	-	-	-	-	-	-	-	-	3 218	-	-	-	150
City of Cape Town	3 667	-	-	3 667	3 667	-	-	3 667	-	449	88.0	-	4 920
Garden Route District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	465
George Municipality	400	-	-	400	400	-	-	400	-	400	-	-	100
Hessequa Municipality	2 751	-	-	2 751	2 751	-	-	2 751	-	2 751	-	-	-
Laingsburg Municipality	-	-	-	-	-	-	-	-	-	-	-	-	1 110
Langeberg Municipality	857	-	-	857	857	-	-	857	-	857	-	-	-
Mossel Bay Munipality	2 800	-	-	2 800	2 800	-	-	2 800	-	2 800	-	-	-
Oudtshoorn Municipality	2 000	-	-	2 000	2000	-	-	2000	48	1 952	2.0	-	-
Overstrand Municipality	650	-	-	650	650	-	-	650	275	375	42.0	-	-
Stellenbosch Municipality	710	-	-	710	710	-	-	710	-	710	-	-	-
Swartland Municipality	400	-	-	400	400	-	-	400	-	400	-	-	-
Swellendam Municipality	2 228	-	-	2 228	2 228	-	-	2 228	228	2 000	10.0	-	100
West Coast Municipality	-	-	-	-	-	-	-	-	-	-	-	-	500
Witzenberg Municipality	-	-	-	-	-	-	-	-	-	-	-	-	363
TOTAL	**17 213**	**-**	**-**	**17 213**	**17 213**	**-**	**-**	**17 213**	**3 769**	**13 444**		**-**	**7 833**

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000
Wesgro for Atlantis Special Economic Zone (SOC) Limited	44 387	-	-	44 387	44 387	100.0	29 161
Productivity SA	-	-	-	-	-	0.0	410
Saldanha Bay IDZ Licencing Company (SOC) Limited	40 054	-	-	40 054	40 054	100.0	42 566
Small Enterprise Development Agency	-	-	-	-	-	0.0	5 000
South African Broadcasting Corporation (SABC)*	7	-	-	7	6	86.0	5
Technology Innovation Agency	-	-	-	-	-	0.0	2 450
Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro)	120 511	-	3	120 514	120 511	100.0	117 063
Western Cape Liquor Authority **	-	-	1 807	1 807	1 807	100.0	-
TOTAL	**204 959**	**-**	**1 810**	**206 769**	**206 765**		**196 655**

** SABC is a National entity of the Department of Communications and Digital Technologies (DCDT) and not a public entity of the Department.*
*** The Western Cape Liquor Authority is a public entity of the Western Cape Department of Community Safety.*

ANNEXURE 1C
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TANSFER ALLOCATION				EXPENDITURE			2020/21	
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Private Enterprises									
Transfers									
2Gether Consultants & Projects	-	-	-	-	-	-	-	-	114
Almenkerk Wine Estate	405	-	-	405	405	100.0	-	-	395
Amabal'engwe Game Farm and Tourism	200	-	-	200	200	100.0	-	-	-
BDW Foods SA	-	-	-	-	-	-	-	-	147
Buffelsdrift Lodge (Pty) Ltd	141	-	-	141	140	99.3	-	-	305
Country Hotels	270	-	-	270	270	100.0	-	-	230
Covid-19 SMME Business Relief Fund	-	-	-	-	-	-	-	-	38 543
Darling (Pty) Ltd	-	-	-	-	-	-	-	-	50
Daytime Move Trading (Pty) Ltd	-	-	-	-	-	-	-	-	813
Debongs Café	-	-	-	-	-	-	-	-	194
Décor Design and Upholstery	-	-	-	-	-	-	-	-	100
Design Twenty-Six	-	-	-	-	-	-	-	-	159
Edge Growth Access (Pty) Ltd	-	-	-	-	-	-	-	-	3 390
Elmada Trading	-	-	-	-	-	-	-	-	125
Fix Forward (Pty) Ltd	-	-	-	-	-	-	-	-	1 091
Flying Feet	221	-	-	221	220	99.5	-	-	172
Formula D Design Consulting	603	-	-	603	602	99.8	-	-	198
Garner Wafer	-	-	-	-	-	-	-	-	167

ANNEXURE 1C
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TANSFER ALLOCATION				EXPENDITURE			2020/21	
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Gravity River Tours	266	-	(3)	263	260	98.9	-	-	100
IKNS Trading	-	-	-	-	-	-	-	-	150
Jaydu Creations	5	-	-	5	5	100.0	-	-	84
Labit Consulting (Pty) Ltd	2 910	-	-	2 910	2 910	100.0	-	-	410
Launch Lab (Pty) Ltd	-	-	-	-	-	-	-	-	638
Lexshell 44 Gen Trading	-	-	-	-	-	-	-	-	291
Mariets Celebrities	-	-	-	-	-	-	-	-	100
Nova Balloons Safaris	-	-	-	-	-	-	-	-	941
Recharge Africa	-	-	-	-	-	-	-	-	180
SA Forest Adventures	-	-	-	-	-	-	-	-	499
Stellenbosch Adventure Centre	154	-	-	154	153	99.4	-	-	347
The Art of Taste	-	-	-	-	-	-	-	-	98
The Real Food Factory	-	-	-	-	-	-	-	-	117
WCERA Prize Money	-	-	280	280	280	100.0	-	-	-
Wilgewandel	-	-	-	-	-	-	-	-	260
Woodstock Laundry	15	-	-	15	15	100.0	-	-	285
Zulaphe	-	-	-	-	-	-	-	-	177
TOTAL	**5 190**	**-**	**277**	**5 467**	**5 460**	**99.9**	**-**	**-**	**50 870**

ANNEXURE 1D
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
AHI Western Cape	-	-	-	-	-	-	31
ASISA Foundation	3 855	-	-	3 855	3 854	100.0	1 177
Breedekloof Wine and Tourism	200	-	-	200	200	100.0	-
Cape Chamber of Commerce	-	-	-	-	-	-	355
Cape Information and Technology Initiative (CiTi)	836	-	-	836	835	100.0	600
Centre for ECD (CECD)	-	-	-	-	-	-	1 998
False Bay College	302	-	-	302	302	100.0	1 225
Genesis Community IT Initiative	700	-	-	700	700	100.0	688
George Business Chamber	-	-	-	-	-	-	179
Informal Traders Coalition	-	-	-	-	-	-	150
Ikamva Labantu Charitable Trust	-	-	-	-	-	-	243
Khwa Ttu San Cult and Edu Centre	-	-	-	-	-	-	390
Reconstructed Living Lab NPC	2 150	-	-	2 150	2 150	100.0	-
SA Agri Academy NPC	2 000	-	-	2 000	2 000	100.0	-
South African Renewable Energy Business Incubator (SAREBI)	-	-	-	-	-	-	765
The Dyer Island Conservation Trust	1 145	-	-	1 145	1 144	100.0	-
The Innovator Enterprise Development Trust	3 999	-	-	3 999	3 999	100.0	-
The South African Education and Environment Project (SAEP)	-	-	-	-	-	-	726
True North	-	-	-	-	-	-	263

ANNEXURE 1D
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000
WCERA Prize Money	-	-	20	20	20	100.0	-
West Coast Fossil Park	269	-	-	269	269	100.0	-
Western Cape Economic Development Partnership	17 105	-	-	17 105	17 105	100.0	15 948
TOTAL	**32 561**	**-**	**20**	**32 581**	**32 578**		**24 738**

ANNEXURE 1E
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Bursaries (non-employee)	57 008	-	(3 342)	53 666	53 240	99.0	66 516
Claims against the State	25	-	-	25	25	100.0	-
Donations & gifts (incl. prize winner monies of WC Entrepreneurship Expo, Summit & Awards)	300	-	(299)	1	1	100.0	240
Leave gratuity (12 employees left the public service)	124	-	522	646	639	99.0	901
Pension Penalty	878	-	5	883	883	100.0	-
TOTAL	**58 335**	**-**	**(3 114)**	**55 221**	**54 788**		**67 657**

ANNEXURE 1E
STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	PAID BACK ON/ BY 31 MARCH	CLOSING BALANCE
		R'000	R'000	R'000	R'000	%
Received in cash						
Government Technical Advisory Centre (GTAC)	Work and Skills Programme	6 101	-	3 316	-	2 785
TOTAL		**6 101**	**-**	**3 316**	**-**	**2 785**

ANNEXURE 1G
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NAME OF DONOR	2021/22	2020/21
	R'000	R'000
NATURE OF GIFT, DONATION OR SPONSORSHIP		
Made in kind		
Eiffelcorp	-	-
False Bay TVET College	-	-
Pike Law	-	-
Price Waterhouse Coopers	-	-
VA Waterfront	-	-
TOTAL	**-**	**-**

Gifts were procured for five organisations who sponsored the Western Cape Entrepreneurship Recognition Awards. The cumulative value of the gifts did not exceed R500.

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

Name of Public Entity	State Entity's PFMA Schedule type (state year end if not 31 March)	% Held 21/22	% Held 20/21	Number of shares held		Cost of investment R'000		Net Asset value of investment R'000		Profit/(Loss) for the year R'000		Losses guaran-teed
				2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	Yes/No
National/Provincial Public Entity												
Atlantis Special Economic Zone Company Soc Ltd	3D	54.6	-	100	-	169	-	34 133	-	898	-	No
Saldanha Bay IDZ Licencing Company Soc Ltd	3D	100	100	120	120	63	63	880 273	844 234	36 040	106 818	No
Subtotal				**220**	**120**	**232**	**63**	**914 406**	**844 234**	**36 938**	**106 818**	
Other												
Cape Town International Convention Centre	30 June	22.2	23.2	60 425	60 425	303 790	303 790	TBC	680 568	TBC	(241 661)	No
Subtotal				**60 425**	**60 425**	**303 790**	**303 790**	**-**	**680 568**	**-**	**(241 661)**	**-**
TOTAL				**60 645**	**60 545**	**304 022**	**303 853**	**914 406**	**1 524 802**	**36 938**	**(134 843)**	**-**

The draft Saldanha IDZ Annual Financial Statements for the year ended 31 March 2022 and the audited Annual Financial Statements for the year ended 31 March 2021 were used to determine the net asset value and profit for the period.

The draft Atlantis SEZ Annual Financial Statements for the year ended 31 March 2022 and the audited Annual Financial Statements for the year ended 31 March 2021 were used to determine the net asset value and profit for the period.

The signed Annual Financial Statements of Cape Town International Convention Centre for the year ended 30 June 2021 was used for the net asset value and loss for the period.

ANNEXURE 3
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2021/22	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Western Cape Department of Health	-	-	-	9	-	9	-	-
TOTAL	**-**	**-**	**-**	**9**	**-**	**9**	**-**	**-**

ANNEXURE 4
INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2021/22	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	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
DEPARTMENTS								
Current								
Government Motor Transport	34	-	-	-	34	-	-	-
Western Cape Department of the Premier	13	10	-	-	13	10	-	-
Western Cape Department of Cultural Affairs and Sport	77	-	-	-	77	-	-	-
TOTAL	**124**	**10**	**-**	**-**	**124**	**10**	**-**	**-**

ECONOMIC DEVELOPMENT AND TOURISM VOTE 12

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

ANNEXURE 5
MOVEMENT IN CAPITAL WORK-IN-PROGRESS

Movement in capital work-in-progress for the year ended 31 March 2021

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE					
Software	6 892	-	2 385	(9 277)	-
TOTAL INTANGIBLE CAPITAL ASSETS	**6 892**	**-**	**2 385**	**(9 277)**	**-**

Improvements to the value of R2 385 000 were affected to the following three systems in the prior year: JUMP, I-CAN Learn and Tourist Registration Guide.

ANNEXURE 6
COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2021/22				2020/21	
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services	**-**	**-**	**-**	**-**	**-**	**5 225**
Advertising	-	-	-	-	-	166
Communication	-	-	-	-	-	70
Consultants	-	-	-	-	-	923
Consumables	-	-	-	-	-	4 022
Property payments	-	-	-	-	-	9
Operating payments	-	-	-	-	-	35
Transfers and subsidies	**19**	**-**	**-**	**-**	**19**	**43 652**
NPI: Other non-profit institutions	-	-	-	-	-	2 684
Transfers and subsidies: Municipalities	-	-	-	-	-	465
Transfers and subsidies: Private enterprises	19	-	-	-	19	40 503
TOTAL	**19**	**-**	**-**	**-**	**19**	**48 877**

ANNEXURE 7
TRANSPORT ASSETS

Movable Tangible Capital Assets

Transport assets as per GMT finance lease register for the year ended 31 March 2022

Asset	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
GG Motor vehicles	7 085	11	-	(2 455)	4 641

Transport assets as per GMT finance lease register for the year ended 31 March 2021

Asset	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
GG Motor vehicles	6 892	-	355	(162)	7 085

The Department of Economic Development and Tourism utilised 19 Government motor vehicles during the period ended 31 March 2022, and 29 Government motor vehicles during the previous financial year ended 31 March 2021. The motor vehicles are leased under a finance agreement unique to the Western Cape Government and the annexure aims to improve the minimum reporting requirements as per the Modified Cash Standard.

ANNEXURE 8
IRREGULAR EXPENDITURE

IRREGULAR EXPENDITURE 2021/22			
Description	**Stage of completion**	**No. of cases**	**Total**
Alleged irregular expenditure - identified by Institution (A)			
Current year occurrences	Stage 1		
Prior year occurrences	Stage 1		
Alleged irregular expenditure - identified by Auditors (B)			
Current year occurrences			
Prior year occurrences			
Total Alleged irregular expenditure			
Total confirmed irregular expenditure	Stage 2	2	1 469 325
IE - no losses incurred	Stage 3	2	1 469 325
IE - resulted in losses	Stage 3	-	-
IE - determination in-progress	Stage 3	-	-
IE - recovered/referred for recovery	Stage 5	-	-
IE - irrecoverable and written-off	Stage 5	-	-
IE - referred to PFS for further investigation	Stage 1	-	-
IE - referred to Labour Relations for further investigation	Stage 2&3	-	-
IE - referred to HRF for disciplinary process	Stage 6	1	1 440 000
IE - referred for condonation/ Condoned	Stage 7	1	1 440 000
IE - not condoned and removed by AO/AA	Stage 7	-	-

ANNEXURE 8 (CONTINUED)
IRREGULAR EXPENDITURE

Notes

"Irregular expenditure" means expenditure, other than unauthorised expenditure, incurred in contravention of or that that is not in accordance with a requirement of any applicable legislation, including-
(a) this Act; or
(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of that Act; or
(c) any provincial legislation providing for procurement procedures in that provincial government;

Stage 1 - Discovery
Stage 2 - Assessment
Stage 3 - Determination
Stage 4 - Investigation
Stage 5 - Recovery of Losses
Stage 6 - Disciplinary
Stage 7 - Condonement/ Removal

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM
STRATEGIC AND OPERATIONAL SUPPORT

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