

Annual REPORT 2023/24





**GREEN
HYDROGE**

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List of abbreviations/acronyms

ABSA	Amalgamated Bank of South Africa	GRAP	Generally Recognised Accounting Practice
AFCFTA	African Continental Free Trade Area	HR	Human Resource
AFS	Annual Financial Statements	ICT	Information and Communication Technology
AGOA	African Growth and Opportunity Act	ILO	International Labour Organisation
AGSA	Auditor-General of South Africa	IMF	International Monetary Fund
AI	Artificial Intelligence	IoDSA	Institute of Directors for Southern Africa
AIDC	Automotive Industry Development Centre	IP	Intellectual Property
AOP	Annual Operational Plan	ISA	Infrastructure South Africa
APP	Annual Performance Plan	JDA	Johannesburg Development Agency
ASP	Automotive Supply Park	LIA	Lanseria International Airport
B-BBEE	Broad-based Black Economic Empowerment	LOI	Letter of Intent
BPO	Business Process Outsourcing	LRA	Land Reservation Agreement
BRICS	Brazil, Russia, India, China, South Africa	MBL	Master of Business Leadership
CCSA	Competition Commission South Africa	MEC	Member of Executive Council
CEO	Chief Executive Officer	MISTRA	Mapungubwe Institute for Strategic Reflection
CFO	Chief Financial Officer	MTBPS	Medium-Term Budget Policy Statement
DBSA	Development Bank of South Africa	MTEF	Medium-Term Expenditure Framework
DPSC	Detainees Parents Support Committee	MTSF	Medium-Term Strategic Framework
DTMH	DownTown Music Hub	NAACAM	National Association of Automotive Component And Allied Manufacturers
ECD	Early Childhood Development	NBI	National Business Initiative
EIA	Environmental Impact Assessment	NDP	National Development Plan
EMEA	Europe, Middle East, and Africa	NEHAWU	National Education, Health and Allied Workers' Union
EPMO	Enterprise Project Management Office	NMT	Non-Motorised Transport
ERRP	Economic Reconstruction and Recovery Plan	OEM	Original Equipment Manufacturer
FDI	Foreign Direct Investment/Foreign Direct Inflow	PDBA	Post Graduate Diploma in Business Administration
GCR	Gauteng City Region	PDL	Product Development Lab
GDARD	Gauteng Department of Agriculture and Rural Development	PFMA	Public Finance Management Act
GDED	Gauteng Department of Economic Development	PRT	Professional Resource Team
GDoH	Gauteng Department of Health	PSP	Professional Service Providers
GDP	Gross Domestic Product	REMC0	Remuneration Committee
GEPP	Global Export Passport Programme	RSDF	Regional Spatial Development Framework
GEYODI	Gender, Youth and People with Disabilities	SA	South Africa
GGDABI	Gauteng Growth and Development Agency Business Intelligence	SA EU CEO	Southern African European Union Chief Executive Officer
GIBS	Gordon Institute of Business Science	SABC	South African Broadcasting Corporation
GIDZ	Gauteng Industrial Development Zone	SAFEIC	South African Festivals Economic Impact Calculator
GLMP	Greater Lanseria Master Plan	SAMRO	South African Music Rights Association
GMA	Gautrain Management Agency	SBL	School of Business Leadership
GPAA	Government Pensions Administration Agency	SCM	Supply Chain Manufacturing
GPG	Gauteng Provincial Government		

List of abbreviations/acronyms

SCM	Supply Chain Management
SEZ	Special Economic Zone
SME	Small and Medium Enterprises
SMME	Small, Medium and Micro-Enterprises
SOC	State-Owned Company
SONA	State of the Nation Address
SPUMLA	Spatial Planning and Land Use Management Act
TEDA	Township Economic Development Act
TIHMC	The Innovation Hub Management Company
TIRE	Trade, Investment and Regulatory Enablement
TMR	Transformation, Modernisation, and Reindustrialisation
ToR	Terms of Reference
TR	Treasury Regulations
TTC	Trade Test Centre
TVET	Technical Vocational Education and Training
UK	United Kingdom
UNISA	University of South Africa
USAID	United States Agency for International Development
WRSEZPMU	West Rand Special Economic Zone Project Management Unit
WWTW	Waste Water Treatment Works

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PART A



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Public Entity's General Information

REGISTERED NAME:	Gauteng Growth and Development Agency SOC Ltd
REGISTRATION NUMBER (if applicable):	2003/021743/30
PHYSICAL ADDRESS:	124 Main Street, Johannesburg, 2001
POSTAL ADDRESS:	PO Box 10420, Marshalltown, 2107
TELEPHONE NUMBER/S:	+27 11 085 2321
EMAIL ADDRESS:	info@ggda.co.za
WEBSITE ADDRESS:	www.ggda.co.za
EXTERNAL AUDITORS:	Auditor-General of South Africa
BANKERS:	First National Bank
COMPANY SECRETARY:	Jacky van Loggerenberg (Acting)



Foreword by the Group Chairperson of the Gauteng Growth and Development Agency

The year 2024 marks another pivotal moment in the journey of the Gauteng Growth and Development Agency (GGDA), as we persist in our mission to drive the inclusive industrialisation of the Gauteng City Region (GCR). Our achievements over the past year have bolstered our commitment to fostering economic growth, creating jobs, and promoting sustainable development.

In reflecting upon our accomplishments, it is clear that the GGDA has been instrumental in reshaping the economic landscape of Gauteng. Since its establishment, the agency has facilitated investments in excess of R100 billion and created over 70 000 jobs, underscoring our significant impact on the provincial economy. This year alone, we have facilitated R52,3 billion in investments, significantly contributing to the province's economic resurgence.

The global economic environment has presented a mix of challenges and opportunities. The lingering effects of the COVID-19 pandemic and geopolitical tensions and economic uncertainties have tested our resilience. Concomitant to these, the domestic economic environment has been in a low growth-low employment contracting trend driven by high cost of living, coupled with energy and logistic supply limitations. However, the GGDA has navigated these challenges with agility and strategic foresight. Our ability to adapt and respond to evolving dynamics has been crucial in sustaining our growth trajectory.

One of our notable achievements has been in the realm of economic infrastructure development. The completion of key projects such as the ORTIA SEZ Southern Precinct and the ongoing development of the Vaal SEZ exemplify our commitment to constructing world-class industrial zones that attract investment and generate employment. These projects are central to positioning Gauteng as a competitive manufacturing and logistics hub.

Our focus on skills development has yielded commendable results. Through targeted training programmes, we have equipped over 1 500 individuals with critical skills, enhancing their employability and contributing to the broader objective of economic inclusion. Our partnerships with educational institutions and industry stakeholders have been pivotal in aligning these programmes with market needs.

The GGDA's dedication to enterprise development remains unwavering. We have supported over 200 SMMEs through various initiatives, providing them with the resources and expertise needed to thrive. Our efforts in promoting township economies have been particularly impactful, stimulating economic activity and creating opportunities for entrepreneurs in these areas.

As we look ahead, the GGDA's strategic priorities will focus on enhancing our investment facilitation capabilities, expanding our economic infrastructure, and continuing to drive skills development and enterprise support. The 2024/25 financial year will witness a renewed emphasis on these areas, with ambitious targets set to advance our mission of inclusive industrialisation.

In conclusion, I extend my heartfelt gratitude to our shareholder, the Gauteng Department of Economic Development, my fellow Board members, our dedicated staff, and all our stakeholders for their steadfast support.

Together, we will continue to build a prosperous and inclusive Gauteng for all its citizens.

Advocate Kgotsi Maja
Group Chairperson of the GGDA Board of Directors
Gauteng Growth and Development Agency



Acting Group Chief Executive Officer's overview

Reflecting on the 2023/24 financial year, the Gauteng Growth and Development Agency (GGDA) remains focused on its mission to drive a growing, inclusive and transformed economy in Gauteng. The past year has been one of significant progress and resilient growth, despite the challenges posed by a complex global economic and political environment.

The global economy experienced moderate growth during 2023, with pockets of volatility influenced by geopolitical tensions, high inflation, climate-related shocks, and supply chain disruptions. As a small open economy, these pressures had a disproportionate impact on the South African economy growing below 1% in 2023. Gauteng, however, demonstrated remarkable resilience growing faster than the national GDP, supported by strong domestic demand from the services sector and strategic economic policies. This growth has been instrumental in creating new job opportunities and fostering economic development across various sectors.

The GGDA has been pivotal in facilitating investments and driving industrialisation. Over the past year, the GGDA successfully facilitated 20 major investment projects valued at R52,3 billion, surpassing its target. These investments have significantly contributed to job creation, with over 8 000 jobs established. Additionally, our efforts in boosting exports have seen R11,2 billion worth of goods and services exported to key markets, strengthening Gauteng's position as a leading export hub.

The strategic focus on developing economic infrastructure has borne fruit. The completion of the ORTIA SEZ Southern Precinct and the advancement of the Vaal SEZ Master Plan are a testament to our commitment to creating competitive manufacturing capabilities in Gauteng. These projects are expected to attract further investments and stimulate economic activity in the coming years.

Skills development remains another cornerstone of the GGDA strategy. In the past year, the GGDA, through its subsidiaries, trained over 1 500 individuals in key sectors such as automotive, advanced manufacturing, and ICT. Our partnerships with industry leaders have ensured that the training provided is aligned with market needs, enhancing employability and fostering innovation.

In the realm of enterprise development, over 200 SMMEs were empowered through various support programmes. Incubation initiatives have resulted in the creation of innovative products and services, positioning these enterprises for success in both local and international markets. The focus on township

economies has been particularly rewarding, with significant progress in integrating these areas into the broader economic framework.

This included training on last mile deliveries for township youths that are now employed.

Extensive partnership models with the private sector and multilateral institutions, industry bodies, the diplomatic community, media organisations, and civic institutions have been the fulcrum of our continued success. Through the collaborative efforts of our partners, the Gauteng province remains a beacon of trade, investment, industrialisation and innovation in sub-Saharan Africa. The following is not an exhaustive list by any means, however, in 2023, the salient and notable partnerships included:

- The successful hosting of the BRICS Summit in partnership with the BRICS Business Council.
- The hosting of the 10th Southern Africa CEO Dialogue with the European House of Ambrossetti.
- The successful hosting of the AGOA summit in partnership with the American Embassy and the American Business Chamber.

Looking ahead, the GGDA is poised to continue its trajectory of growth and impact, having achieved 82% of its overall performance targets for the current financial year as a group. The 2024/25 financial year will see intensified efforts in expanding our trade and investment facilitation capabilities, with a target of facilitating R25 billion in investments and R55 billion in exports. We will also accelerate the rollout of strategic economic infrastructure, with key projects in the pipeline aimed at enhancing Gauteng's industrial capacity.

In conclusion, I extend my heartfelt gratitude to the Department of Economic Development, the GGDA Board, our dedicated staff, and all our stakeholders for their unwavering support.

As we celebrate yet another year of achievements, we remain committed to driving inclusive industrialisation and positioning Gauteng as a premier investment destination.

Mr Saki Zamxaka
Acting Group Chief Executive Officer
Gauteng Growth and Development Agency

GGDA Board of Directors



ADVOCATE KGOTSO MAJA

Board Chairperson of the GGDA
Board of Directors

Member: GGDA Group Nomination Human Resources and Remuneration Committee



MR KGANKI MATABANE

Deputy Chairperson of the GGDA
Board of Directors

Member: GGDA Group Audit and Risk Committee



DR SIBONGILE VILAKAZI

Director of the GGDA Board of Directors

Member: GGDA Group Social and Ethics Committee

Member: Conhill Board of Directors

Qualifications and Memberships

Advocate Maja obtained his Bachelor of Laws degree from Wits University and is a candidate at the Johannesburg Business School for enrolment in the Master of Business Administration qualification. He is a member of the Institute of Directors in Southern Africa (IoDSA) and the Legal Practice Council.

Skills and Experience

Advocate Maja has garnered experience across various sectors including telecommunications, financial services, health, higher education and transport. His skills include human capital and labour relations, B-BBEE and transformation, socio-economic development and sustainability, public private partnerships, corporate governance, audit and risk management, legal and compliance, marketing and branding, strategic partnerships and social facilitation.

Current External Appointments

Advocate Maja is the Deputy Chairperson of the Legal Aid Board of South Africa and Chairperson of its Legal Services Committee. He is a member of the Gauteng Liquor Board and Chairperson of its Legal Committee, he is also the Chairperson of the Human Capital and Remuneration Committee, member of the Audit and Risk Committee as well as a member of the Social and Ethics Committee at the Gautrain Management Agency.

Qualifications and Memberships

Mr Matabane's academic journey is on going one. He obtained a National Diploma in Cost and Management Accounting from the University of Johannesburg, and a Bachelor of Technology degree from the University of South Africa, where he also completed his Master of Business Leadership qualification. Mr Matabane obtained his Post-Graduate Diploma in Business Administration and completed a Senior Executive Development Programme via GIBS. In his quest for ongoing learning, he attended the Leadership Development Programme at the University of Stellenbosch Business School and completed a Certificate Programme in Financial Analysis at Wits Business School.

Skills and Experience

Mr Matabane is the Chief Executive Officer (CEO) of the Black Business Council, and has served as the Chief Operating Officer (COO) and Executive Director at Sentech SOC Ltd. He is an accomplished business professional who has managed profit and loss in both the public and private sector. Mr Matabane meaningfully contributed to the post-COVID-19 Economic Reconstruction and Recovery Plan (ERRP) for South Africa in his capacity as a Co-Executive Sponsor for Business for South Africa. He is a highly influential and sought-after thought leader on socio-economic issues of national and international significance.

Current External Appointments

Mr Matabane is a member of the Presidential Broad-based Black Economic Empowerment Advisory Council.

Qualifications and Memberships

Dr Vilakazi is a Research Psychologist with a PhD in Organisational Development and Diversity Management. She completed her PhD at Wits Business School in 2015, and in 2017 joined the Business School as a faculty member – teaching Business Strategy on the PDBA and MBA programmes, as well as supervising MBA and PhD research students.

Skills and Experience

Dr Vilakazi has rich corporate experience in customer strategy design and implementation, having headed Customer Experience for the Alexander Forbes Group, served as an Account Director at Kantar, and worked for Nedbank Group Insights and Nedbank Retail Segment. She is the founder of Ntsikelelo Business Solutions, a consulting business, in which she consults for small, medium, and corporate organisations on business transformation strategy, customer experience strategy, strategy implementation, and monitoring.

Current External Appointments

Dr Vilakazi serves as an independent non-executive director of the South African Music Rights Association (SAMRO) Board, where she is the Chairperson of the Social, Ethics, and Governance Committee. She also serves on the Board of the Kalagadi Manganese Mining Company as an independent non-executive director and as a member of the Entsika Foundation Board.



MR DAVID MAIMELA

Director of the GGDA Board of Directors
Chairperson: GGDA Group Trade, Investment, and Regulatory Enablement Committee
Director: TIHMC Board of Directors

Qualifications and Memberships

Mr Maimela holds a Master of Arts degree (Cum Laude) from the University of Johannesburg. His dissertation in the field of International Relations and Foreign Policy focused on the subject of South Africa's national interests in Africa during the Mbeki administration between 1999 and 2008. He is also an alumnus of the African Programme on Rethinking Development Economics.

Skills and Experience

Mr Maimela is a public policy specialist whose work and commitment have influenced policy decision-making in South Africa for 14 years. His professional career spans across the public, regulatory, research and academic, civil society, and consultancy sectors. As a co-founder and researcher at the Mapungubwe Institute for Strategic Reflection (MISTRA), he was responsible for research and consulting work that shaped decision-makers' choices in the government and business sectors. Over the years, he has served as a middle manager, senior executive, and advisor in various organisations, including the Office of the Premier in Gauteng, the Competition Commission (CCSA), the Gauteng Department of Health (GDoH), and the University of South Africa (UNISA).

Current External Appointments

Mr Maimela also serves as a Board member for the South African Broadcasting Corporation (SABC), as well as being the Founder and Executive Director at The Polisee Space, a pan-African public policy think-tank.



MR THEMBISA FAKUDE

Director of the GGDA Board of Directors
Member: GGDA Group Trade, Investment, and Regulatory Enablement Committee
Chairperson: TIHMC Board of Directors

Qualifications and Memberships

Mr Fakude brings to the Board a wealth of experience in media and communications. He holds a master's degree in politics, and a Bachelor of Arts (Hons), both of which were obtained from the University of the Witwatersrand, South Africa. He has held the Chairperson of the Foreign Correspondents Association of Southern Africa position and serves on the Board of the Mail & Guardian newspaper. He was a member of the Organising Committee for the fourth Women Deliver Conference, in Copenhagen, Denmark (2016), and in Vancouver, Canada (2019).

Skills and Experience

Mr Fakude was a Bureau Chief of the Al Jazeera Media Network for both the Arabic and the English channels of the network in Southern Africa. In 2013, he joined the Al Jazeera Centre for Studies in Doha, Qatar, as the Head of the English Unit and later the Head of External Relations. During his tenure (of more than ten years), he coordinated a two-year research programme, Media in Transition, cases in Tunisia, Turkey, and Morocco. He also served as a senior news producer and researcher.

Current External Appointments

Mr Fakude is a columnist for the Middle East Monitor in London, United Kingdom (UK). He is the Deputy Chairperson of the Common Action Forum in Madrid. He continues to serve as a Research Fellow at the al Sharq Forum in Istanbul, Turkey.



MR KRISHEN SUKDEV

Director of the GGDA Board of Directors
Chairperson: GGDA Audit and Risk Committee
Director: AIDC Board of Directors

Qualifications and Memberships

Mr Sukdev graduated with a Bachelor of Business Science (Hons) degree from the University of Cape Town and obtained his Masters in Business Administration from Heriot-Watt University. He qualified as a Fellow of the Faculty of Actuaries and Fellow of the Actuarial Society of South Africa and the Financial Planning Institute.

Skills and Experience

Mr Sukdev has a wealth of experience, having gained over 30 years' experience in the financial services and retirement industry, serving as actuary, trustee, principal officer, liquidator, director, non-executive director, and CEO. He has extensive executive management experience in governance, risk management, and internal controls. He has excellent knowledge of both the private and public sectors. Mr Sukdev has worked extensively with internal and external auditors. He has been involved in Generally Recognised Accounting Practice (GRAP) Accounting, corporate governance and compliance, supply chain management in the public sector, and organisational performance management. He served as the CEO of the Government Pensions Administration Agency (GPAA) for five years, directly reporting to the Minister of Finance. He has worked with various oversight committees to manage risk and performance and has also served as a director of the Association of South African Black Actuarial Professionals.

Current External Appointments

Mr Sukdev is the Chairperson of the Investment and Actuarial Committee and a member of the Audit Committee of the Land Bank Insurance entities – also serving as a non-executive director of the Land Insurance Company. In addition, he is the Chairperson of the Liberty Life Lifestyle Retirement Annuity and Preservation Funds, an independent trustee of the Liberty Corporate Selection Umbrella Funds, principal officer of the Impala Platinum Beneficiary Fund, an independent trustee of the NEHAWU National Provident Fund and a trustee of the Independent Development Trust.

GGDA Board of Directors



MS THANDIWE GODONGWANA
Director of the GGDA Board of Directors
Director: GIDZ Board of Directors



ADVOCATE LENTSWE MOKGATLE
Director of the GGDA Board of Directors



MS REFILWE LETWABA
Director of the GGDA Board of Directors
Chairperson: Group Nomination, Human Resources, and Remuneration Committee
Director: Conhill Board of Directors

Qualifications and Memberships

Ms Godongwana obtained her Bachelor of Science degree and completed a Higher Diploma in Education at the University of Fort Hare. She has also read towards a Bachelor of Education degree at UNISA, and a Business Management Diploma at Damelin. Ms Godongwana has completed her Master of Management (Finance and Investment) degree at Wits University.

Skills and Experience

Ms Godongwana, a business executive with a sound academic background and vast experience in business acumen and HR management, holds a firm understanding of corporate governance having worked across various sectors at both Board and management levels. She is adept at crafting HR strategies and evaluating their effectiveness within performance management systems.

Current External Appointments

Ms Godongwana currently serves as Chairperson of the OR Tambo Premier Hotel and is a Board member of both SAFEC and the Community Schemes Ombud Services (CSOC). At CSOC, she is a member of the Human Resources and Remuneration Committee, Finance Committee, and LATCOM, and she serves as Chair of the Audit and Risk Committee. She is also an active member of the Institute of Directors SA (IoDSA).

Ms Godongwana serves on committees for the South African National Biodiversity Institute, the Tourism B-BBEE Council, the South African Fishing Empowerment Corporation, and the Buffalo City Municipality Development Agency.

Qualifications and Memberships

Advocate Mokgatle holds a Bachelor of Laws degree obtained at the Universities of Botswana and Edinburgh. He trained as an attorney in Gaborone and was admitted as an Advocate of the Supreme Court. He underwent numerous training and skills upliftment programmes in the various posts that he's occupied. Advocate Mokgatle has sat on many Boards and been appointed by government ministers to various ministerial advisory roles. He has worked as an Executive Mayor (Mogale City), deputy director general (Department of Economic Development), and legal advisor (Denel Aviation and the Department of Sport, Recreation, Arts & Culture). He is a member of the Institute of Directors of SA (IoDSA), and the Association of Arbitrators SA.

Skills and Experience

Advocate Mokgatle has strong acumen in legal compliance, risk management, legal writing, research, and advisory. He has a proven track record in providing various organisations with world-class legal compliance and corporate governance services, coupled with excellent business management skills, the culmination of more than 29 years' experience in both the public and the private sectors.

Current External Appointments

Lembede Tambo Pitje Legal Counsel

Qualifications and Memberships

Ms Letwaba holds a Bachelor of Laws degree from Wits University and has served on various Boards that include the Cancer Association of South Africa, the Land Development Objectives Board North West Province, and the Temba Technical College.

Skills and Experience

Ms Letwaba served as chairperson on various Portfolio Committees of the Legislature, Committee of Local Government, and the Standing Committee of the Scrutiny of Subordinate Legislation Committee. She has earned a vast range of knowledge and expertise while serving in senior management capacities in the South African Government. Ms Letwaba has served as a public representative in the Gauteng Legislature for 10 years.

Current External Appointments

Ms Letwaba is a member of the Advisory Panel: Department of Human Settlement, as well as the Chairperson of the Human Resources and Remuneration Committee and Social and Ethics Committee at the Gauteng Enterprise Propeller.



MS DIKELEDI TSOTETSI

Director of the GGDA Board of Directors
Member: GGDA Group Social and Ethics Committee
Chairperson: Conhill Board of Directors



DR EZRA NDWANDWE

Director of the GGDA Board of Directors
Member: GGDA Group Trade, Investment, and
Regulatory Enablement Committee
Chairperson: GIDZ Board of Directors



MS MELONEY VAN ECK

Director of the GGDA Board of Directors
Member: GGDA Audit and Risk Committee
Chairperson: AIDC Board of Directors

Qualifications and Memberships

Ms Tsotetsi completed her Bachelor of Arts degree with majors in Industrial Psychology and Sociology at University of North West, where she also studied Labour Law. Additionally, she pursued coursework in Public Management and Governance at the same institution.

Skills and Experience

Ms Tsotetsi has served communities across the Sedibeng region of Gauteng and the nation as a whole. Notably, she has held esteemed positions such as Executive Mayor of Emfuleni Local Municipality, member of the Gauteng Provincial Legislature, and Member of Parliament in the National Assembly.

Her academic pursuits and professional career underscore her unwavering commitment to community development and effective governance. With a focus on worker rights and women's empowerment, Ms Tsotetsi's endeavours have centred on advancing the transformation and progress of rural communities. Her advocacy as a trade unionist and fieldworker for the South African Council of Churches addressed the challenges faced by rural communities and farmworkers, while her voluntary role as Secretary for the Detainees Parents Support Committee (DPSC) in the Vaal supported political prisoners and their families.

Current External Appointments

Ms Tsotetsi is not, at present, a member of external entities and holds no external appointments.

Qualifications and Memberships

Dr Ndwandwe completed a Bachelor of Science (B.Sc. Life Science) degree majoring in Chemistry and Microbiology at the University of the Witwatersrand. He also completed a Master of Business Leadership (MBL) degree at UNISA and is currently awaiting his PhD results.

Skills and Experience

Dr Ndwandwe is a turnaround business strategist and a change management expert. He currently consults and guest lectures at business schools on subjects such as Corporate Strategy, Effective Change Management, Project Management, Business Process Re-engineering, Managing Transformation, Organisational Design, Organisational Development, Employment Equity, and Diversity at work. He also writes as a columnist for Business Day, The CEO magazine, and many other top management-specific publications.

Dr Ndwandwe has held various positions at Unilever (Product Research and Development), Reckitt and Coleman (Head of Product Process Engineering from laboratory to factory production), McKinsey and Company (consultant) and SABMiller (Head of Strategy – depots, projects, Corporate Investments, and Trade Marketing). He is currently an MD of his own management consultancy (Dual Point Consulting – a Strategy and Leadership Development Consultancy) and advises corporations on creating a performance-driven organisational culture while driving managers and business leaders to take ownership of their careers.

Current External Appointments

Dr Ndwandwe serves on several Boards as both a non-executive director as well as an executive director; these include The FoodBev Seta, The Downtown Music Hub (DTMH), The DaVinci Business School of Business Leadership, the UNISA School of Business Leadership (SBL) and the South African Retailer's Association.

Qualifications and Memberships

Ms van Eck holds a Bachelor of Business Administration from the Southern Business School (STADIO), a Purchasing Management Diploma from Damelin and has completed an Advanced Management Development Programme through the University of Pretoria.

Skills and Experience

Ms van Eck is an experienced professional with over 17 years' experience in the Public Sector and Public Institutions, where she was exposed to formulating strategic partnerships with the private sector. Her most recent positions include: Head Strategic Support at the Housing Development Agency and a member of the Advisory Committee: Programme Management Support at the National Department of Water and Sanitation.

Current External Appointments

Ms van Eck is not, at present, a member of external entities and holds no external appointments.

GGDA Executive Management



MR SAKI ZAMXAKA
Acting Group Chief
Executive Officer



MR MPHO BAATJIES
Group Chief Financial Officer



MR ITUMELENG MOGOROSI
Group Executive:
Monitoring, Evaluation and
Organisation Performance



MR MUZIWETHU MATHEMA
Group Executive:
Macro Business Intelligence
and Design



MR SIPHO MARALA
Group Executive:
Trade and Investment
Regulatory Enablement



MR AMOGELANG MOTLHALE
Group Executive:
Enterprise Project
Management Office



MS FUZIWE KUBHEKA
Group Executive:
Marketing and
Communications



MR TUMELO MOKGOTHO
Manager: Enterprise Risk
and Ethics



MS ZANELE FAKUDE
Acting Head: Strategic Support



MR LANGUTANI NXUMALO
Acting Head: Internal Audit



JACKY VAN LOGGERENBERG
Acting Group
Company Secretary

Statement of Responsibility and confirmation of accuracy for the Annual Report



To the best of our knowledge and belief, we confirm the following:

All information and amounts disclosed in the Annual Report is consistent with the Annual Financial Statements as audited by the Auditor-General of South Africa.

This Annual Report is complete, accurate, and is free from any omissions.

This Annual Report has been prepared in accordance with the guidelines on annual reports as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.

The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgments made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control 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.

External auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, this Annual Report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of the public entity for the financial year ended 31 March 2024.

Yours faithfully

Mr Saki Zamxaka
Acting Chief Executive Officer

Advocate Kgotso Maja
Chairperson of the GGDA Board of Directors



Strategic Overview



VISION

To be the premier catalyst of innovative, sustainable, and inclusive growth, and socio-economic development within the Gauteng City Region (GCR).

GGDA BOARD VISION

The GGDA Board vision is for the GGDA Group to become the:

- Best agency to work for, in terms of personal growth and a caring culture;
- Most agile agency with highly motivated and skilled employees; and
- Centre of excellence for infrastructure development, trade and investment promotion.

In addition to the three focus areas, mentioned above, the organisation strives to create an environment that fosters a healthy work-life balance, a culture of strategy execution and implementation, and one in which executive and senior management drives leadership by providing vision for the organisation and develops a workforce that proactively follows the vision.



MISSION

In achieving the above vision, the GGDA sets for itself, the following intent in its involvement with its stakeholders:

- To create an enabling environment for economic growth and development through targeted macro- and micro-economic intelligence, trade, exports and investment facilitation, strategic economic infrastructure development, innovation, and social transformation; thus, positioning Gauteng as a leading global city region.



VALUES

In working towards the achievement of the vision and mission set out above, the GGDA subscribes to the following internal values, which are aligned to the Batho Pele principles:

GGDA PEOPLE VALUES



Integrity

We value each other's opinions regardless of rank, and we demonstrate respect across culture, religion, gender, and race.



Transparency

We share information and knowledge, encourage a culture of learning, and we provide an open, safe, and responsive environment.



Empowerment

We encourage and facilitate personal and professional development, to promote an efficient and successful organisation.

GGDA PERFORMANCE VALUES



Creative Excellence

We strive for creative and continuous improvement, through an innovative attitude, to achieve high performance.



Goal Driven

We deliver on clearly defined objectives through a well-coordinated effort, effectively, and efficiently.



Professionalism

We consistently perform with integrity and hold ourselves accountable.

The amendment to the Blue IQ Investment Holdings Act No. 3 of 2003 enabled the change of name from Blue IQ to GGDA and incorporated the mandate and objectives of the former Gauteng Economic Development Agency.



Legislative and other mandates

The expanded mandate of the GGDA enables the agency to promote economic growth and development in an integrated manner. The objectives of the GGDA, in terms of Section 3 of the amended Blue IQ Investment Holdings Act No. 5 of 2013, are to:

- Enable the economic development focus on sustainable jobs;
- Drive growth in the provincial gross domestic product and employment rates;
- Strategically position the province as a globally competitive city region;
- Facilitate partnerships and create linkages across the province to maximise service delivery outcomes; and
- Support the development of key sectors in the economy, in line with the established economic and industrial policies of the province.

The GGDA's responsibilities are carried out in terms of (but not limited to) the following national and provincial laws:

National legislation

- Public Finance Management Act, as amended 1999;
- Companies Act, 2008, as amended 2011;
- Promotion of Access to Information Act, 2000;
- Intergovernmental Relations Framework Act, 2005;
- Preferential Procurement Policy Framework Act, 2000;
- Employment Equity Act, 1998;
- Basic Conditions of Employment Act, 1997;
- Labour Relations Act, 1995;
- Occupational Health and Safety Act, 1995;
- Prevention and Combating of Corrupt Activities Act, 2004;
- Skills Development Act, 1998;
- World Heritage Convention Act, 1999;
- Credit Agreements Act, 1980;
- Business Act, 1991;
- National Environmental Management: Protected Areas Act, 2003;
- Sales and Services Matters Amendment Act, 1995;
- Municipal Systems Act, 2000;
- Township Planning and Township Ordinance, 1986;
- Development Facilitation Act, 1995;
- Broad-based Black Economic Empowerment Act, 2003;
- Municipal Finance Management Act, 1999;
- South African Qualifications Authority Act, 1995;
- Promotion of Access to Information Act, 2000;
- Promotion of Trade and Investment Bill; and
- Special Economic Zone (SEZ) Act, No. 16 of 2014.

Provincial legislation

- Blue IQ Investment Holdings Act, 2003, as amended;
- Gauteng Tourism Act, 2001;
- The Gauteng Tender Board Repeal Act, 2002;
- Gauteng Unfair Business Practices Act, 1996; and
- Gauteng Intergovernmental Fiscal Relations Act, 1997.

Good governance policy frameworks

- South African National Policy Framework for Women Empowerment and Gender Equality;
- White Paper on Transforming Public Service Delivery (Batho Pele White Paper);
- National Youth Policy Development Framework, 2002–2008;
- National Programme of Action for Children Framework (NPA), 1996;
- Gauteng Monitoring and Evaluation Policy Framework, 2010; and
- National Disability Policy Framework, 2009.

Institutional policies and strategies

The institutional policies and strategies that govern the GGDA are described in the sections that follow.

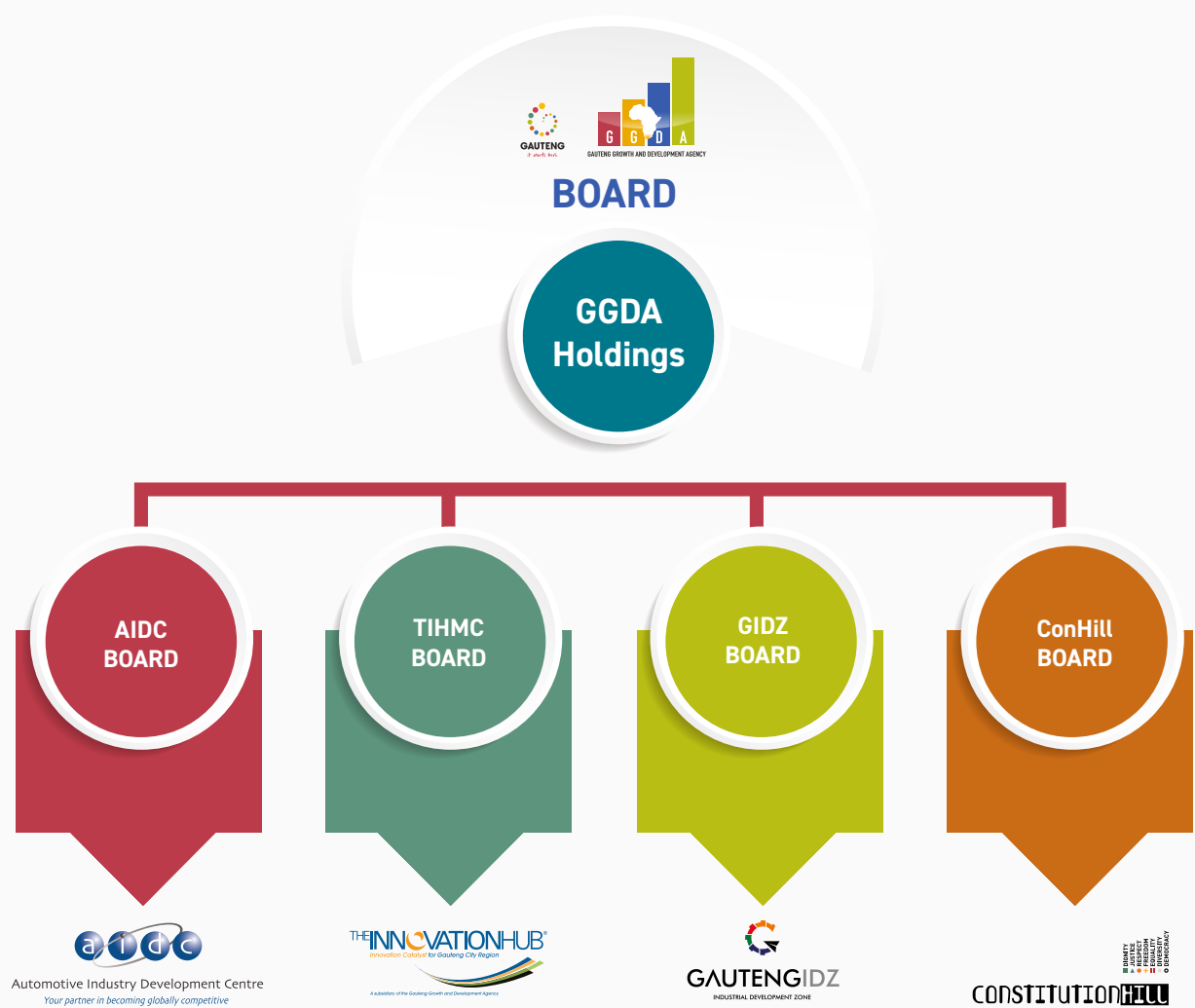
Institutional policies

The GGDA reviews and applies updates (where applicable) to its internal operating policies annually and the amended policies are tabled before the accounting authority during the first quarter of the financial year for approval. As an implementing arm of the Gauteng Department of Economic Development (GDED), the GGDA relies on the shareholder to provide direction regarding the implementation of strategic policy matters to ensure the achievement of inclusive economic development.

The policies listed below set the basis for the GGDA's priorities.

Policy/Framework	Relevance to GGDA
The National Development Plan (NDP) (2030)	The NDP is a blueprint of development for the country. It aims to eliminate poverty and reduce inequality by 2030. The NDP provides a broad strategic framework for development. The NDP performance areas of relevance to the GGDA mandate include the following: • Economy and employment; • Economic infrastructure; • Inclusive rural economy; • South Africa in the region and the world; • Improving education, training, and innovation; and • Building a capable and developmental state.
The medium-term strategic framework (MTSF)	The 2019–2024 MTSF with its 14 outcomes is, by and large, the implementation vehicle of the NDP. Although all departments in all three spheres of government collectively and individually contribute to the achievement of all 14 outcomes, the GGDA responds to the following MTSF outcomes: 4: Decent employment through inclusive economic growth; 5: A skilled and capable workforce to support an inclusive growth path; 6: An efficient, competitive, and responsive economic infrastructure network; 7: Vibrant, equitable, sustainable rural communities-contributing towards food security for all; 11: Create a better South Africa for all and contribute to a better and safer Africa and world; and 12: An efficient, effective, and development-oriented public service.
The Creative Industries Development Framework	Promotes the development of a creative industry sector to maximise socio-economic benefits in alignment with the Gauteng Growth and Development Strategy.
The Gauteng Social Development Strategy	Confirms the connection between social and economic development.
Growing Gauteng Together 2030 (GGT2030)	The sixth administration has pronounced the new Provincial Development Plan known as 'Growing Gauteng Together – Our Roadmap to 2030'. The GGT2030 has seven pillars and the GGDA responds to the following: a. Economy, jobs, and infrastructure; b. Education, skills revolution, and health; c. Integrated human settlements and land release; d. Building a capable, ethical, and developmental state; and e. Building a better Africa and world.
Township Economic Development Act	The Township Economic Development Act was passed on the 24 March 2022 paving the way for province-wide implementation of game-changing interventions aimed at directly benefiting township enterprises. It is a progressive Act to set up better procurement rules that allow Government and contractors to buy from large groups of township-based firms. This Act is further progressive, in that it allows the deployment of a dedicated financing mechanism to establish a Small and Medium Enterprises Fund to provide wholesale and blended finance to intermediaries that can de-risk lending to township-based firms. The act outlines the principles of law that will govern how areas designated as township enterprise zones are regulated in Gauteng as a matter of regional economic development, giving legal force to the regulatory approach of the policy. The three priorities under TEDA implementation: • Deploy the prototype Township Enterprise Zone clusters ahead of full promulgation using current precinct-level initiatives; • Finalise and implement the regulations and instruments of TEDA in full, supporting a network of zone offices, including draft model bylaw and regulations that need to be gazetted; and • Target B-BBEE resources and ESD accelerator, specifically at Township Enterprise Zones, to build business capability and agglomerated supply pipelines.

Organisational structure



The Innovation Hub's Biopark



PART B



PERFORMANCE INFORMATION

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Auditor's report: Predetermined objectives

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

Refer to pages 160 - 165 of the Report for the Auditors Report, published as Part F: Financial Information.

ECONOMIC OVERVIEW



Economic overview

Gauteng's role in south africa's post-covid economic recovery



Global Recovery Context

The post-COVID-19 recovery is marked by volatility, slow growth, and deeper global inequality across race, income, gender, and age.



Impact of COVID-19 Recession

The pandemic-induced recession was the largest in over a century, severely affecting global human development and increasing geopolitical tensions.

National Economic Recovery

South Africa's economy recovered to pre-pandemic levels by Q1 2022, with Gauteng leading the recovery within seven quarters.

South Africa's Challenges

The pandemic's fallout has negatively impacted Gauteng's key trade and investment partners, resulting in higher inequality, youth unemployment, high inflation, low growth, and a lack of social mobility.

R4,63 trillion
GDP

GDP Figures

By the end of Q4 2023, South Africa's GDP was recorded at **R4,63 trillion**, under pressure from high interest rates and restricted power supply.

3,2%
Economic Growth

IMF Growth Projections

The IMF forecasts global economic growth at **3,2% for 2024**, with advanced economies expected to grow at 1,7%, and a decline in global inflation to 5,9%. South African GDP is projected to grow by 0,9%.



Sector Resilience

The tertiary and services sectors, particularly transport, finance, and government services, showed resilience and growth, contributing significantly to GDP.

Gauteng's Economic Dominance

Gauteng continues to lead South Africa's economic recovery, **contributing 34% to the national GDP**.

Gauteng's GDP Growth

Gauteng's GDP reached **R1,57 trillion in 2023**, highlighting its role as a significant economic powerhouse within South Africa.

Agriculture and Mining Stability

The agricultural and mining sectors in Gauteng maintained steadier performance compared to national averages, indicating a varied economic base.

Service Sector Performance

Gauteng's finance and business services sectors have consistently outperformed national averages, highlighting their crucial role in the province's economic activity.

Post-COVID Growth

Gauteng's economy expanded by 2,0% during the post-COVID era, **contributing 60% to South Africa's overall growth**.

Construction Sector Decline

The **construction sector** in Gauteng contracted significantly, reflecting broader issues such as declining SOE infrastructure investment and reduced private sector construction.



Competitiveness

Lower public sector investment in essential services and infrastructure could impact Gauteng's competitiveness both nationally and internationally.

Social Inequality

Reduced expenditure might result in widening social inequality within Gauteng, disproportionately affecting lower-income households.

Economic Growth Constraint

Lower government spending is likely to limit Gauteng's ability to stimulate economic growth and development.

Per Capita Spending

Gauteng has the lowest per capita expenditure in the country, with an average per capita spending of approximately R9,400 since 2019.

Mixed Economic Recovery

Gauteng's economic recovery has been mixed, with strong growth in services sectors but continued recession in labour-bearing secondary and primary sectors.

Sectoral Negative Growth

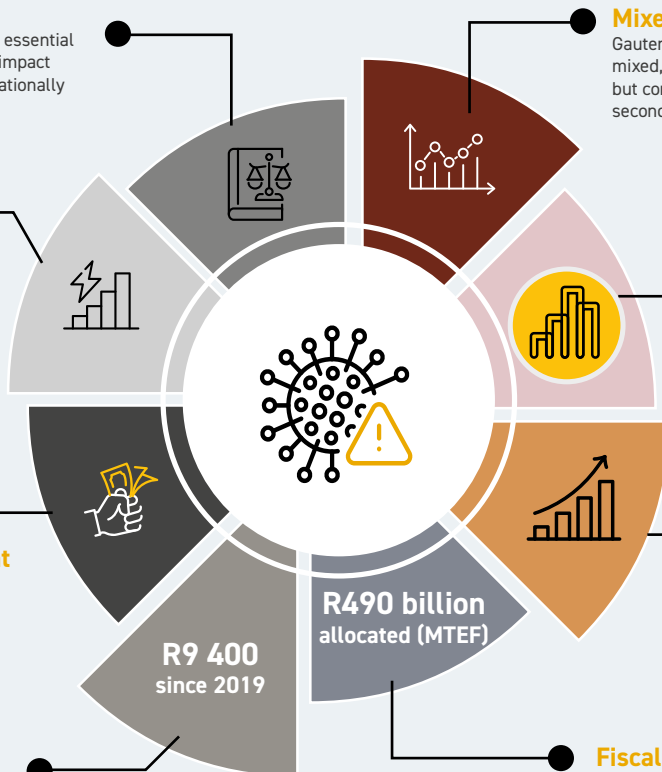
Wholesale, manufacturing, electricity, and construction sectors in Gauteng experienced cumulative negative growth rates since the pandemic.

Key Growth Sectors

Gauteng's finance and business-related services grew **by 5,7%**, community services **by 11,7%**, transport services **by 14,3%**, and agriculture **by 2,7%**.

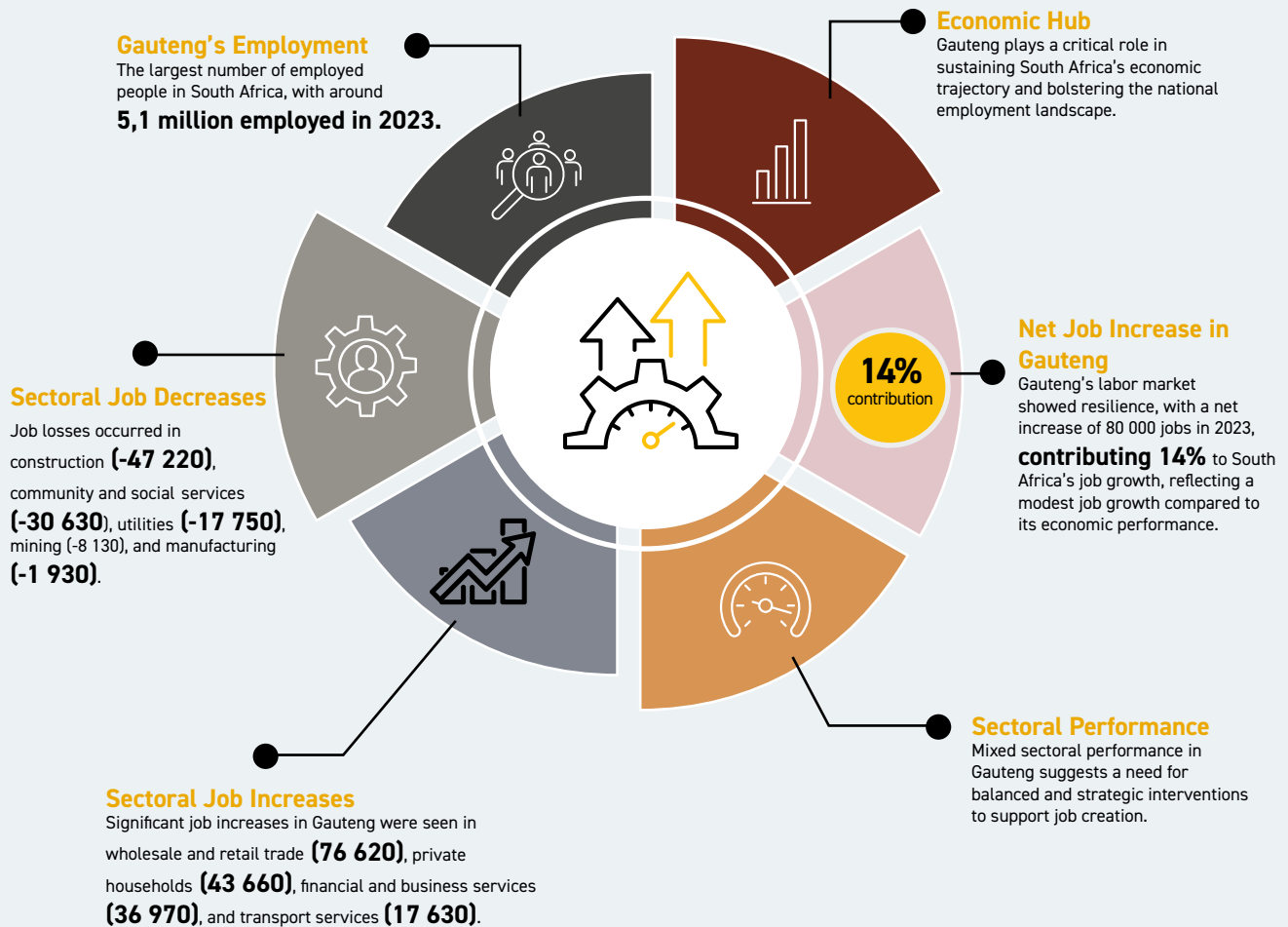
Fiscal Allocation

Gauteng Provincial Government allocated approximately R490 billion over the Medium-Term Expenditure Framework (MTEF), with the lowest allocation and spending as a percentage of GDP among all provinces.



Economic Overview

Gauteng Labour Market Performance in 2023



Gauteng trade performance in 2023

Gauteng's Trade Contribution

Gauteng accounted for 60% of South Africa's trade, contributing to **R1,01 trillion in imports** and **R824,0 billion in exports**.

Largest Trading Province

Gauteng remains South Africa's largest province by trade, both in absolute and relative terms.

Import Market Sources

Gauteng's main import sources were **Asia (33%)**, **Europe (19%)**, and **Africa (5%)**.

Trade Deficit with Asia:

Asia is Gauteng's largest trading partner, with **imports at R496,7 billion** and **exports at R303,1 billion**, resulting in a trade deficit.

Trade with Europe

Europe also represented a significant trade partner, with **imports at R290,4 billion** and **exports at R179,8 billion**, indicating a trade deficit.

Trade Surplus with Africa

Gauteng showed a strong trade surplus with Africa, with **exports at R256,3 billion** against **imports of R69,0 billion**.

60%
of South
Africa

67%
imports

Dominant Import Sectors

Major import sectors were petroleum products, metals, and transport, together accounting for 67% of imports.

Dominant Export Sectors

Key export sectors were mining, metals, transport equipment, and petroleum, contributing **81% of total exports**. **Asia (19%)**, **Europe (12%)**, and **Africa (16%)**.

Export Market Diversification

Gauteng's export destinations included **Asia (19%)**, **Europe (12%)**, and **Africa (16%)**.



Import Dependency

Gauteng's diverse economic structure shows varying levels of import dependency, particularly in the petroleum, metals, and transport sectors.



Industrial Activity

Growth in imports of mining and quarrying products, as well as chemicals, indicates ongoing industrial activity and energy demands in Gauteng.



Trade Strategy

Gauteng's strong export performance in sectors like transport equipment and food reflects successful local industries capable of competing internationally.



Future Trade Prospects

Sustained trade growth and strategic investments in key sectors will further bolster Gauteng's position as a leading trade hub in South Africa.



Slower Job Creation

The Gauteng labour market has produced jobs at a slower rate compared to the rest of the country.



Decline in Transport Equipment Imports

The transport equipment sector saw a substantial decline in imports by **16,0%**, possibly due to local production investments.

Economic Overview

Foreign Direct Investment (FDI) Overview in 2023

FDI Inflows in 2023

Gauteng attracted **R9,7 billion** in foreign direct investment (FDI) in 2023.

Global FDI Attractiveness

Gauteng is a key destination for FDI in Africa, competing with other major regions like Cairo, Western Cape, and Lagos.

Significant Companies

Notable companies investing in Gauteng included Ford, Heineken, Twyco, Hytera Communications, Huawei Technologies, Nestlé, and Daimler.

Number of Investments

A total of **44** foreign companies from 20 different countries invested in Gauteng in 2023.

Job Creation

These investments **created 4 593** direct jobs in Gauteng.

Top Investor

The United States was the largest investor and job creator in Gauteng in 2023.

Ford South Africa

Ford South Africa invested **R2,1 billion**, creating **1 611 jobs**.

Heineken South Africa

Heineken South Africa invested **R1,4 billion**, creating **63 jobs**.

FDI Competitiveness

Since 2019, Gauteng is the highest-ranking province in Africa for FDI, indicating strong competitiveness on the continent. Gauteng's ability to attract substantial FDI underscores its role as an economic powerhouse in Africa, fostering job creation and economic growth.

Infrastructure Development

FDI has driven significant developments in infrastructure, enhancing the region's overall investment appeal.

Regional Competitiveness

Gauteng's competitive edge in attracting FDI is bolstered by its economic dominance and diverse industrial base.

FDI Trends

Despite global economic uncertainties, Gauteng continues to attract substantial FDI, indicating investor confidence in the region.

Global Competitiveness

Gauteng's diverse investments from major global players highlight its attractiveness as a leading investment destination in Africa.

Economic Impact

FDI inflows significantly contribute to Gauteng's economic growth and job market.

Policy Environment

A favourable policy environment and strategic incentives have been pivotal in attracting FDI to Gauteng.

Investment in Renewable Energy

There has been a notable increase in investments in renewable energy projects, addressing energy supply constraints.

Future Prospects

Sustained FDI inflows are expected to further enhance Gauteng's economic resilience and growth potential.

Strategic Initiatives

Continued efforts to improve the business climate and infrastructure are crucial for maintaining and increasing FDI inflows in Gauteng.

Institutional programme Performance information



Group performance summary

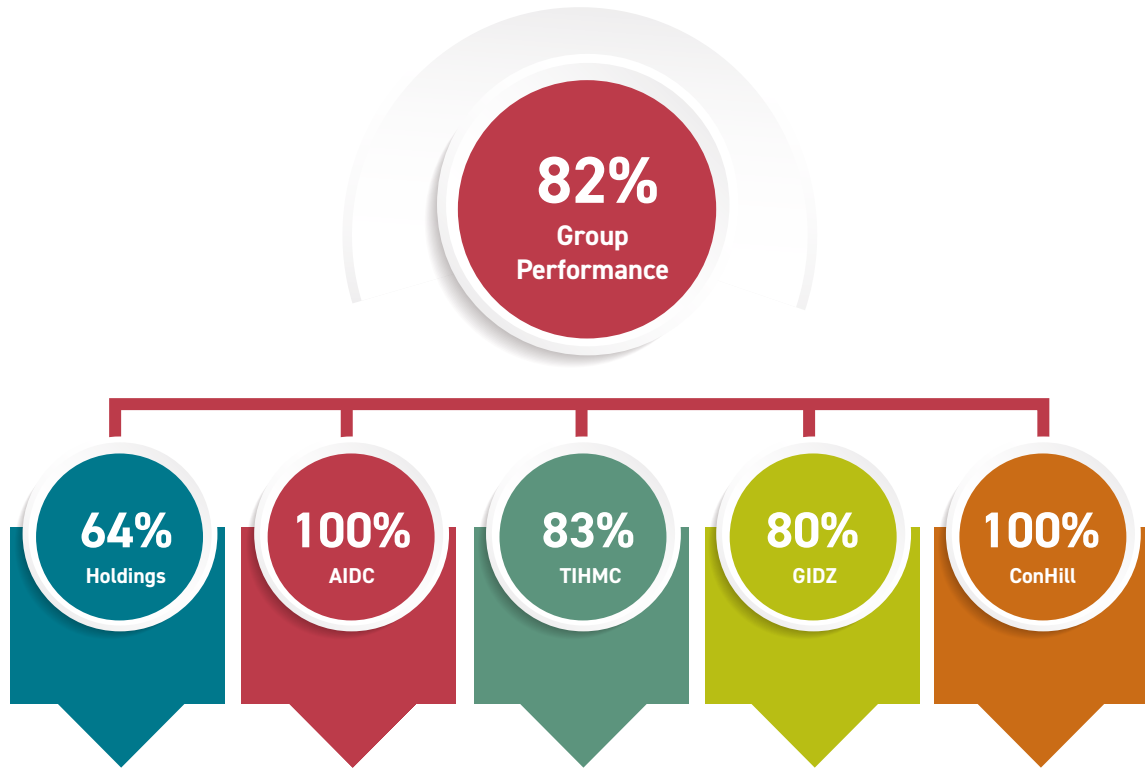


Figure 1: Group performance summary

Table 1: Group performance summary

Division	Annual Planned Targets	Number of Output Indicators Achieved	Number of Output Indicators Not Achieved	Annual % Achieved
Holdings	11	7	4	64%
AIDC	7	7	-	100%
TIHMC	6	5	1	83%
GIDZ	5	4	1	80%
ConHill	5	5	-	100%
TOTAL	34	28	6	82%

GGDA Group job creation

Table 2: GGDA Group Job creation

Entity	Annual Target	Annual Actual
HC Management	0	48
Holdings (TIRE & EPMO)	8 400 (TIRE – 8 000 EPMO – 400)	10 307 (Tire – 9 809 EPMO – 498)
AIDC	320	1 440
TIH	240	389
GIDZ	2 700	4 340
Total	11 660	16 524

Jobs by permanent or temporary category



Figure 2: Jobs by permanent or temporary category

Table 3: GGDA Group total jobs created

Entity	Permanent Jobs	Temporary Jobs	Total Jobs
HC Management	48	0	48
Holdings	4 706	5 601 (TIRE – 5 103 EPMO – 498)	10 307
AIDC	204	1 236	1 440
TIHMC	116	273	389
GIDZ	139	4 201	4 340
Total	5 213	11 311	16 524

Jobs by gender

Table 4: Jobs by gender

Entity	Actual	Female Youth	Male Youth	Non-youth	Persons With Disabilities (PWDs)	Unallocated	Military Veterans (MVs)
HC Management	48	13	4	31	-	-	-
Holdings (TIRE & EPMO)	10 307 (TIRE - 9 809 EPMO - 498)	1 464 (TIRE - 1 443 EPMO - 21)	1 221 (TIRE - 1 035 EPMO - 186)	4 641 (TIRE - 4 454 EPMO - 187)	148 (TIRE - 148)	2 833 (TIRE - 2 729 EPMO - 104)	-
AIDC	1 440	62	112	30	-	1 236	-
TIHMC	389	179	138	72	-	-	-
GIDZ	4 340	87	598	1 026	-	2 629	-
Total	16 524	1 805	2 073	5 800	148	6 698	

Group job creation

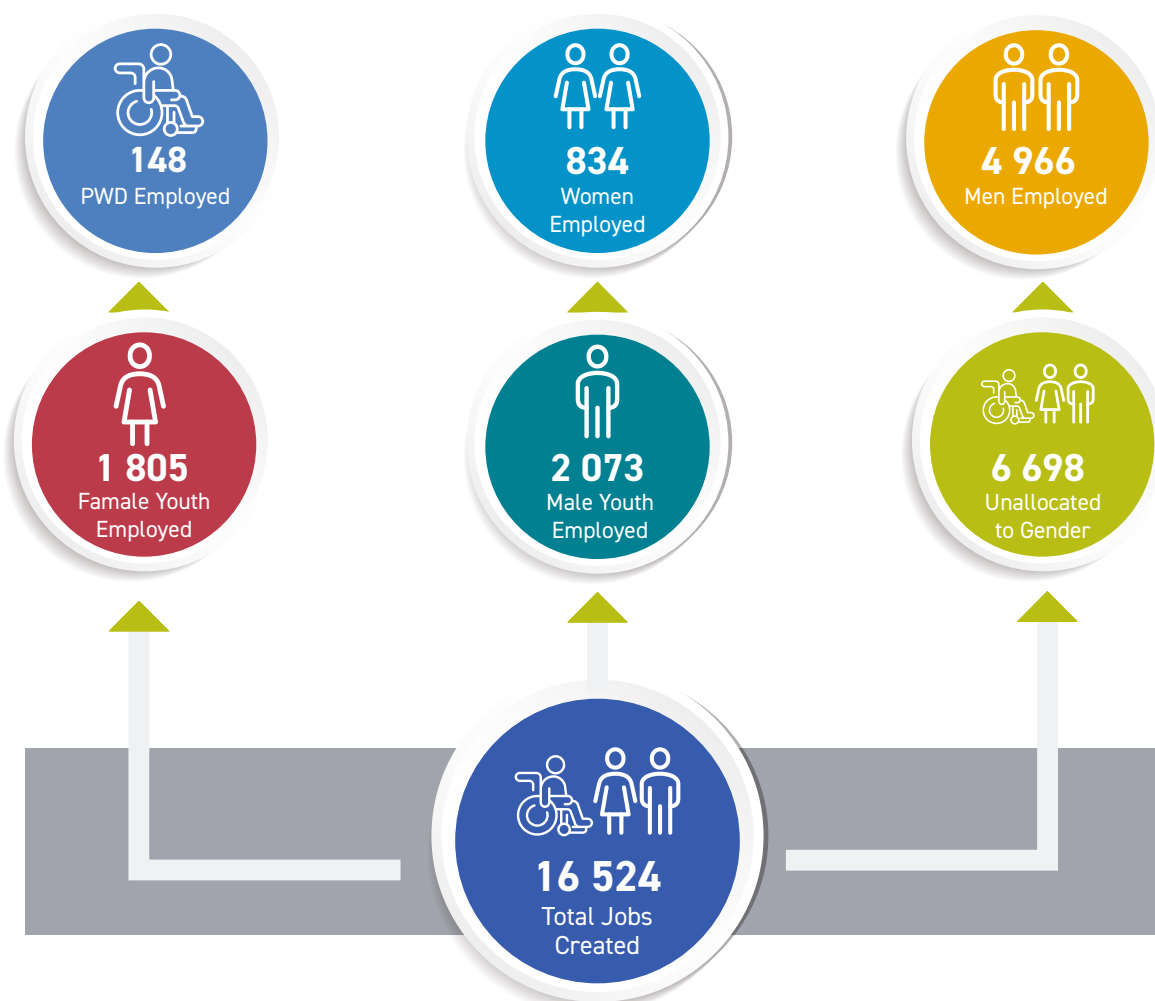


Figure 3: Jobs by gender

Group external training report

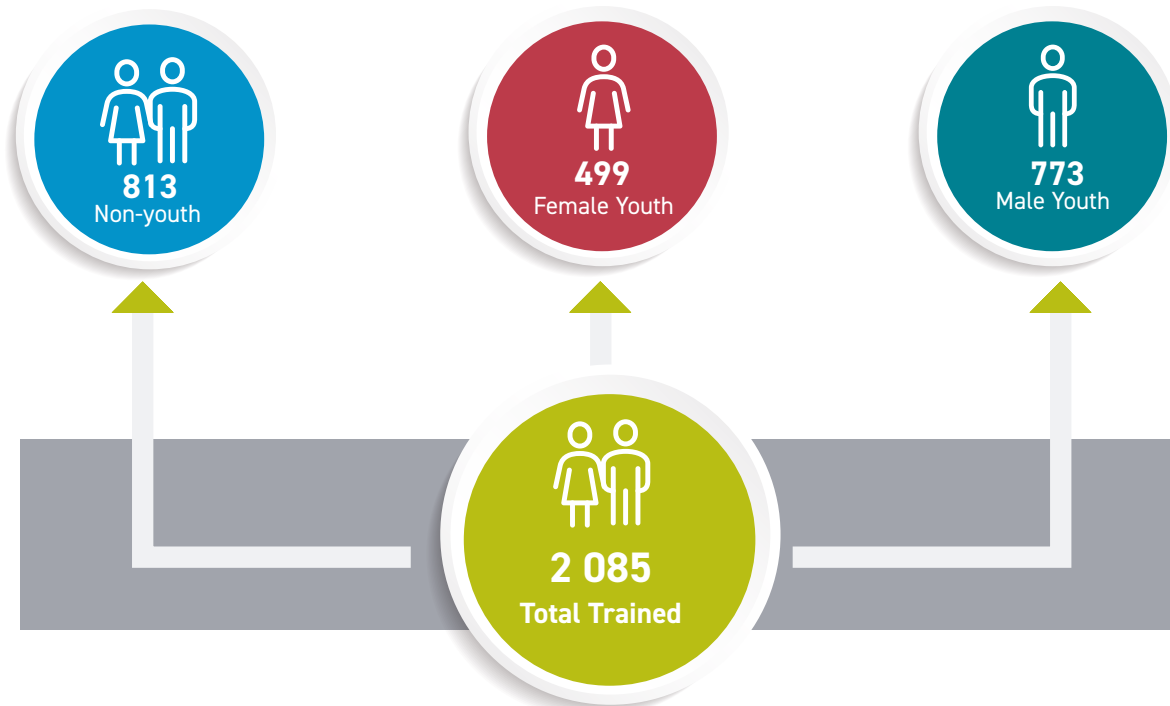


Figure 4: Group external training report

Table 5: Jobs created across the GGDA Group against pre-determined targets

Entity	Target	Actual	Female Youth	Male Youth	Non-youth	PWD	MVs
AIDC	665	1 965	445	707	813	-	-
TIHMC	320	113	50	63	-	-	-
GIDZ	5	7	4	3	-	-	-
Total	990	2 085	499	773	813	-	-



InvestSA Gauteng's Waste to Energy Workshop hosted in February 2024

Service delivery environment

The GGDA Group planned to deliver on 34 outputs which are generally categorised into the following areas for ease of comprehending the mandate of the institution:

- Trade and investment facilitation;
- Infrastructure development;
- Skills development;
- Sector development;
- Enterprise development; and
- Job creation.

The Group achieved 82% (28 of 34 targets) representing a marginal improvement compared to the 81% achieved in the 22/23 financial year.

The underperformance in the delivery of the West Rand SEZ targets negatively impacted the performance of the Holdings Company. The WRSEZ targets had external dependencies and these deliverables will be concluded during the first quarter of the next financial year.

Reasons for the non-achievement of targets have been provided for, under the West Rand SEZ programme from page 51 to 53 which provides further details.

Trade and investment facilitation

The trade and investment business unit achieved five planned targets realising R21,6 billion of the planned R13 billion value of FDI facilitated and R30,7 billion of the planned R9,8 billion value of DDI facilitated.

A R11,2 billion trade value was facilitated, with the target of R4,3 billion being exceeded by R6,9 billion. These trade and investment values resulted in the creation and retention of 9 809 jobs.

Infrastructure development

Two (i.e. BioPark Phase 3 and the ORTIA SEZ Precinct 2 bulk installation) of the five infrastructure related output targets were not achieved. The three achieved targets being the completion of the prior year's industrial parks refurbishment, the number of local contractors benefitting from construction projects and the number of young people interned (participating in the mentorship programme) in construction projects.

Delays were once again encountered in the construction of the BioPark Phase 3 development, with marginal progress recorded during the financial year. There is no progress recorded in the refurbishment of the current year's industrial park programme, with the unachieved targets being deferred to the next financial year.

Notable challenges encountered in the delivery of the projects included:

BioPark Phase 3

The original contract included provisional sums items that accounted for work that was not designed by the previous PRT. The new PRT was given the go-ahead to commence on the detailed designs pertaining to the provisional sum items in April 2023. This comprised 19 items which were designed and implemented as drawings were made available.

The previous practical completion date of December 2023 did not take into consideration the detailed designs, procurement of selected sub-contractors, shop drawings, manufacturing, delivery, and on-site installation of these provisional sum items. Hence, the previous practical completion date could not be achieved.

The procurement and appointment of selected sub-contractors for the specialist works/provisional sums had led to further delays, in addition to the long-lead items, which are required for the provisional sum items. Delays in issuing out construction drawings to the contractor and delays in securing tenants for the building further exacerbated the delivery process.



The Innovation Hub's BioPark

Bulk infrastructure development

The bulk infrastructure development for ORTIA Precinct 2 was not awarded due to non-responsiveness of the bids that were evaluated. The non-responsive elements of the bids that did qualify for functionality evaluation were in respect of the mentorship element in the skills development requirements, as well as in the requirement of a resident installation electrician.

Visitor centre

The delays experienced due to lack of project information (from the PSP whose contract was terminated) has caused a significant gap in delivery. The GGDA is in the process of acquiring the project information from the previous Professional Service Provider (PSP) through an ongoing legal process.

The Terms of Reference (ToR) for appointment of a new PSP was approved and was submitted to SCM on 24 January 2024, and is awaiting review by Probity Auditors, and is expected to be received by the end of the reporting period. The PSP will be appointed from the PSP panel, mitigating the risk of further delays.

The town establishment process for ConHill Extension 2 and 3 is currently being handled by JDA. For ConHill Ext. 2, the conditions of establishment were approved on 23 October 2023, and the property is currently in the registration process.

Skills development

AIDC learning centre

The total of 285 unemployed youth were trained (automotive skills training details are provided under programme 2 AIDC) against the annual target of 120.

A further 1 419 individuals employed in the automotive sector were trained across all AIDC training centers against the annual target of 1300. A total of 238 trade assessments were conducted at the Trade Test Centre against the annual target of 220.

Enterprise development

Ford and Nissan incubation centre

The two incubation centres have 13 incubated companies which generated an amount of R124 million against a target of R55 million. The overachievement is due to some incubatees working overtime and in multiple shifts to meet the requirements of the OEMs.

TIHMC incubation programme

A total of 64 innovations were taken to the market, exceeding the annual target of 52.

All other enterprise development targets were achieved, except for the graduation target, of which 45% (9 of 20) was realised. The reason for this performance figure is that some of the incubated companies were not able to meet the new graduation criterion.

ConHill incubation programme

A total of 1 146 creatives benefitted from the Creatives Uprising Programme, exceeding the annual target by 146.

A group of 10 participants were incubated in the Tourism Centre of Excellence. The interventions included comprehensive training in key business skills such as marketing, sales, and customer service.



Roc Water supported by the Innovation Hub

Job creation

The Group facilitated the creation of 16 524 jobs as follows:

- TIRE business unit facilitated the creation of 9 809 jobs;
- EMPO business unit created 498 construction jobs;
- AIDC created 1 440 jobs;
- TIHMC created 389 jobs through incubated companies; and
- The GIDZ created 4 340 jobs.

Organisational environment

The delivery of infrastructure projects as reported under the EPMO section in Programme 1 (Holdings Company) continued to be plagued with challenges that resulted in contract cancellation of two projects, namely Constitution Hill's Visitor Centre and the Land Parcel E.

As a result of the review of TIHMC's mandate and the need to refocus and reposition the entity, the target to graduate incubated companies was not met due to a new stringent criterion that seeks to ensure sustainability of these companies beyond their graduation.

Programme 4 (GIDZ) bulk infrastructure initiatives for Precinct 2 was not met due to the evaluated bids not meeting some aspects of the scoped functionality. Aspects of the scope were re-evaluated and reviewed. It is anticipated that appointment of the contractor will be concluded during the first quarter of the new financial year.

The Programme 5 (Constitution Hill) Land Parcel E initiative was not delivered due to poor performance on the part of the contractor. The contractor experienced cashflow challenges and no work was undertaken on-site from 9 January 2023. The contractor was issued with a notice of default to be remedied by commencing with works before 2 March 2023, which the contractor failed to remedy and who was summarily issued with a termination letter.

Key policy developments and legislative changes

There are no new policy or legislative amendments which impacted the GGDA operations during the period under review.

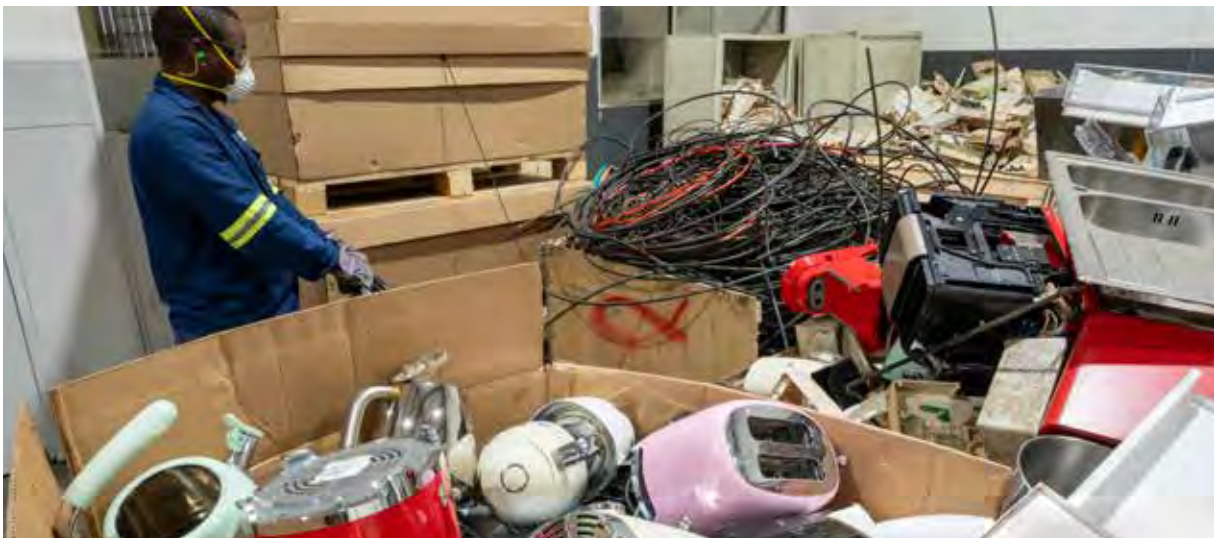
Progress towards achievement of institutional impacts and outcomes

The performance delivery environment of the Group for the 2023/24 financial year is significantly informed by the strategic positioning of its sole shareholder – the GDED – and its role within this positioning of serving as Gauteng's major institutional driving force in the implementation of the GGT2030 plan.

The Group aims to attain the following impact:

- Inclusive and sustainable economic growth that stimulates jobs within the GCR.

The summary of performance against outcomes is provided under each programme, under the institutional programme performance information section on the following pages.



eWaste Africa supported by the Innovation Hub



Mr Saki Zamxaka

Acting Group Chief Executive Officer

Programme 1: GGDA Holdings

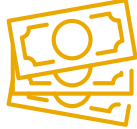
Purpose: The GGDA is committed to creating an inclusive and transformed Gauteng economy that is focused on creating jobs, developing skills, developing innovative and sustainable enterprises, developing strategic economic infrastructure, increasing exports to the continent, and increasing foreign and domestic direct investment.

64%

Achievement



R21,6 billion
foreign direct
investment
facilitated



R30,7 billion
domestic direct
investment
facilitated



R11,2 billion
trade deals
facilitated



57 expansion
opportunities
matched with
GCR companies



69%
infrastructure
completed for TIH
Bio-Science Park



55 local
contractors
receiving
sub-contracting



R2,8 billion
investment
commitments to the
Vaal SEZ



3 rolled
over **industrial** parks
projects implemented

Achievement of Institutional Outcomes

Table 6: Holdings achievement of institutional outcomes

TRADE INVESTMENT AND REGULATORY ENABLEMENT (TIRE)					
Outcome	Outcome Indicator	Baseline	Five-year Target 2020 - 2025	Progress	% of Five-year Target
Increased levels of investments facilitated into Gauteng City Region.	Rand value of FDI facilitated	R16 billion	R51,1 billion	R61,6 billion	120%
	Rand value of DDI facilitated	R10 billion	R39,8 billion	R39,2 billion	98%
Increased domestic and global trade activities from the Gauteng City Region.	Number of Gauteng based enterprises globally competitive	-	750	145	19,3%
	Number of GP enterprises trained on export readiness	1 277	1 050	1 327	120%
	Rand value of trade deals	R6,1 billion	R15 billion	R25,2 billion	168%
ENTERPRISE PROJECT MANAGEMENT OFFICE (EPMO)					
Increased investment and growth in economic infrastructure in Gauteng.	Number of strategic economic infrastructure projects delivered TIHMC Bio-Science Park Phase 3	-	100%	69%	69%
	Number of strategic economic infrastructure projects delivered ConHill Visitor Centre	Procurement of construction service provider initiated	100%	16,5%	16,5%
	Revitalised Industrial Parks into industrial nodes	7	6	3	50%
Youth employment rate improved	Construction jobs created resulting from infrastructure projects completed	-	900	498	55%
Expansion and sustainability of local business supported	Economically-empowered local businesses	-	195	83	43%
SPECIAL ECONOMIC ZONES (SEZs)					
Increased levels of economic activity through strategic economic infrastructure	Research on reindustrialising Gauteng for the 21st Century through Multi-tier SEZ and the High Growth Sector Programme	New indicator	1 multi-tier SEZ concept note developed	1	100%
	Vaal Economic Zone developed	New indicator	Infrastructure development at designated zones	100% masterplan completed	-
	Lanseria high-tech SEZ investor attraction implemented	New indicator	Investor attraction strategy implemented	Investor attraction strategy implemented	100%
	West Rand SEZ investor attraction strategy implemented	New indicator	Investor attraction strategy implemented	Investor attraction strategy implemented	100%
	West Rand SEZ developed	New indicator	Infrastructure development at designated zones	100% masterplan completed. Identified land parcel secured	-
	Lanseria Smart City Developed	New indicator	Infrastructure development at designated zones	SEZ work stream established. Infrastructure verification underway	-

Sub-programme 1: Trade, investment, and regulatory enablement (TIRE)

Purpose:

- Identify and promote investment opportunities in GCR and subsidiaries;
- Offer value-added facilitation services to investors to ease the cost of doing business in Gauteng;
- Advocate for an investor-friendly regulatory environment;
- Provide and support Gauteng enterprises with market access and expansion opportunities;
- Increase intra-Africa trade; and
- Offer business retention services to companies that have invested in Gauteng and support their expansion efforts.

Summary of annual performance

The Trade Investment and Regulatory Enablement unit (TIRE), is tasked to promote and attract trade and investments into the Gauteng City Region. TIRE achieved the four planned outputs during the reporting period which were:

- Rand value of FDI facilitated;
- Rand value of domestic direct investments (DDI) facilitated including infrastructure;
- Rand value of trade deals facilitated; and
- Number of expansion opportunities matched with GCR companies.

Through the activities of the business unit, 20 investments were successfully facilitated and resulted in a total investment value of R52,3 billion (FDI value of R21,6 billion and DDI of R30,7 billion), against a planned target of R22,8 billion (FDI target of R13 billion and DDI target of R9,8 billion).

The unit facilitated trade deals to the value of R11,2 billion against a target of R4,3 billion for the period under review. In total, 22 companies were assisted with 57 expansion opportunities across the continent and globe against the planned target of 25 expansion opportunities for the 2023/24 financial year.

Foreign direct investment facilitated

The annual target for Foreign Direct Investment (FDI) facilitated in the 2023/24 financial year was R13 billion and TIRE successfully facilitated R21,6 billion. The FDI projects created 2 682 jobs. Of these, a total of 1 365 new jobs were created and 1 317 were retained jobs.

Table 7: FDI Facilitated projects by jobs created and retained per sector

Sector	Investment value	Percentage	New jobs			Retained jobs		
	R'000	(%)	Permanent	Temporary	Total	Permanent	Temporary	Total
BPO	192	0,9%	1 274	0	1 274	1 097	0	1 097
Manufacturing	1 235	5,7%	45	0	45	107	0	107
Mining	160	0,7	41	0	41	106	0	106
ICT	20 003	92,6%	2	3	5	3	4	7
Total	21,6	100%	1 362	3	1 365	1 313	4	1 317

According to the 2024 Global Data Centre Market Comparison, Johannesburg is listed as the only African city in the top 10 established markets for data centres in the Europe, Middle East and Africa (EMEA) region.

The north and east of Johannesburg is proving to be the preferred locations for big data centre operators with existing operators continuing to grow and expand. The surge in AI technology deployment and demand for more efficient cloud storage drives the growth of data centres globally, with underscoring the country's relevance in the global data centre landscape.

The ICT investment was ploughed into Data Centre infrastructure that powers, cools, protects and connects the technology of the world's well-known hyperscalers, cloud providers and large enterprises.

In addition, the investment brought international best practice in vendor neutral data centre management to South Africa to give businesses a technically superior, physically safer and lower cost environment for their information systems.

Availability of electricity remains a concern in the ability to be attractive and competitive as a preferred destination and municipalities and ESKOM understands this imperative and are more than willing to assist, hence the claim of the R20 billion during the reporting period.

Domestic direct investments (DDI) facilitated

During the 2023/24 financial year, TIRE set a substantial target for domestic direct investments (DDI). The unit successfully facilitated DDI projects totalling R30,7 billion, surpassing the annual target of R9,8 billion. The DDI projects created 5 819 jobs. Of these, 4 754 were new jobs and 1 065 were retained jobs.

Table 8: DDI facilitated projects by jobs created and retained per sector

Sector	Investment value R'000	Percentage (%)	New jobs			Retained jobs		
			Permanent	Temporary	Total	Permanent	Temporary	Total
BPO	303	1,0%	15	50	65	5	51	56
Energy	500	1,6%	5	53	58	156	196	352
ICT	1 650	5,4%	66	136	202	287	4	309
Manufacturing	2 759	9,1%	63	136	199	287	22	309
Manufacturing - Rail	3 000	9,9%	57	25	82	341	0	341
Mining	2 500	8,2%	0	4 350	4 350	0	0	
Property Development	20 000	65,8%	0	0	0	0	0	0
Total	30,7	100%	140	4 614	47 54	792	273	1 065

The Gauteng City Region is projected to grow from its present 13 million inhabitants, into a mega-city of approximately 30 million inhabitants over the next 30 to 40 years.

Gauteng requires an estimated 100 000 homes a year to be built to cater for the housing backlog and projected population growth.

Following the success of Steyn City and Waterfall, President Cyril Ramaphosa announced the Pretoria East Mega City development in 2020 as part of government's strategic integrated projects.

Human Settlements Minister, Mmamoloko Kubayi announced at the groundbreaking event that, "The green classification for the Mega City will be done when the construction of the units is completed and will be certified for solar and battery storage to confirm that it has been incorporated into the development to mitigate the effects of load shedding."

The development spans over 200 hectares and will have more than 50 000 residential units as well as retail shops and offices. Occupation of completed properties commenced during the second quarter of 2023.

The Mega City provides a broader spectrum of the population to become property owners. The initiative will accommodate a large portion of the previously disadvantaged South African consumer into the mainstream economy. This project will clearly demonstrate that GAP housing and upmarket developments can exist side-by-side.

Investment projects (FDI and DDI) by source country

The GGDA has successfully facilitated investment projects totalling R52,3 billion. Notably, South African-based entities contributed R30,7 billion, representing 59% of the total. USA emerged as the primary source of FDI, accounting for 40% of the total investments, as illustrated in the figure below:

Investment projects (FDI and DDI) by source country

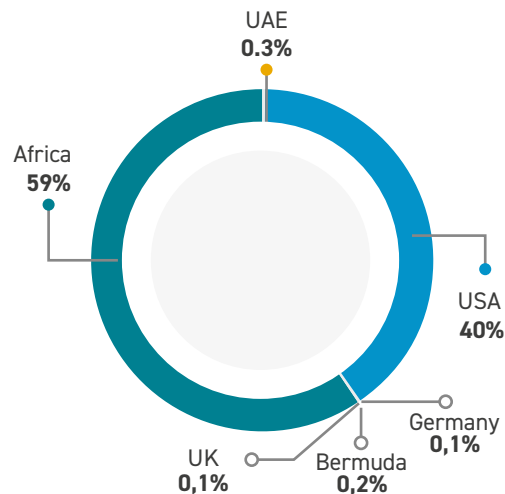


Figure 5: Investment projects (FDI and DDI) by source country

Foreign direct investment (FDI) by country

The GGDA has successfully facilitated FDI amounting to R21,6 billion, with a notable 97% originating from USA. This underscores the significant partnership between South Africa and United States of America in fostering economic development and investment opportunities.

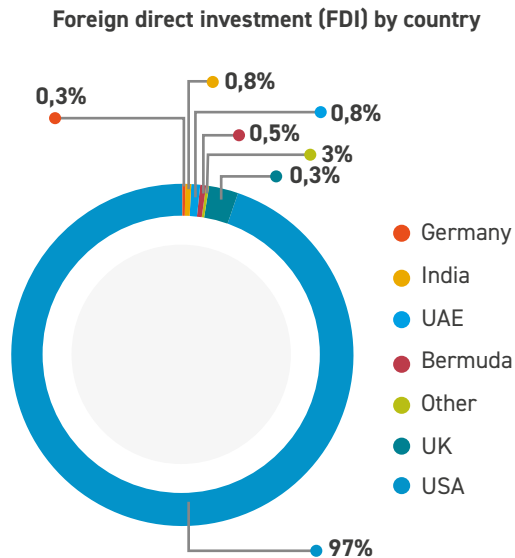


Figure 6: Foreign direct investment (FDI) by country

Foreign direct investment (FDI) by sector

The breakdown of FDI across economic sectors reveals a total investment value of R21,6 billion. Within this allocation, the primary sector represents 0%, the secondary sector 6%, and the tertiary sector the remaining 94%.

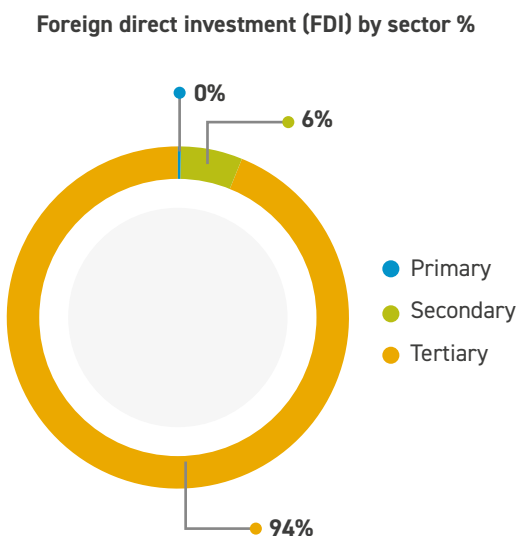


Figure 7: Foreign direct investment (FDI) by sector

Domestic direct investment (DDI) by sector

The analysis of DDI sectors reveals that most investment projects, totalling 85%, are concentrated in the secondary sector, with 10% allocated to the primary sector and 5% to the tertiary sector. Notably, within the secondary sector which accounts for the majority portion of these investments (85%), is attributed to Property Development (65%), manufacturing (19%) and BPO (1%).

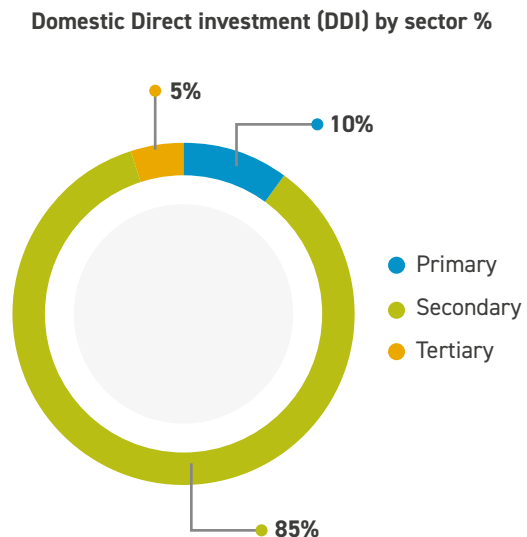


Figure 8: Domestic direct investment (DDI) by sector

Investment projects (FDI and DDI) by sector

The facilitated investments total R52,3 billion, with classification as follows; R3,1 billion, representing 6%, allocated to the primary sector, R26 billion, constituting 52%, directed towards the secondary sector; and R21 billion, accounting for 42%, allocated to the tertiary sector. These figures are graphically depicted in the accompanying illustration.

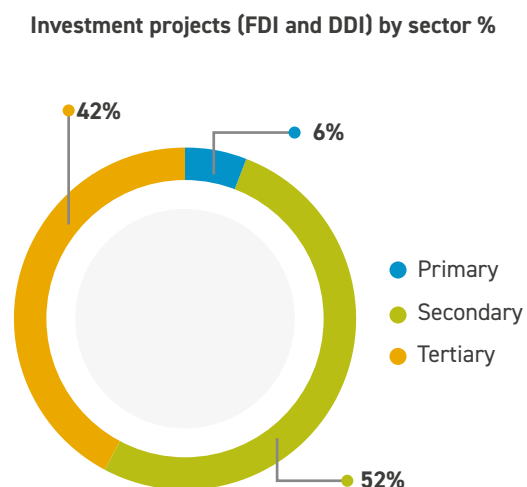


Figure 9: Investment projects (FDI and DDI) by sector

Investment projects (FDI and DDI) by corridor

From the FDI and DDI projects facilitated by the GGDA, the Eastern corridor accounts for 53% of the total investment of R30,2 billion, the Northern corridor at 39%, Southern corridor 5% and the Central corridor at 3%.

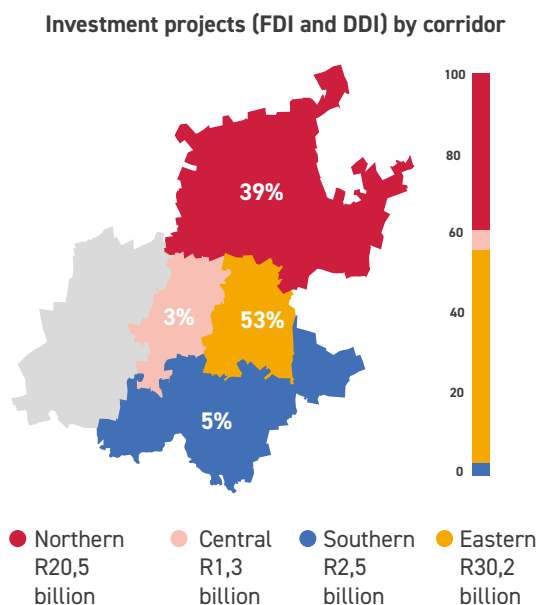


Figure 10: Investment projects (FDI and DDI) by corridor

Foreign direct investment (FDI) by corridor

The distribution of FDI by corridor indicates that the Eastern Corridor received the bulk of the FDI, accounting for approximately R20,3 billion (94%) of the total FDIs facilitated and Central Eastern accounting for R1,2 billion (6%) as shown below.

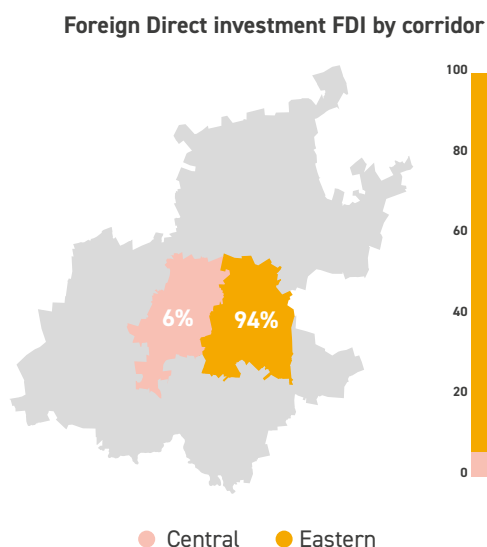


Figure 11: Foreign direct investment (FDI) by corridor

Domestic direct investment (DDI) by corridor

The DDI was realised in the three economic development corridors of GCR. The Northern corridor contributing 67% of these investments to a value of R20 billion, followed by the Eastern corridor at 24%, Southern corridor 8% and Central corridor at 1%, as shown below.

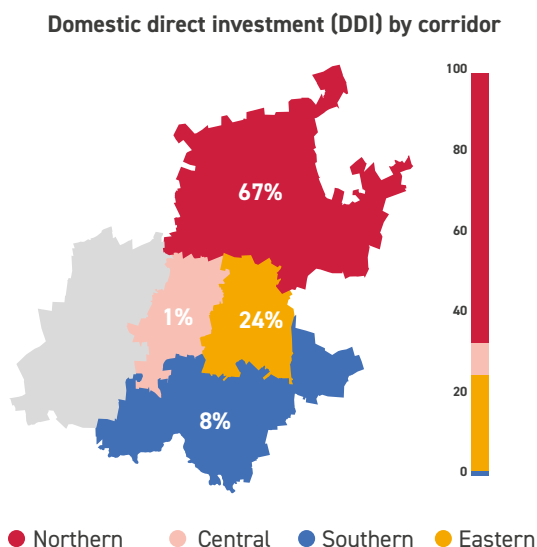


Figure 12: Domestic direct investment (DDI) by corridor

Trade facilitation and export development

TIRE's strategic focus areas, as they relate to trade facilitation, are to assist Gauteng companies to globalise through trade and export activities. TIRE's objective is to assist companies with access to new markets and to provide training opportunities to companies, supporting their market readiness.

The GGDA's AfCFTA roadmap focuses on identifying anchor countries in key regions where Gauteng companies are supported, with a view to help them expand. The team was instrumental in reviewing the Global Export Passport Programme (GEPP), which is the blueprint for export readiness training led by the dtic.

Open Trade Gate Sweden, a company that supports developing countries to export to Sweden and the European Union, capacitated GGDA staff members with skills that will enable them to conduct the training. To ensure that Gauteng exporters understand how to access new markets, the team facilitated market-specific export readiness webinars. The focus of the webinars was to prepare and enable Gauteng-based companies to explore opportunities in the European market. Industry players also participated in the webinars.

Rand value of trade deals facilitated

The annual target for Rand value of trade deals facilitated is R4,3 billion for the 2023/24 financial year. Trade valued at R11, 203 billion was achieved by 15 companies. Key contributing sectors were rail, and manufacturing contributing R1,984 billion, and R6,170 billion respectively. The total value of trade deals facilitated exceeded the set target of R4,3 billion. The table below outlines the trade deals facilitated.

Table 9: Trade deals facilitated by sector and destination markets

Sector	Export Value (R'000)	Destination Market
BPO	284	Australia, Canada, Europe UK, USA
Construction	675	Botswana, Namibia, Zimbabwe
Energy	4	Brazil, Eswatini, Namibia, New Zealand, Australia, Botswana
Manufacturing	6 170	China, USA, India, Africa, Middle East, Central Asia, Botswana, Kenya, Eswatini, Mozambique, Namibia, Mauritius, Brazil, DRC, USA, Indonesia, MEA, China, Egypt, Senegal, Zambia, Malawi, Zimbabwe,
Mining Technology	262	Kenya, India, Brazil
Steel	25	Botswana, Swaziland
Transport (rail)	1 984	Liberia, Namibia, Swaziland
Telecommunications	1 800	Africa
TOTAL	11 203	

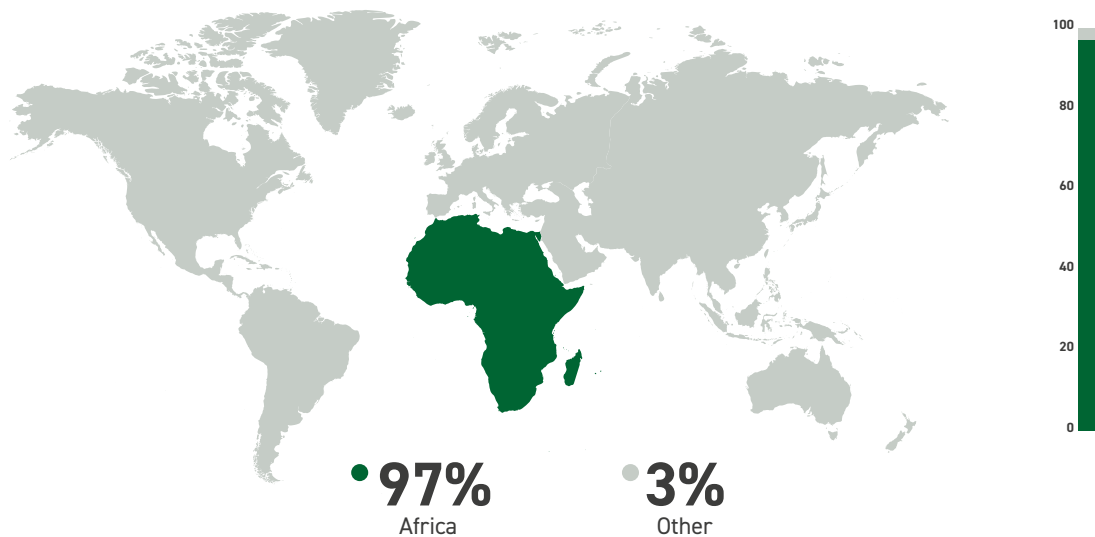


Figure 13: Total trade deals facilitated (Africa vs the rest of the world)

There is vast potential to support more emerging exporters, with identification of new markets and linkages to opportunities, particularly in the rest of the African continent.

This will have to be coupled with access to finance, as it is one of the major obstacles faced by emerging exporters. The trade team, is therefore, working at opening more channels that will provide access to trade financial instruments that can cater for the various needs of small enterprises, while ensuring that risk exposure is minimal.

Engagements with key stakeholders such as development finance institutions, commercial banks, private trade financiers and the Export Credit Insurance Corporation have been critical in ensuring that enterprises are well-equipped with information relating to political and commercial risk insurance.

In addition, the trade team is facilitating programmes that are tailored to improving enterprise export competitiveness, consequently providing the foundation export growth in the Gauteng Province. During the year, the province hosted BRICS and AGOA summits, and companies were matched with these markets for further trade opportunities. These engagements will be followed through in the new financial year.

Business retention, expansion, and aftercare

The GGDA recognises the importance of the investment retention programme as a tool to support and ignite the province's economic growth, as well as create a conducive business environment for businesses located in Gauteng. The investment retention programme aims to ensure intra-provincial collaboration and alignment, strengthen GGDA's capacity to implement investor retention and aftercare programmes, and develop a sustainable process with mechanisms for enhancing investor servicing.

The following were actioned during the period under review:

- Relations were strengthened with various municipalities offering investor services and a collaboration framework was established with them;
- A coordination blueprint was developed to support the investment retention programme; and
- Corridor Champions were nominated.

A customer relationship management tool, HubSpot, was piloted and increasingly used to record and track progress in resolving issues encountered by investors in Gauteng.

For the financial year ending in March 2024, 131 companies were assisted with facilitation of their investor inquiries for retention and expansion. The challenges and issues raised were attended to and resolved with GGDA's partner institutions and stakeholders. Numerous business visitations/site visits were undertaken to provide further aftercare service support to businesses through establishing company needs, challenges and interventions.

Number of expanding opportunities for GCR companies

A total of 22 companies were assisted with 57 expansion opportunities across the continent and globe. These opportunities were identified through new and existing strategic partnerships. The objective of this indicator is to assist Gauteng companies to expand their operations to the rest of the continent and globally, by either setting up operational facilities in the identified countries or partnering with local agents and selling their products through distributors (retail or private distributors).

The GGDA is tasked with increasing trade in Gauteng by exploring ways in which local companies can benefit from existing value chains, either by supplying inputs to investors, collaborating with investors, or directly exporting their products to international markets. The GGDA supports Gauteng-based companies to access markets locally and internationally. One of the ways in which the GGDA provides this support is through the Export Readiness Program, where local SMMEs are trained to be export ready.



Lesira Tech supported by the AIDC

Companies in the following sectors and destination markets were supported to enable them to expand.

Table 10: Expansion opportunities facilitated

Sector	Country of opportunity
Energy	Brazil, Eswatini, Namibia, New Zealand, Australia, Botswana, India, Brazil
Manufacturing	India, Africa, Middle East, Central Asia, Botswana, Namibia, Kenya, Swaziland, Mozambique, Brazil, DRC, Indonesia, MEA, Zimbabwe, Zambia, Senegal, Malawi, Tanzania, Mauritius, Seychelles, Ghana, Gambia, USA
Steel	Botswana, Swaziland
Health	Belgium
Rail	Liberia, Namibia, Swaziland
Mining Technology	Kenya, Belgium
Logistics	Belgium
Textile	Belgium
Jewellery	Belgium
ICT	Belgium
Construction	Botswana, Namibia, Zimbabwe
Chemicals	Botswana, Mozambique, Brazil, Russia
Agro-processing	Belgium

investSA Gauteng one-stop-shop (OSS)

The investSA Gauteng OSS initiative is part of government's drive to lower the cost of doing business. It is the centre that brings strategic partners that are key in servicing investors and manages a network of key stakeholders.

The queries processed through the investSA Gauteng OSS initiative were in partnership with the following partners, but not limited to:

- Visa facilitation service through the Visa Facilitation Service Centre (VFS);
- Immigration services through the Department of Home Affairs (DHA);
- Tax-related services through the South African Revenue Service (SARS);
- Company registration through Companies and Intellectual Property Commission (CIPC);
- Various incentives through the Department of Trade Industry and Competition (**the dtic**);
- Municipal permits and bulk services through various municipalities (CoE, CoJ, CoT);
- Environmental Impact Assessment (EIA) through the Department of Agriculture and Rural Development (GDARD);
- Energy supply services through Eskom; and
- SME funding through the Gauteng Enterprise Propeller (GEP).

The investSA Gauteng OSS received a total of 142 queries, with 81 queries successfully resolved. The role of the OSS was to facilitate and fast-track investor issues and bottlenecks impeding various investments with relevant partners.



Redial supported by the Trade, Investment and Regulatory Enablement Unit

Sub-programme 2: Enterprise Project Management Office (EPMO)

Purpose

- To accelerate delivery of key economic infrastructure projects through project development and partnerships in support of the GPG Ten Pillar Programme (aimed to achieve the strategic goals of TMR) and GGT2030;
- To provide of project management technical support for economic infrastructure projects implementation;
- Support the implementation of catalytic economic infrastructure projects for the SEZ and industrial Parks Programmes;
- Facilitate job creation through implementation of catalytic economic infrastructure projects (unskilled and semi-skilled); and
- Act as custodian and authority for building standards and regulations within the Group.

BioPark Phase 3 construction

Positioned as an extension of the existing BioPark Phases 1 and 2, with BioPark Phase 3 being constructed on Land Parcel 13 – directly opposite the earlier phases. This strategic initiative is designed to support advanced bio-manufacturing activities, bolstering the regional bio-economy. The state-of-the-art facility spans approximately 8,000 m² and includes essential basement parking to meet municipal regulations. Upon completion, the project is expected to significantly boost revenue streams for the Innovation Hub, supporting sustained operations and contributing to broader economic impacts.

During the 2023/24 period, the BioPark Phase 3 construction project experienced several challenges such as the procurement and appointment of selected sub-contractors for the specialist works, the long-lead items which are required for the provisional sum items, delays in issuing out construction drawings to the contractor and the depleted professional fees for the PRT. The progress at the end of the fourth quarter was 69%. The current expenditure is R229 million, accounting for 80% of the adjusted contract value.

The primary objective is to achieve full completion by the end of the second quarter of the 2024/25 financial year.

ConHill Visitor Centre

ConHill plans to establish a new visitor centre that will serve as the gateway to provincial tourism. The project involved constructing a multi-story building atop an existing basement parking facility, with a target of reaching 100% construction completion by the end of the 2023/24 financial year.

The ConHill Visitor Centre project experienced significant challenges over the year. Initial progress was markedly slow, achieving only 16,25% completion in the early months. Problems with the contractor's cash flow halted the concrete pouring for over two months. The concrete works were the only trade works that was completed on the project; demolition of existing concrete, casting of concrete columns, beams and slabs have been completed for the lower to second floor level. Originally the project was anticipated to be completed in August 2023, however due to the delays experienced on the project, the timeline was extended to January 2024.

As the year progressed, issues escalated with the contractor's persistent underperformance, resulting in a notice of intent to terminate being issued to the contractor in July 2023. The contract was officially terminated in August 2023 after the contractor failed to remedy the default within the period of the Notice of Intention to terminate.

The formal termination of the contractor in August 2023 marked a halt at 16,5% completion. Following that, the contract with the Professional Service Provider (PSP) on the project was then terminated, which in turn resulted in disputes over the termination leading to litigation aimed at recovering project documentation. This legal process was anticipated to take between six to nine months. As a result, project targets were removed from the 2023/24 Annual Performance Plan (APP), and expenditure by this point had reached R29,5 million, 16% of the total contract value.

The process to procure a new PSP is currently underway. The Terms of Reference (ToR) for the procurement of the PSP has been approved by the internal committees and probity auditors. The tender went out on the market in the first quarter of the 2024/25 FY.

Township industrial parks infrastructure projects

Township industrial hubs rehabilitated – rolled over

The Township Enterprise Programme is a pivotal initiative under the Township Economies Revitalisation Strategy, aimed at fostering industrial development and increasing the participation of marginalised township regions within the GCR. In 2023, the programme focused on the substantial refurbishment of three industrial parks – Sebokeng 1 and 2, and Chamdor. These efforts were directed towards revitalising deteriorating areas to attract investors and improve conditions for the automotive sector and other small- and medium-sized enterprises (SMMEs), linking these efforts to SEZ programmes.

The year began with the establishment of project sites and the handover to contractors. Despite initial challenges related to community engagement and tenant communication, which at first hindered progress, the projects gradually gained momentum.

Following completion, all three parks entered a 90-day liability period, marking the final phase of active project management and necessary adjustments.

Financial management was a crucial component of each project:

- **Sebokeng 1:**
The budget of the project is R13 437 604,21 and total spent to date is R12 845 876,64.
- **Sebokeng 2:**
The budget of the project is R19 936 381 and total spent to date is R19 211 183,85.
- **Chamdor:**
The budget of the project is R9 362 622,13 and total spent to date is R11 445 289,16.

The refurbishments of Sebokeng 1 and 2, and Chamdor Industrial Park during 2023, represent significant strides towards revitalising key industrial hubs in Gauteng. Despite facing early obstacles, each project achieved practical completion within the year, enhancing the operational environments for local businesses and laying a foundation for future economic expansion.

New township industrial parks projects

In 2023, the revitalisation of three township industrial parks (IPs) – Emdeni, Mqantsa, and initially GaRankuwa – was undertaken as part of the GGT30 initiative, aimed at attracting private sector investment and fostering job creation. These projects are vital for enhancing the operational environment and promoting regional economic development.

The project entails the revitalisation of these parks by crowding-in private sector investment on a co-management model to ensure sustainability and agglomeration of targeted sectors. On completion of the project, it will change the economic landscape and create the jobs that will be in line with the GGT30 imperatives.

Three Industrial parks were nominated to be refurbished, namely, Emdeni, Mqantsa and GaRankuwa. The ToRs for Emdeni and Mqantsa were developed and approved by Bid Specification Committee (BSC), Bid Adjudication Committee (BAC) and probity auditors. The appointment of all service providers will be through the approved panel of service providers. Site briefing for the project was held on 16 and 17 January 2024. The projects are currently at procurement for review and appointment.

The GaRankuwa IP, however, was found to be larger than anticipated, consequently requiring more funding than the initial budget allocations. It was then concluded to rather refurbish an alternative IP whilst additional funding can be secured for GaRankuwa. The Atteridgeville IP 1 and 2 was the selected IP and the procurement process has commenced for the project.

Sub-contractors benefitting from construction

Fifty-five local contractors were able to benefit from subcontracting, surpassing the planned annual target of 40. This achievement signifies an overachievement of the subcontracting target. These subcontracting opportunities were created from the infrastructure projects as outlined in Table 11.

Table 11: Annual sub-contractors appointed

	Infrastructure Project	Number of Sub-Contractors
1	Conhill VC	4
2	BioPark Phase 3	6
3	Chamdor Roof	6
4	Chamdor IP	13
5	Sebokeng 1 IP	18
6	Sebokeng 2 IP	8
	Total	55

Construction jobs created

During the financial year the EPMO construction projects facilitated the creation of 498¹ against a target of 400 jobs as outlined below.

Table 12: Construction jobs created

Project	Number of jobs facilitated
BioPark	368
Visitors Centre	61
Sebokeng 1 IP	12
Sebokeng 2 IP	15
Chamdor IP	15
Chamdor Roof project	27
Total	498



Construction workers at the BioPark

¹ Cumulative project figures to date

Sub-programme 3: Special Economic Zones (SEZs)

Purpose

- Reindustrialise Gauteng for the 21st century by boosting manufacturing, increasing exports and employment, and adding momentum towards turning the Gauteng City Region into a single, multi-tier and integrated Special Economic Zone;
- Promote industrial agglomeration in the Gauteng City-Region;
- Build the required enabling industrial infrastructure to support SEZs in the Gauteng City region;
- Anchor new economic clusters guided by economic regional planning and economic inclusion; and
- Mobilise investment in the Gauteng City Region in identified high-growth sectors.

Vaal SEZ

The mandate of the Vaal SEZ is to develop a multi-sector, multi-site, Special Economic Zone throughout the Southern Corridor of the Gauteng Province (Sedibeng District). The objective of the SEZ is to create a seamless, integrated, and socially cohesive society with sustained economic growth that will result in the creation of quality jobs.

The vision of the Vaal SEZ is to “Reignite the birthplace of industrialisation in South Africa”. The strategic intent is to:

- Contribute to the re-industrialisation and rejuvenation of the Vaal economy;
- Facilitate a stable environment for business to invest, be competitive and profitable to create sustainable jobs;
- Develop and upgrade infrastructure to overcome the current backlogs to stimulate investment that will enable economic growth;
- Promote the export of goods and services from the region;
- Promote investment from both domestic and foreign sources; and
- Support skills development in line with the requirements of business.

The above will become a reality when Government and Industry work collaboratively to regenerate the area and support a new local economic vitality that captures and builds on the historic competitive strengths and skills-base of this region.

Investment commitments

Since its inception, The Vaal SEZ has secured over R8 billion in investment commitments, of which R2.8 billion investment commitments were secured in the 2023/24 financial year, exceeding the annual target of R2 billion. Four investors are planning to break ground in the next 12 months; the four priority investments include:

1. A company that will manufacture fuels cells and is expected to create 450 direct jobs;
2. A composite LPG cylinder manufacturing company which is expected to create 550 direct jobs;
3. A Chlor-alkali plant which will create a total of 100 direct jobs; and
4. A Hydrogen production plant (H2 power generation plant, fuel cell refill exchange, H2 storage and trading) that is expected to create 175 direct jobs.

Designation licence application

The Vaal SEZ's masterplan was completed in the 2022/23 financial year together with the designation license application, however, the application could not be approved by **the dtic** due to incomplete land preparation processes (EIA and township establishment process). The designation licence application is anticipated to be resubmitted by the end of the 2024/25 fiscal year, upon conclusion of the EIA and township establishment processes.

EIA and township establishment

In the first quarter of the 2023/24 financial year, a service provider was appointed to carry out EIA and township establishment processes on two land parcels in the SEZ namely Farm Reitspruit (located in the Emfuleni Local municipality) and Heidelberg x24 (Located in the Lesedi Local municipality). Reitspruit's EIA is expected to be approved in the first quarter of 2025/26 financial year while Heidelberg's EIA was approved in November 2023. The Town Planning Township Proclamation for Heidelberg x24 is expected by November 2024 and in April 2025 for the Reitspruit site.

Fencing projects in Heidelberg x24 and Emfuleni

The preferred service providers responsible for the fencing projects in the two land parcels were appointed in the fourth quarter of the 2023/24 financial year and roll-out is set to commence in the new financial year and conclude within 6 months.

Bulk infrastructure funding

A motivation for a capital requirement of R1,2 billion over the MTEF period was submitted to Provincial Treasury to be presented at the Provincial Budget Council in the third quarter of the 2023/24 financial year. The province has still not confirmed in writing the extent of its contribution towards bulk infrastructure and operational costs of the SEZ. This kind of commitment from the province will assist in accelerating the SEZ designation process.

The Vaal SEZ applied to Infrastructure SA (ISA) for an amount of R20 million to complete the remaining project preparation scope, which was successful. The funding that was secured will assist in project preparation for additional land parcels that require specialist studies and various authorisations to be ready for the investments in the pipeline.

West Rand SEZ

Extending over 4 000 km², the West Rand District is in the western part of Gauteng province. Comprising of three local municipalities (ie. Merafong City, Mogale City and Rand West), it is envisaged that the West Rand District SEZ will help to create much-needed jobs in the region. In addition, the SEZ will drive the re-industrialisation of the region by facilitating the establishment of clusters potentially in the following industrial sectors:

- **Industrial agro-processing:** This includes cannabis that is linked to the establishment of new wholesale food market facilities in the West Rand.
- **Green energy (mainly green hydrogen):** This sector provides the opportunity for the region to be at the centre of this rapidly evolving sector, where large-scale solar farms can be established to generate renewable energy, with the potential of being financed through export off-takes.
- **Bus manufacturing:** This would be linked to the existing Busmark manufacturing plant investment located in the region.

The main objectives of the West Rand SEZ are to:

- Support progressive economic development interventions within the West Rand;
- Develop a zone to grow the economy of the West Rand;
- Support municipalities as well as government's interventions in job creation;
- Provision of an enabling platform for international and local investors to identify further investment opportunities;
- Position West Rand as one of the investment destinations of choice; and
- Develop partnerships to support local and foreign investments.

West Rand SEZ master plan

Structuring, job creation, competitiveness, and overall economic development are key areas of focus for the West Rand SEZ. As such, the GGT2030 plan further emphasises that the realisation of the West Rand SEZ must be fast-tracked.

The first step towards the development of the SEZ is to compile a comprehensive masterplan, as well as a business case, that will be used to inform the application to attain gazetted designation status. The master plan will address the specific locational challenges and opportunities requiring infrastructure development in-line with accelerated economic, industrial, spatial, social, ecological transformation and transport integration. The master plan will serve as an inter-governmental and inter-sectoral planning and implementation tool towards inclusive growth, development and implementation of infrastructure plans, the focal point of which would be to establish and operate a viable SEZ in the Western Corridor of the province.

The service provider for the development of the master plan was appointed in December 2022, with a project duration of 10 months being allocated, ending in September 2023. A significant part of the master plan framework was to determine, with a private sector donor, which of the multiple land parcels, both obtained from the West Rand Local Municipalities and those that had been agreed to, in principle is suitable for use by the various sectors before any in-depth engagements with investors can be undertaken.

The master plan was subsequently completed and underwent internal reviews during the third quarter of the financial year. The completed master plan comprises the following chapters:

- Management tasks;
- SEZ feasibility and business case;
- Architectural designs, land use management, and infrastructure plan;
- Financial analysis, funding model and PPP registration plan;
- Investment project origination, attraction, promotion and facilitation;
- Stakeholder management and community empowerment plan;
- Marketing, communication and branding plan.
- Risk management plan;
- Project management and transactional advisory implementation plan; and
- Completed and compliant SEZ designation application plan.

Upon completion, the masterplan had focused on three of the most suitable sites for consideration, in preparation of Phase One of the project. Selection criteria was carefully chosen in terms of site location, availability, land characteristics as well as ease of development, among other key points. However, research and creation directly relating to the business case only commenced towards the end of the project, as the preferred sites had been confirmed towards the middle-of-term of the service provider's contract. This resulted in subdued interest from potential investors who had been earmarked for investment potential, based on the nature of the proposed economic activities that are taking place in the area.

There were delays in getting confirmation of land availability from the mining company, which was only received in February 2024.

Against the yearly target of having the masterplan approved, this target has not been achieved due to strategic changes which had to be considered, following its completion. After the many discussions conducted with a mining company that had pledged to donate land, the mining company engaged the West Rand SEZ PMU in the fourth quarter, expressing interest in donating two of the eight land parcels initially intended for donation. This development delayed the WRSEZ PMU from timeously tabling the completed master plan for internal approvals.

It is noted that the WRSEZ PMU will need to embark on an additional masterplan and business case in alignment with this new strategy and the newly availed land parcels.

Identify and procure land – Lease/donation agreement for the West Rand SEZ entered

After a long impasse (since October 2022), and several follow-ups with a mining company that pledged to donate land, the company finally availed only one portion of land on 8 February 2024. This portion of land is the most viable currently as it is located on prime land and comes with an investor who is willing to put up their own top structure and who has done studies on the land itself.

In parallel to the above process, the WRSEZ PMU has also been working on securing additional land from various municipalities. Emanating from the Rand West Municipality's resolution to donate one portion of land, a draft lease agreement with the municipality was initially drafted and signed by all parties, except the Gauteng Department of Infrastructure Development (GDID) – which is the custodian and owner of all government properties in the province. Upon follow-ups with GDID to sign, a requirement to restart the entire land agreements process was proposed. GDID required its sister department (the GDED) to mandate them to party to the agreements.

Therefore, against the yearly target of entering into a lease agreement, this target has not been achieved. In respect to the second portion of land that is being considered, a Municipal Council resolution to make an additional portion available, was passed on 6 December 2023.

Arising from the Mogale City Municipality's resolution to donate land, the municipality discounted an outright donation and opted for a Land Reservation Agreement (LRA). This is an agreement that gives the PMU access to the land until the municipality is satisfied with the PMU's activities on the land before donating. The municipality is aware that there are preliminary activities that must happen preceding the establishment of the SEZ. One of which is the conclusion of the master plan. The agreement was signed by all parties except the GDID, for reasons stated in the previous paragraphs above.

Pre-designation activities undertaken for West Rand SEZ

During the financial year under review, the PMU had an achievement target to undertake two pre-designation activities on behalf of the SEZ. Of these, only one of the activities was achieved, namely an integrated security measures funding application.

The second activity of procuring a deal maker to source anchor investors was not achieved as it was negatively affected due to delays experienced during the supply chain process. Before the tender was advertised, SCM experienced delays for several months with the appointment of probity auditors. The tender was advertised on 24 November 2023 and closed on 22 January 2024. SCM is in the process of price negotiations with the preferred bidder. Should the negotiations be successful, the appointment is expected during the first quarter of the FY 2024/25.

Marketing and business development

The activities under this function includes implementing an investor facilitation strategy and plan, creating an investor pipeline, and procuring investors.

The PMU is leveraging the master plan service provider and the TIRE unit to finalise an Investor Strategy and to build an investor pipeline.

A total of five Letters of Intent (LOIs) have previously been obtained from potential investors with respect to the mining company's land donation. The proposed land usage suggested by the LOIs include the following:

- Two investors from the alternative energy sector;
- One investor from the hemp/cannabis processing sector;
- One investor from the agricultural sector; and
- One investor that is involved in multiple sectors.

Following the work that was completed by the appointed master plan service provider, due diligence still has to be undertaken on the market interest and viability of the proposed projects, considering that the sectors/industries have been identified as viable for both the region, as well as for the specific land parcels that have been secured from the municipalities, and would include: renewable energy, agriculture, agro-processing, heavy and light manufacturing.

Lanseria SEZ

The president announced at the SONA 2018, the development of the first post-apartheid city in South Africa. Lanseria Smart City (LSC) was subsequently announced as the first, truly smart city in South Africa. The envisaged Lanseria Smart City will comprise a cluster of new commercial, industrial and residential developments to be facilitated in the Lanseria region, bordering Gauteng and North West province.

The Lanseria Smart City vision entails a high-impact, compact and complex, mixed-use urban development, designed to deliver urbanisation prospects to a marginalised periphery.

In so doing, it will also assist in consolidating a poly-nuclear greater Gauteng City Region that is likely to grow from its present 13 million inhabitants, into a mega-city of approximately 30 million inhabitants over the next 30 to 40 years. This approach is in addition to enabling the much-needed re-industrialisation and modernisation of a flagging industrial base (given the decline in mining) for the western sector of Gauteng.

The vision is to be a truly post-apartheid city based on best practices in terms of urban sustainability and the principles underpinning those of a successful smart city.

Transactional advisor

A pivotal decision was made to appoint a transactional advisor through a tendering process. The transactional advisor plays a crucial role in various aspects of project management and strategic planning to ensure the successful execution of the project. The key responsibilities for the transactional advisor will include drafting an inception report detailing project delivery models, implementation plans, organograms, governance structures, and budget estimates. Additionally, the advisor would provide project management services, develop a project pipeline aligned with funding strategies, and facilitate stakeholder engagements and approvals. Other tasks would include the development of terms of reference, executing investor roadshows, and compiling investment prospectuses.

The decision to appoint a transactional advisor significantly impacted the outcomes of the 2023/24 Annual Performance Plan (APP) and Annual Operational Plan (AOP) across four quarters. Due to the complexities involved and the need for expert guidance, adjustments and deviations from the original plans were necessary.

Regrettably, the submitted tender bids were found to be unresponsive due to technicalities that were uncovered during the assessment phase. This setback necessitated a review and update of the Terms of Reference (ToR) for the re-advertisement of the tender in the new financial year.

Regional Spatial Development Framework (RSDF) - urban planning and designing consultant

In tandem with the ongoing review, revision, and updating of the Terms of Reference (ToRs) for the appointment of a transactional advisor, the LSC team has embarked on the crucial task of appointing an urban planning and designing consultant through the request for quotation (RFQ) process. It is envisioned that the appointment of an urban planning and designing consultant will be realised in the first quarter of 2024/25.

Objectives and scope of the urban planning and designing consultant: The appointed consultant will play a pivotal role in various aspects of the Greater Lanseria Master Plan (GLMP) project. Their responsibilities will include:

- **Endorsement of GLMP as a special planning region:** The consultant will assist in ensuring formal endorsement of the GLMP area as a special planning region under the Spatial Planning and Land Use Management Act (SPLUMA). Additionally, they will work towards the promulgation of a Regional Spatial Development Framework with the consent of participating municipalities.

- **Policy endorsement of the master plan:** Conditional on the availability of bulk infrastructure investment, the consultant will aid in securing the endorsement of the master plan as a policy instrument through various funding and implementation mechanisms.
- **Development of governance structures:** The consultant will contribute to the development and approval of fit-for-purpose governance structures necessary for project execution. This includes ensuring adequate financial resources and support across all three spheres of government.
- **Establishment of Lanseria Smart City SEZ:** With a focus on the pre-designation phase, the consultant will participate in activities related to the Lanseria Smart City Special Economic Zone (SEZ). This involves extending the land availability consortium agreement, incorporating hi-tech SEZ into the GLMP, and facilitating stakeholder engagement and risk mitigation.
- **Participation in workstreams:** The consultant will actively engage in various workstreams such as infrastructure finance, SEZ development, human settlements, and other relevant areas.

The appointment of an urban planning and designing consultant will mark a significant milestone in the realisation of the Greater Lanseria Master Plan. It is expected that, through their expertise and contributions, the consultant will play a pivotal role in shaping the future of Lanseria as a smart and sustainable urban centre.

Infrastructure verification process

The Lanseria Smart City SPV team has been actively engaged in a comprehensive infrastructure verification process in collaboration with CoJ, Mogale City, CoT and Madibeng municipalities and state-owned entities – Eskom Pickup, Johannesburg Roads Agency, Johannesburg Water and Rand Water.

The purpose of this initiative is to facilitate the formal endorsement of the Greater Lanseria Master Plan as a special planning region under the Spatial Planning and Land Use Management Act (SPLUMA).

Additionally, it aims to promulgate a Regional Special Development Framework with the consent of participating municipalities. Moreover, the verification process serves as a platform for identifying priority bulk infrastructure projects eligible for funding through the Budget Facility for Infrastructure (BFI) Fund. By assessing infrastructure gaps and prioritising strategic interventions, the GGDA aims to leverage financial resources effectively to address pressing infrastructure needs. This aligns with broader objectives of enhancing connectivity, promoting economic development, and improving the quality of life for residents.

In a comprehensive assessment of infrastructure development, stakeholders have highlighted several critical issues. Foremost among these concerns is the lack of adequate infrastructure, which impedes the overall progress and growth of the region. Additionally, stakeholders have raised concerns regarding the backlog of zoning applications within municipalities, pointing to inefficiencies in processing that delay projects and initiatives.

Highlighted area: Wastewater treatment works

Of the obstacles impeding development that persist, wastewater treatment works (WWTW) emerge as a significant bottleneck. Stakeholders emphasise that the inadequacy of wastewater treatment facilities severely hampers the region's development potential. While Johannesburg Water sponsors this crucial project, the primary hurdle remains the availability of funding. Recognising the urgency, efforts are underway to revitalise the review process of the feasibility study, funding model, and capital structure essential for the project's advancement.

SEZ pre-designation and workstreams formation

At present, the Lanseria Smart City project remains in the pre-designation phase. The Special Economic Zone (SEZ) programme is one of a suite of critical policy instruments that have been prioritised to drive the country's reindustrialisation and global competitiveness objectives. The Lanseria Smart City node has been identified to establish a high-tech Special Economic Zone. The Land Use Rights Transfer contract for privately owned land between GGDA and the Lanseria SEZ Precinct (NPC) acting as the Lanseria Landowners Consortium is in place and was signed in September 2022.

As described in the consortium development agreement, the site granted to GGDA is located within Lanseria, covering the designated area as per Schedule D mapping, outlining hi-tech SEZ boundaries and has a total land area of 1 127 hectares. The contract was signed on 25 August 2022 and the duration of the land-use rights to perform the feasibility study is 2 years with an option to extend. The grantee is the sole procurer and funder of the feasibility study and the related transaction advisory support. Procurement processes are currently underway to appoint a transaction advisor to undertake the feasibility study.

Stakeholder engagements

Addressing funding challenges necessitates collaborative endeavours involving key stakeholders. The Lanseria Smart City SPV team, Infrastructure Fund, Infrastructure South Africa, Johannesburg Water, and the City of Johannesburg have played pivotal roles as project owners and have formulated strategic partnerships. Through concerted efforts, the aim has always been to refine the project's financial framework and secure necessary funding. The projected timeline underscores a sense of urgency, with plans to finalise submissions to the Development Bank of Southern Africa (DBSA) by the end of July 2024. Securing a partial allocation from the R3,5 billion budget earmarked for the wastewater treatment works (WWTW) project is imperative for its timely execution and successful completion.

In parallel with the revising and reviewing of the appointment of a transaction advisor, there has been rigorous stakeholder engagement. This has been undertaken with consideration of multiple workstreams that need to be established. In the first, second and third quarter review of the financial year, a total of over 30 stakeholder engagements took place and the following has been realised:

1. Strategic partnership with Infrastructure Fund and formation of Infrastructure Workstream

A significant milestone has been achieved in the establishment of a strategic partnership with the Infrastructure Fund. This collaboration marks a crucial step in fostering sustainable development within the region. The Infrastructure Workstream, essential for the successful implementation of this partnership, is now operational. The Terms of Reference (ToR) and Charter for the Infrastructure Workstream have been meticulously drafted, outlining the framework and guiding principles for its functioning.

2. Human Settlement Workstream and drafting of Terms of Reference (Charter)

The Human Settlement Workstream is a pivotal component of our stakeholder engagement strategy, designed specifically to tackle the multifaceted challenges related to human settlements. As we navigate through the complexities inherent in urban and rural environments, this dedicated initiative aims to develop comprehensive solutions that cater to the diverse needs of communities. At present, the drafting process for the Terms of Reference and Charter for the Human Settlement Workstream is in progress. These documents are envisioned to serve as foundational frameworks, delineating the scope, objectives, and operational mechanisms of the workstream, providing a structured roadmap, offering clarity on roles, responsibilities, and decision-making processes.

The Terms of Reference will outline the specific goals and activities of the Human Settlement Workstream, elucidating its focus areas and priorities. This will enable stakeholders to align their efforts and resources effectively, fostering synergy and collaboration towards common objectives.

Simultaneously, the Charter will establish the guiding principles and values that underpin the workstream's operations. It will articulate the collective vision and aspirations of stakeholders, emphasising inclusivity, sustainability, and equity as fundamental pillars of human settlement development.

Through careful deliberation and consultation, these foundational documents will be crafted to reflect the diverse perspectives and insights of stakeholders involved. They will embody a shared commitment to fostering resilient, inclusive, and liveable human settlements, capable of withstanding present challenges and future uncertainties.

Ultimately, the Terms of Reference and Charter will serve as a blueprint, providing a coherent framework for action and accountability within the Human Settlement workstream. They will empower stakeholders to navigate complexities, leverage opportunities, and drive positive change in the realm of human settlements.

Special Economic Zone Workstream

The concept of Special Economic Zones (SEZs) has gained significant traction globally to foster economic development, attract investment, and stimulate trade. Recognising the potential benefits of establishing SEZs, the LSC team and the City of Johannesburg have embarked on a collaborative effort to explore the feasibility and implementation of SEZs within the region.

The SEZ Workstream was officially initiated with the participation of the LSC team and representatives from the City of Johannesburg's Economic Development and Planning department. Notably, both entities bring specialised expertise in SEZ development and urban planning, positioning them as key stakeholders in this initiative.

A preliminary draft of the terms of reference has been developed, outlining the objectives, scope, and methodologies of the SEZ Workstream. This document will undergo further refinement and be endorsed by key stakeholders within the workstream.

The LSC team and the City of Johannesburg have extended invitations to key drivers of SEZs from various institutions, facilitating knowledge exchange and collaboration in SEZ development. Efforts are underway to garner endorsement from various stakeholders within the workstream, including government agencies, industry associations, and academic institutions. This endorsement is crucial for the successful implementation of the SEZ initiative.

Transport Workstream: Quarterly Meetings

As part of the area's development plans, integration with the Gautrain Management Agency (GMA), Lanseria Smart City team and Lanseria International Airport (LIA) was required to establish a Steering Committee. We recognise the strategic importance of a Gautrain station in Lanseria Smart City's development, which will enhance public transport connectivity and link LIA to OR Tambo International Airport (ORTIA) as part of an integrated airport strategy.

A significant achievement of these meetings has been the establishment of a Steering Committee comprising representatives from LSC, GMA, LIA, and relevant stakeholders. The committee will serve as a central platform for coordinating efforts, streamlining communication, and driving strategic initiatives and bringing these to fruition. Participants underscored the critical role of the Gautrain station in facilitating seamless connectivity within the Lanseria Smart City. By integrating the station into the city's development plans, stakeholders aim to optimise public transport infrastructure and enhance accessibility for residents and visitors alike.

Identifying the potential synergies that exist between Lanseria and ORTIA, stakeholders explored avenues to establish a seamless transportation link between the two airports. Such connectivity would not only facilitate passenger transfers but also bolster the region's economic competitiveness and attractiveness as a travel hub.

The meetings emphasised the importance of developing an integrated airport strategy that aligns with broader regional development objectives. By coordinating land-use planning, infrastructure investment, and transportation initiatives, stakeholders aim to optimise the efficiency and sustainability of airport operations while supporting the growth of surrounding communities.

Multifaceted stakeholder interactions

A comprehensive approach to stakeholder engagement has been adopted, ensuring the involvement of various key players. Engagement forums have brought together municipalities, Gauteng province executives, and their respective teams. Additionally, South African institutions, public utility managers, major public and private investors, academia, embassies, local government officials, and potential local and international development finance institutions (DFIs) who are active in South Africa, have actively participated.



Lesira Tec supported by the AIDC

These interactions have provided a platform for dynamic discussions, fostering collaboration and ensuring that diverse perspectives are considered. The inclusion of developers in these engagements is pivotal for aligning strategies and ensuring that the development initiatives resonate with the practical aspects of project implementation.

The engagement sessions have not only facilitated information sharing but have also served as a forum for building partnerships and understanding the unique contributions each stakeholder can bring to the table. This collaborative spirit is crucial in creating a holistic and sustainable development framework.

The ongoing rigorous stakeholder engagement efforts represent a commitment to inclusive and transparent development processes. The strategic partnerships forged, and the formulation of Workstream Terms of Reference/Charters underscore the dedication to a structured and organised approach. The diverse array of stakeholders involved reflects a collective effort to address the complex challenges faced by the region and sets the stage for impactful and sustainable development in the future.

Investor Facilitation

The Lanseria Smart City project is currently in the pre-designation phase, marking the initial steps towards establishing a SEZ. The primary aim of this initiative is to accelerate job creation and to foster economic growth in the region. Despite being in the pre-designation stage, the project has garnered significant interest from potential investors, signalling promising prospects for future development.

There has been notable interest from potential investors, with over 10 prospective investors expressing a strong desire to participate in the project. Additionally, in the fourth quarter, four additional investors have shown keen interest in joining once the SEZ designation process is completed. This heightened interest underscores the project's potential to attract substantial investments, which is crucial for catalysing job opportunities, especially for youth and women.

The enthusiasm displayed by potential investors reflects confidence in the viability and attractiveness of the LSC SEZ. Successful designation and subsequent development phases are expected to yield significant economic benefits, including job creation, skill development, and enhanced regional competitiveness. As the project advances towards designation, the LSC team remains committed to engaging with investors, refining development plans, and navigating regulatory procedures. Concurrently, efforts to secure necessary approvals and infrastructure investments will be intensified to facilitate a smooth transition into the operational phase.

Lanseria has attracted diverse potential investors, ranging from manufacturing to infrastructure development. The four additional notable potential investors include Project Cargo, Rosefield Project, Medical Cannabis Extraction and Tourism Initiative at Riverfield.



The Innovation Hub's BioPark

Marketing and communication

In the 2023/24 fiscal year, the following strategic stakeholder engagement and marketing campaigns were implemented by the GGDA Group.

BRICS Summit in collaboration with BRICS Business Council

As the hosts of the BRICS Summit and the chair of the BRICS Group, South Africa will use its position to advance the interests of African States under the theme of 'BRICs and Africa partnership for mutually accelerated growth, sustainable development and multilateralism'.

In alignment and support of South Africa's role in chairing BRICS, the Gauteng Department of Economic Development and its agencies, together with our partners the South African BRICS Business Council, the Department of Trade, Industry and Competition and Brand South Africa, curated an exciting programme focused on strengthening intra-BRICS relations, and to develop mutually beneficial economic cooperation while firmly aligning the BRICS region with our mandate to deepening intra-Africa inclusive industrialisation.

Inward Buying Investment Mission

On 14 August 2023, Gauteng hosted the first BRICS Inward Buying and Investment Mission. Through the Gauteng Growth and Development Agency, the province hosted 100 companies from Brazil, Russia, India, China and the African continent in a business-to-business match-making breakfast seminar.

Exhibition BRICS

A total of 50 Gauteng-based medium- and large-enterprises will showcase the Gauteng province's trade capabilities in the minerals/mining and energy, food, wine, transport, fashion and medical sectors at the BRICS Exhibition that took place from 19 to 23 August 2023.



JSE dialogue

On 23 August 2023, Gauteng hosted a round table discussion at the Bourse Centre on the role of capital markets in driving economic growth. Participants included speakers from the BRICS stock exchanges and the development financial institutions of the BRICS block.

Outdoor branding of the GGDA

The GGDA branded the airport and billboards profiling the Automotive Supplier Park, Invest SA Gauteng and the OR Tambo SEZ between August to October 2024.

South African BRICS Youth Association Innovation Summit 2023

The Innovation Hub collaborated with the South African BRICS Youth Association Innovation Summit on 20 July 2023. The summit was aimed at profiling innovation and entrepreneurship sector offerings for the youth in the various BRICS countries.

BACS launch

The Gauteng Premier, Mr Panyaza Lesufi, led the official opening of the Batyi Automotive Component Supply (BACS) facility on Tuesday, 30 May 2024, in Pretoria North. In line with the Automotive Industry Development Centre's (AIDC) mandate to transform the automotive industry, the AIDC developed an incubation programme in collaboration with the Ford Motor Company and its tier-one suppliers.

The Incubation Centre was built to groom black suppliers, with the assistance of tier-one suppliers, to be independent and globally competitive after graduating from the incubation programme. Media were invited to a tour of the BACS factory to profile the work of automotive incubation programmes in the province.

The Basha Uhuru Freedom Festival

The creative festival lead by ConHill commemorated its 10-year anniversary. Basha Uhuru is a signature event of the ConHill Museum and the National Heritage site and offers Gauteng creatives a platform to trade, engage and promote their business within the Gauteng creative sector.

The Basha Uhuru Freedom Festival was founded in 2012 to immortalise the memory of the youth who fought for their right to choose in the Soweto 1976 Uprising, affording youth of today the freedom to create. The creative festival took place from 25 October to 29 October 2022 at ConHill. In the 2022/23 financial year, Basha Uhuru welcomed supporting partners Brand South Africa, Gauteng Tourism, Joburg Tourism, the Hollywood Foundation and the Gauteng province's Department of Economic Development.

AGOA Conference

During the AGOA Conference, the GGDA hosted a stakeholder panel discussion and business-to-business engagement in partnership with the South African Chamber of Commerce and Industry (SACCI) and the South African Chamber of Commerce in the USA (SACCUSA). The purpose of the activation was to link Gauteng enterprises with US-based enterprises in order to deepen business linkages between our respective companies.

The second engagement was Gauteng Master Class at the AGOA Conference on 'How Gauteng Businesses Can Harness the Benefits of The African Growth And Opportunity Act (AGOA)'. The master class provided an opportunity for Gauteng enterprises/, emerging exporters/, township businesses to take advantage of AGOA. It was curated by the GGDA in partnership with the South African Chamber of Commerce in the USA (SACCUSA).



Vaal SEZ office launch and community roadshows

The Vaal SEZ PMU team planned community engagement roadshows that were hosted in each of the three municipalities of Emfuleni, Midvaal and Lesedi. This was rolled out over the months of September, October, and November 2023.

As a Special Economic Zone, it was critical that the Vaal SEZ create awareness of their brand. Awareness was created through many different platforms and using community radio, community outreaches and media briefings on the Vaal SEZ during the months of October and November 2023. The launch of the Vaal SEZ Offices in Vanderbijlpark Park was also profiled by national radio and print media at the launch of the project office in the Vaal Region.

OR Tambo SEZ tenants onboarding

On 14 March 2024, The Jewellery Manufacturing Park at the OR Tambo SEZ Precinct 1 development was profiled through a tenants onboarding ceremony. Promotion and advocacy for the completion of Precinct 1 provided an opportunity to profile South Africa's mineral beneficiation strategy as the driving force behind the JMP's conception. This strategy aims to bolster the manufacturing of minerals extracted in South Africa into finished products for global consumption.

Human Rights festival

The sixth edition of the Constitution Hill Human Rights Festival aligns with the 30th anniversary of South Africa's Democracy, paying tribute to those who sacrificed their lives for freedom, especially during the Sharpeville Massacre on 21 March 1960.

At the heart of the Human Rights Festival lies the critical intersection of creative cultural expression and the bold storytelling of artists, filmmakers, and musicians.

This synergy is the essence of engaging and inspiring audiences on human rights issues through art, film, music, and conversation. The festival's impact extends to the partnerships and relationships it nurtures.

Media performance for the period

The top overall source for Constitution Hill clippings for the period was Radio 702 with 29 clippings, followed by news24.com with 12, and then by SAfm with 10 clippings.

The top source for clippings relating to the Human Rights Festival was Radio 702 with 21 clippings, followed by Ikwekwezi FM with eight clippings and then SAfm with five clippings.

Overall sentiment for Constitution Hill was 71,49% listed as positive, 20,08% as neutral, 5,22% balanced, and 3,21% negative, while sentiment towards The Human Rights Festival was 91,23% positive, 6,14% neutral, 2,63% balanced, and 0% negative.



Social media asset posted during the OR Tambo SEZ Tenants Onboarding event in March 2024

Media performance overview for the period

The following snapshot highlights the editorial data surrounding the Gauteng Growth and Development Agency, and subsidiaries, during the reporting period.

Most of the voice was shared by The Innovation Hub, followed by Constitution Hill, and the Automotive Industry Development Centre. The Tshwane Automotive SEZ had the lowest share of voice.

Print led overall media clippings for the period. This was followed by online, and then broadcast.

Overall sentiment was generally positive with Tshwane Automotive SEZ leading with 100% positive sentiment. However, It must be noted that this was based on just three media clippings. Next was The Innovation Hub, followed by the Gauteng Industrial Development Zone. Constitution Hill had the highest neutral sentiment while the Automotive Industry Development Centre had the highest negative.

The top sources for the Automotive Industry Development Centre were GautengBusiness, followed by Beeld (Uitgawe2).

Constitution Hill's top source was the Northcliff Melville Times, followed by Radio702. GautengBusiness was the top source for both the Gauteng Industrial Development Zone and the Gauteng Growth and Development Agency, with the Public Sector Leaders being the second.

Impact2, followed by the Botswana Daily News were the biggest sources for The Innvocation. Finally, Tshwane Automotive SEZ's top source was also Gauteng Business.

Virtually all Google search interest for the Automotive Industry Development Centre for the period originated from Gauteng. Most clippings for the period were print at 83%, followed by online with 14%, and broadcast with 3%.

Google trends showed no reaction to editorial trends at the beginning of the month. However, peaks in Google trends closely matched peaks in editorial trends.



AIDC's Chamdor Automotive Hub

Media performance for the period

Editorial service and favourability

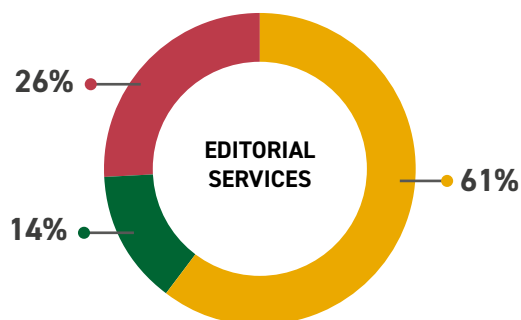


Figure 14: Editorial service

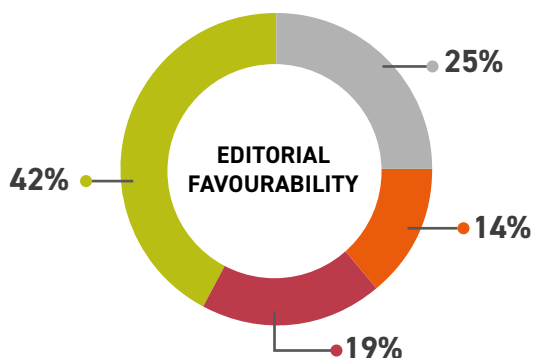


Figure 15: Editorial favourability

Editorial services			Editorial Favourability		
	Clip count	%		Clip count	%
Print	80	26	Positive	132	42
Broadcast	42	14	Negative	58	19
Online	189	61	Mixed	44	14
			Neutral	77	25
	311			311	

Top Media			Top Journalist		
	Clip count	AVE		Clip count	AVE
News Briefs	49	R7 909 427	Norman Masungwini	23	R2 223 438
Newzroom Africa	11	R565 767	Craig Jacobs	3	R1 993 032
ENCA	10	R867 233	Dr Sibongile Vilakazi	3	R260 553
News24	10	R536 061	Kabelo Khumalo	2	R96 296
IOL	10	R358 554	Sabelo Skiti	2	R837 384

The Gauteng Growth and Development Agency (GGDA) received 311 media mentions during the monitoring period (31 March 2023 to 31 March 2024). This was coverage that directly included references made to the agency.

Editorial services share of media



Print:
26% with a clip count of 80



Broadcast stations:
14% with a clip count of 42



Online sources:
61% with a clip count of 189

Division of service: GGDA

Statistical analysis report of metadata volumes, by service, showing one periods' movement and design.

31 March 2023 – 31 March 2024

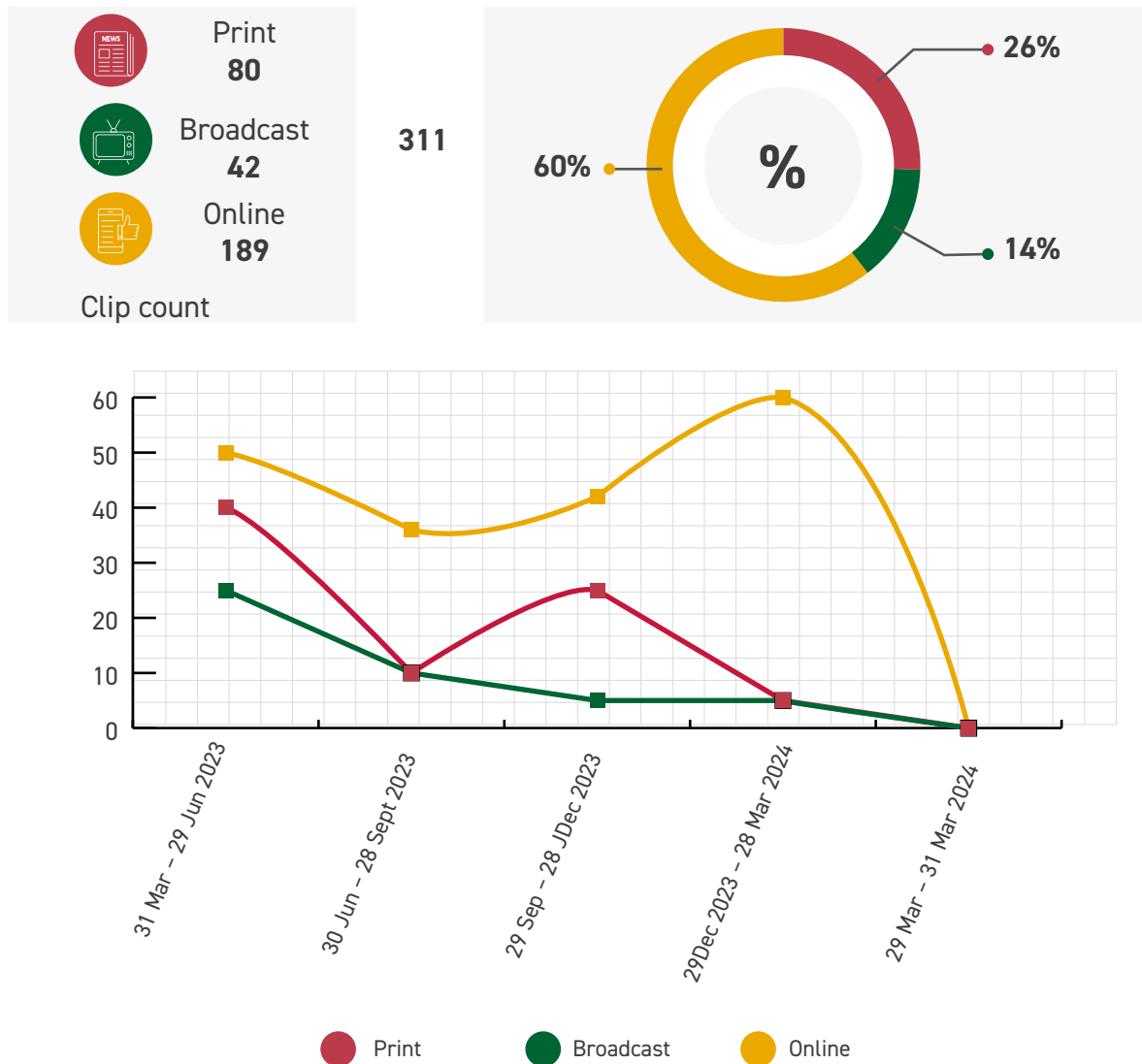


Figure 16: Division of service - GGDA

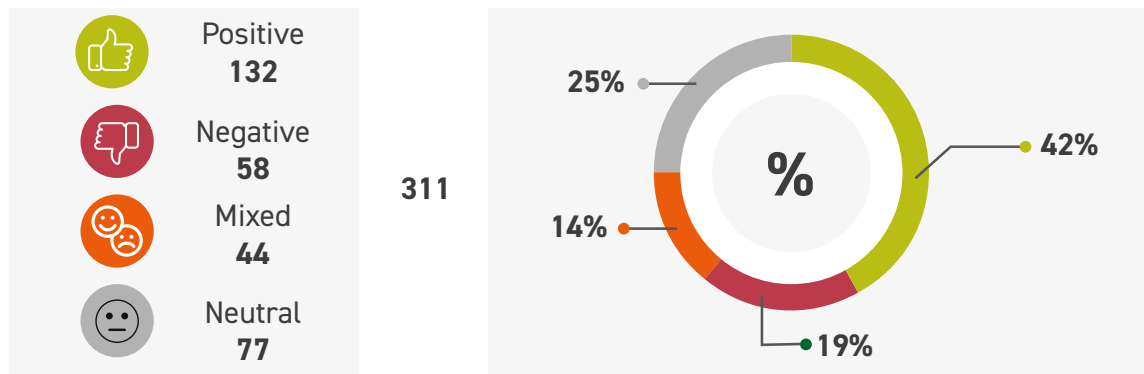


Batyi Automotive Component Supply (BACS) founder, Siphon Batyi, during his Pheli FM interview during the BACS Facility launch in May 2023

Division of favourability: GGDA

Statistical analysis report of metadata volumes, by favourability, showing one periods' movement and design.

31 March 2023 – 31 March 2024



Clip count

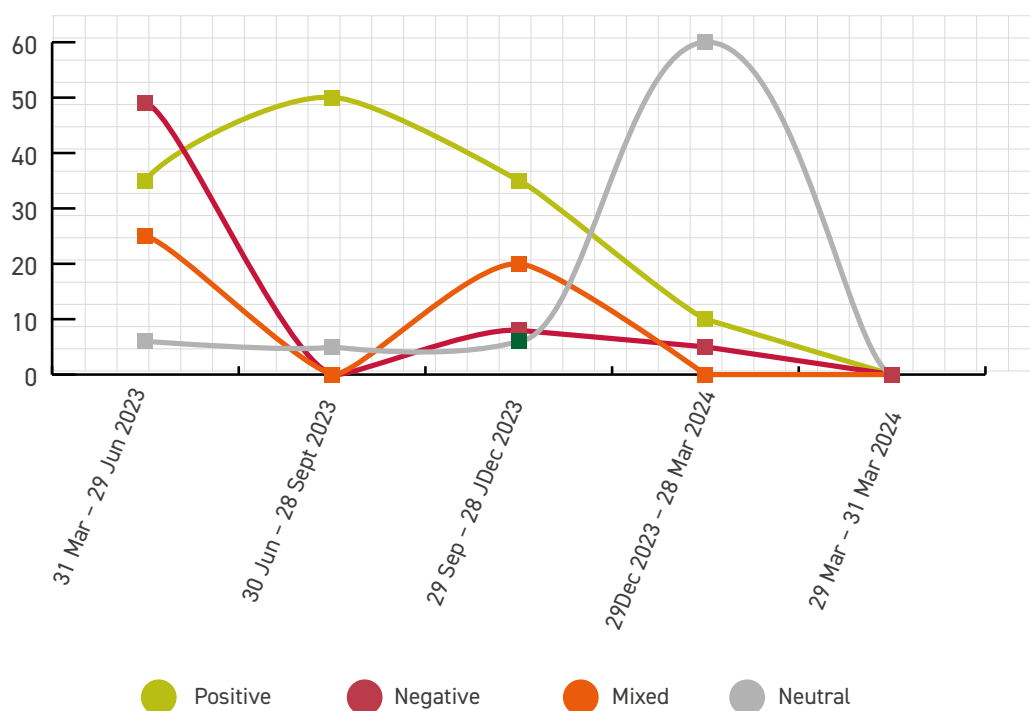


Figure 17: Division of favourability - GGDA



Siphso Batyi, founder of Batyi Automotive Component Supply; Gauteng MEC for Economic Development, Tasneem Motara, Tshwane MMC for Economic Development and Spatial Planning, Hannes Coetzee and Gauteng Premier, Panayaza Lesufi during the facility's opening

Top media

The top media sources for each service, as well as the clip count and AVE.



Print	Clip Count	AVE
Gauteng Business	6	R282 753
City Press (Free State)	4	R392 440
City Press (Eastern Cape)	4	R392 440
City Press (Second Edition)	4	R392 440
City Press (First Edition)	4	R392 440
City Press (KZN)	4	R392 440
The Star (incl Pretoria News)	4	R165 833
Business Day (Late Final)	4	R130 439
Mail & Guardian, Business	3	R343 964
Business Report (Cape Town)	3	R266 860
City Press (Western Cape)	3	R261 238
Sunday World	3	R240 347
Business Day (Final)	3	R97 515
Sunday Times (Final)	2	R1 083 036
Public Sector Manager	2	239 563



TV	Clip Count	AVE
Newzroom Afrika	11	R565 767
ENCA	10	R867 233
CNBC Africa	8	R1 061 433
SABC News	3	R395 367
e.TV	3	R175 400
SABC 2	1	R84 333



Radio	Clip Count	AVE
SA FM	4	R248 852
Power FM	1	R50 833
Channel Africa	1	R6 180



ONLINE	Clip Count	AVE
NewsBriefs	49	R7 909 427
News24	10	R536 061
IOL	10	R358 554
The Africa	7	R71 264
Kimberly Prospector	7	R7 834
Bizcommunity	5	R259 604
Tourism Update	5	R197 391
Engineering News	4	R179 175
Business Live	4	R169 878
South Africa News Shafaqna	4	R16 580
Mail & Guardian	3	R158 591
Moneyweb	3	R146 015
Buy PE	3	R106 393
My Pressportal	3	R46 035
ABR (Automotive Business Review)	3	R16 135

Byline

The top journalists, by clip count, as well as AVE and sentiment.



	Clip count	AVE
Norman Masungwini	23	R2 223 438
City Press (First Edition)	4	R2 223 438
City Press (Eastern Cape)	4	R2 223 438
City Press (Free State)	4	R2 223 438
City Press (KZN)	4	R2 223 438
City Press (Second Edition)	4	R2 223 438
City Press (Western Cape)	3	R2 223 438

	Clip count	AVE
Craig Jacobs	3	R1 993 032
Sunday Time (Gauteng)	1	R1 993 032
Sunday Time (KZN)	1	R1 993 032
Sunday Time (Western Cape)	1	R1 993 032

	Clip count	AVE
Dr Sibongile Vilakazi	3	R260 553
Business Report (The Mercury)	1	R260 032
Business Report (Cape Time)	1	R260 032
Business Report (The Star)	1	R260 032

	Clip count	AVE
Kabelo Khumalo	3	R260 553
Business Day (Late Final), Company	1	R260 032
Business Day (Final), Company	1	R260 032

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Artwork created during the AGOA conference in November 2023

Regions

Below serves as a breakdown of coverage according to region

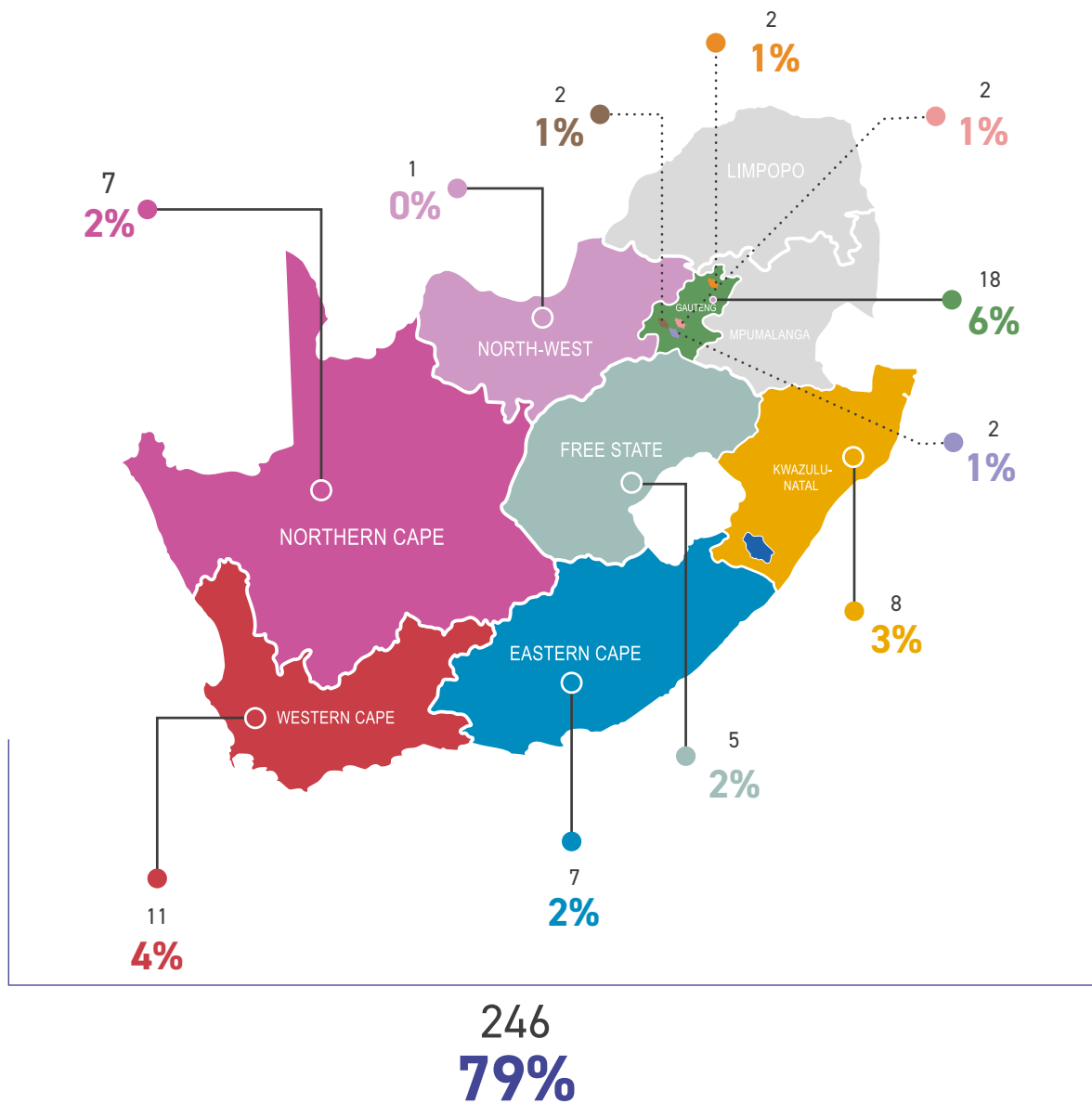


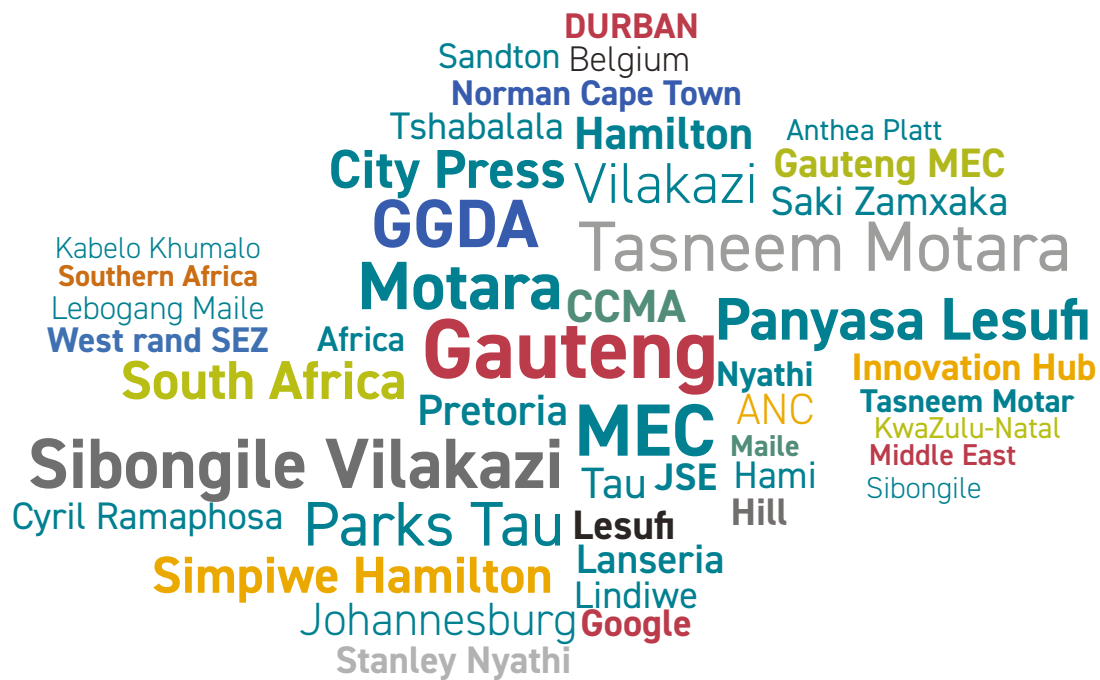
Figure 18: Regions



GGDA Acting Group CEO, Saki Zamxaka, during his CNBC Africa interview at the SA EU CEO Dialogue in November 2023

The most frequently used keywords indicate themes and trends within the media coverage.

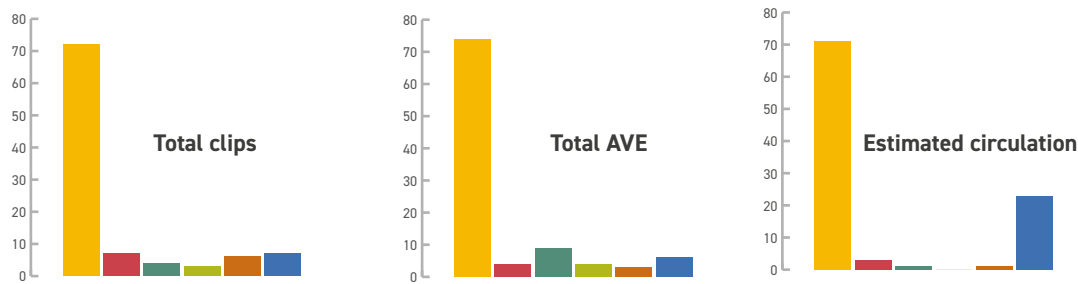
The most frequently used keywords indicate themes and trends within the media coverage.



MEC for Gauteng Department of Economic Development, Tasneem Motara, during a media tour of the OR Tambo SEZ

Media division: Subsidiaries

The total clip count, AVE, and estimated circulation for each identified entity.



Gauteng Growth and Development Agency (GDDA)	Total clips 311 72%	Total AVE R23 646 138 74%	Estimated circulation 65 670 417 71%
Automotive Industry Development Centre (AIDC)	Total clips 31 7%	Total AVE R1 374 821 4%	Estimated circulation 3 132 002 3%
Constitution Hill (ConHill)	Total clips 19 4%	Total AVE R2 799 026 9%	Estimated circulation 963 586 1%
Gauteng Industrial Development Zone (GIDZ)	Total clips 15 3%	Total AVE R1 240 881 4%	Estimated circulation 138 193 0%
The Innovation Hub (TIH)	Total clips 25 6%	Total AVE R964 927 3%	Estimated circulation 829 498 0%
The Vaal Special Economic Zone (Vaal SEZ)	Total clips 31 7%	Total AVE R1 829 739 6%	Estimated circulation 21 207 668 23%

Figure 19: Media divisions - subsidiaries



Peak analysis: Subsidiaries

Peaks within the media coverage are represented on a time-delineated graph and trending coverage is analysed.

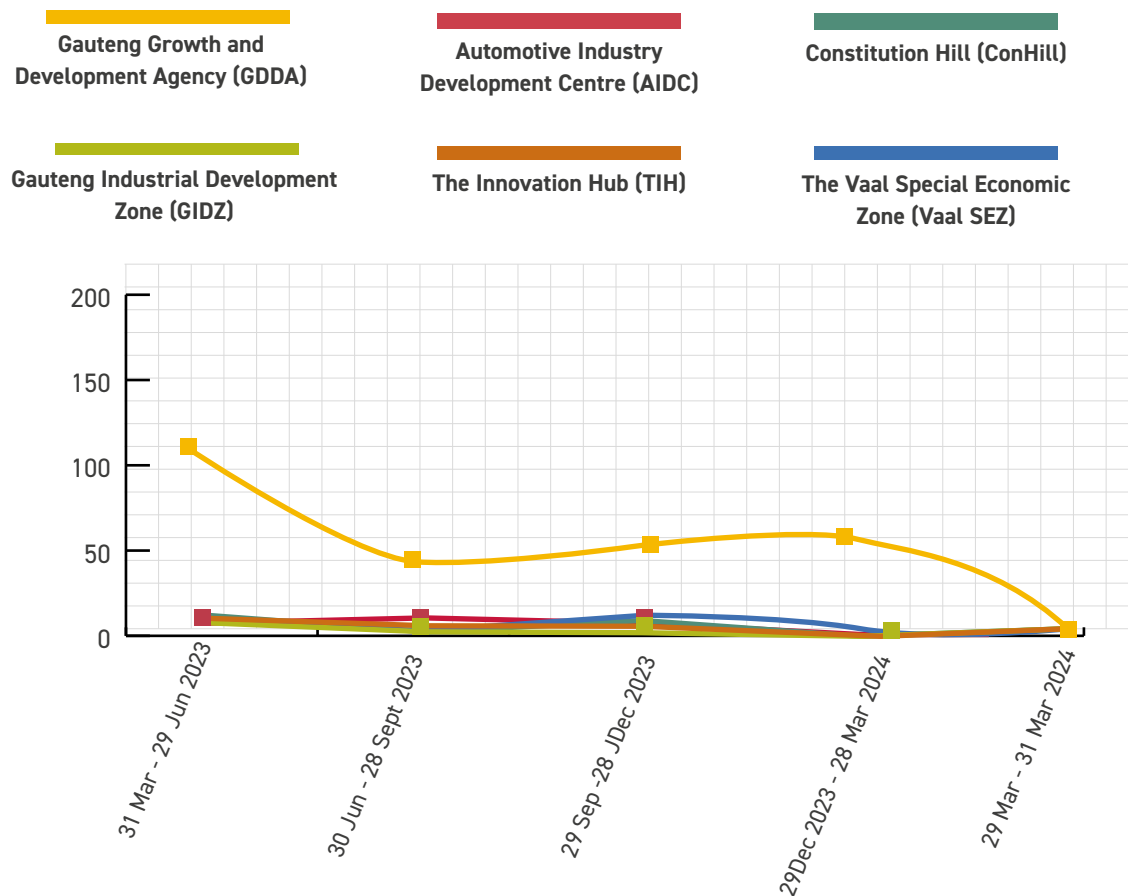


Figure 20: Peak analysis - subsidiaries



Vaal SEZ CEO, Xola Sithole, during a SABC interview at the MEDIA ADVISORY - Post U.S. Trade Mission Media Breakfast in November 2023

GGDA

The GGDA received 311 media mentions during the measurement period. Favourable media traction accounted for 42% of the overall media coverage, followed by neutral (25%), negative (19%), and mixed media traction at 14%.

Prominent favourable media coverage (12 articles) derived from reports that President, Cyril Ramaphosa, planned to construct a Smart City in Lanseria, which would home between 350 000 and 500 000 people by 2030. Ramaphosa noted that the “master plan” was managed and coordinated by the GGDA, with the support of local, provincial, and national government.

Energy company, Mitochondria Energy Company Pty Ltd, announced its commitment to invest approximately R4,3 billion to establish the first Hydrogen Valley Innovation Hub in South Africa. Mitochondria Energy stated that it was “grateful” to the GGDA for allocating 700 hectares (ha) of land for the development of the hub. This media content was circulated by Mining Weekly, Engineering News, Egoli Jozi News, and Asset, among others.

Moreover, seven articles mentioned that Gauteng's collaborative route development partnership, the Gauteng Air Access Network (GAAN), would enhance domestic, regional, and international air connectivity, which included the establishment of direct flights between O.R. Tambo International Airport and the Indian cities, Delhi and Mumbai. Established in 2021, GAAN was a partnership that was formed between various private and public stakeholders, including the GGDA.

The GGDA was a category sponsor for the ‘Young Business Leader of the Year’ award at the All Africa Business Leaders Awards (AABLA), which took place on 23 June 2023. This media content was circulated by four online articles, two broadcast stations, and one print article.

A total of 14% of the favourable coverage referred to the BRICS Trade Fair, held from 19 to 23 August 2023, which showcased products and services from Brazil,

Russia, India, China, and South Africa (BRICS), as well as business-to-business interaction that increased intra-BRICS trade and investment. It was noted that the GGDA attended the event and hosted a session themed ‘Africa’s Economic Place in the BRICS Alliance’. Speaking at the event, GGDA's CEO, Saki Zamxaka, highlighted that while several financial institutions “fast-tracked” the withdrawal of funding for the hydrocarbon project, the projects remained an “integral” part of Africa's energy strategy.

Trending coverage continued to surround reports that on 24 March 2023, Member of the Executive Council (MEC) for Economic Development, Tasneem Motara, informed Board members of the GGDA that she planned to dissolve the GGDA's Board.

The majority of unfavourable media surrounded mentions that among the 13 Board members that Motara dismissed, was Sibongile Vilakazi, former chairperson of the GGDA, following reports of alleged corruption, mismanagement, and nepotism. According to Business Live and Business Day, following Vilakazi's appointment, a consultancy company, Purple Group, was awarded contracts to facilitate Board strategy sessions, without Vilakazi declaring her association with the company. In a statement, Lerato Sewpersadh, spokesperson for the GGDA, confirmed that Vilakazi was not a director of Purple Group.

Furthermore, it was reported that Motara dismissed the GGDA's acting CEO, Simphiwe Hamilton, a month before his contract ended. In a letter addressed to Hamilton, Motara stated:

“This letter serves to inform you that your secondment to the GGDA has been withdrawn with immediate effect, in line with the Gauteng Growth and Development Proprietary Limited Act of 2003”, and he was asked to return the department's equipment.

Following Motara's announcement that she would dissolve the Board, the Gauteng High Court ruled against Motara and ordered that she reinstate the GGDA Board with immediate effect.



SAA Johannesburg to Brazil route relaunch

Automotive Industry Development Centre (AIDC)

The AIDC generated 31 mentions for the monitoring period. With 100% of the media coverage attached to a neutral media sentiment.

Five online articles and one print mention noted that AIDC signed a Memorandum of Understanding (MoU) with the Council for Scientific and Industrial Research (CSIR) to strengthen the global competitiveness of the local automotive industry.

Acting CSIR Group Executive, Sipho Mbhokota, voiced that the partnership would encourage innovation and support the growth of small-, medium-, and micro-sized enterprises (SMME), to create a “thriving” industry ecosystem and contribute to economic growth.

In continuance of the above, CEO of AIDC, Andile Africa, highlighted that the partnership was a “crucial” step towards driving growth and innovation in the automotive industry. Africa added that by embracing smart factory technologies and focusing on skills development, the entities would enhance efficiency, productivity, and competitiveness. Furthermore, AIDC and the CSIR would work together on road-mapping sector studies related to new energy vehicles (NEVs).

The BEE Chamber and South African Government News Agency stated that during October 2023, the Gauteng Department of Roads and Transport (GPDRT) launched a “state-of-the-art” Panel Beating and Apprenticeship Training Workshop for graduates, informal businesses, and entrepreneurs. It was noted that G-Fleet Management, a trading entity of the GPDRT, partnered with AIDC to operationalise the workshop.

Constitution Hill (ConHill)

ConHill generated 19 media mentions for the monitoring period, with 100% of the media coverage attached to a neutral media sentiment.

An article published by Bizcommunity and Zkhiphani reported that the Creative Uprising Programme was launched at ConHill, and aimed to develop, support, and “elevate” creative talent within various art forms. Components of the programme included the Transwerke Studio's, the Movement Store, and the Curated Makers Market, among others. Furthermore, ConHill, the GDAA, and the Gauteng Department of Economic Development inaugurated Transwerke Studio's as an “important” component.

Peak analysis: Subsidiaries 31 Mar 2023 – 31 Mar 2024

Gauteng Industrial Development Zone (GIDZ)

The GIDZ generated 15 mentions during the research period.

Prominent media coverage derived from mentions of Motara's attempt to dissolve the GGDA's Board.

The articles mentioned that the GIDZ was an entity that fell under the GGDA. Gauteng Business reported that the GIDZ, located at O.R Tambo, was an agro-processing plant that aimed to encourage the export of high value goods.



BFG Africa supported by the AIDC

TIH generated 25 media mentions for the monitoring period. A positive sentiment accounted for 42% of the coverage generated for the agency.

An additional six articles mentioned that on 3 May 2023, TIH hosted an eKasiLabs Garankuwa Activation and Panel Discussion, themed 'Innovation for Food Security and Poverty Alleviation'. The event showcased the potential of eKasiLabs benefitting the local township economy, particularly in the agricultural sector.

The Vaal Special Economic Zone (Vaal SEZ)

Trending media coverage derived from mentions of Mitochondria Energy's announcement that it would invest R4,3 billion, over the next four years, to establish the first Hydrogen Valley Innovation Hub. Xola Sithole, programme manager of the Programme Management Office (PMU) of the proposed Vaal SEZ, voiced that he was "delighted" that the company chose to locate the manufacturing hub in the Vaal Region, and thanked the Emfuleni Municipality for allocating 700 hectares of land for the "groundbreaking" development.



Marketing and communication partnerships

IATF marketing partnership: October to November 2023

The GGDA partnered with AFRIXEM bank to promote the IATF to GGDA-supported companies and to create awareness of the trade fair.

SA EU CEO Dialogue

The Southern Africa Europe CEO Dialogue, 10th edition took place in Johannesburg on 9 and 10 November 2023. This event was a unique platform to promote the GGDA through profiling Gauteng's long-term growth of strategic trade and economic relations between Europe and Southern Africa.



CEOs' Views on African Business panel discussion during the SA EU CEO Dialogue in November 2023



Former Finance Minister and Chairman of Thebe, Nhlanelhla Nene during a Newzroom Afrika interview at the SA EU CEO Dialogue in November 2023

Programme 1: GGDA Holdings originally tabled Annual Performance Plan

Table 13: Originally tabled APP - Outcomes, outputs, output indicators, targets and actual achievements

Programme 1: GGDA Holdings originally tabled Annual Performance Plan									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	*Actual Achievement 2023/24 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Increased investment and growth in economic infrastructure in Gauteng.	Viable infrastructure projects to stimulate economic development.	Number of infrastructure projects completed.	0%	15%	1 (ConHill New Visitor Centre)	-	-1 (ConHill New Visitor Centre)	The target was due for reporting at the end of quarter 3.	The output indicator was removed from the APP as the contract with the contractor was terminated in August 2023. Due to the lengthy SCM processes, the appointment of new PSP and completion of stage 3-4 documentation which was estimated to take about 7 months, the indicator was relegated to the operational plan.
		Number of infrastructure projects completed.	48%	65%	1 (TIH Bio-Science Park)	-	-1 (TIH Bio-Science Park)	The target was due for reporting at the end of quarter 3.	Target moved from quarter 3 to quarter 4. The quarter 3 target was adjusted to 0 and the delivery of the target annualised.
		Number of new township industrial parks (TISH) infrastructure projects implemented.	-	-	3	-	-3	This was an annual target due for reporting at year end.	The output indicator was removed from the APP as the planned target to appoint PSPs that would have undertaken stage 1-4 by the end of Q1 did not conclude due to the delays in re-constituting the SCM committees to evaluate PSP panel bids. In addition to the long lead times for procurement processes; the appointment of contractors and commencing construction in the FY would not have been realistic given the project was still at the planning phase.
		Number of rolled over township industrial parks (TISH) infrastructure projects implemented.	-	0	3	-	-3	The target was due for reporting at the end of quarter 3.	The output indicator was modified to remove the reference to "TISH".
Expansion and sustainability of local business supported.	Local contractors benefiting from sub-contracting.	Number of local contractors (TISH) receiving sub-contracting from EPMO projects.	4	24	60	7	-53	Not all sub-contractors have the required signed appointment/ acceptance letters.	The downward revision of the target to 40 was necessitated as the construction of the New Industrial Parks would not commence in the FY and the termination of contract for the Visitors Centre meant the sub-contracting opportunities on these projects would not materialise. In addition, the output indicator was modified to remove the reference to "TISH".

Programme 1: GGDA Holdings originally tabled Annual Performance Plan									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	*Actual Achievement 2023/24 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Increased investment and growth in economic infrastructure in Gauteng.	Investment for SEZ projects secured	Rand value of firm investment commitments to the Vaal SEZ.	-	R4,8 billion	R2 billion	R2,1 billion	+R100 million	This was an annual target due for reporting at year-end, however, the Vaal SEZ secured an investment commitment during the 2nd quarter.	The output indicator was rephrased to "Rand value of investment committed to the Vaal SEZ" removing the word firm per the previous audit outcome recommendation.
		LSC SPV Programme JSE Listed for bulk infrastructure capital raising.	-	-	LSC SPV Programme JSE Listed by end March 2024 .	-	LSC SPV Programme JSE not listed by end March 2024.	This was an annual target due for reporting at year-end.	A decision was made in quarter 1 to appoint a transactional advisor through a tendering process in place of/not proceed with listing the LSC SPV programme on the JSE.

Programme 1: GGDA Holdings – Re-tabled Annual Performance Plan

Table 14: Holdings re-tabled App - Outcomes, outputs, output indicators, targets and actual achievements

Programme 1: GGDA Holdings re-tabled Annual Performance Plan								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	**Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
Sub-Programme 1: Trade, Investment and Regulatory Enablement (TIRE)								
Increased levels of investments into Gauteng City Region.	Value of investments (FDI and DDI) facilitated.	Rand value of FDI facilitated.	R9,30 billion	R25,4 billion	R13 billion	R21,6 billion	+R8,6 billion	The target was exceeded because of the data centre investment valued at R20 billion.
		Rand value of DDI facilitated including infrastructure.	R10,18 billion	R10 billion	R9,8 billion	R30,7 billion	+R20,9 billion	The target was exceeded mainly as the result of a property development facilitation valued at R20 billion.
Increased domestic and global trade activities from Gauteng City Region.	Improve export and trade of goods and services within Africa by GCR based companies.	Rand value of trade deals facilitated.	R4,54 billion	R6,4 billion	R4,3 billion	R11,2 billion	+R6,9 billion	A significant trade value was recorded by a manufacturing company (R5bn) and aggressive expansion plans by Gauteng based companies that were assisted.
		Number of expansion opportunities matched with GCR companies.	26	56	25	57	+32	Target exceeded because of successful matchmaking of Gauteng-based companies with foreign companies at events such as BRICS 2023 and AGOA 2023 and B2B engagements during the promotion of the Intra-Africa Trade Fair 2024.
Sub-Programme 2: Enterprise Project Management Office (EPMO)								
Increased investment and growth in economic infrastructure in Gauteng.	Viable infrastructure projects to stimulate economic development.	Number of infrastructure projects completed.	48%	65%	1 (TIH Bio-Science Park)	0 (TIH Bio-Science Park) (69% project construction completed).	-1 (TIH Bio-Science Park).	The original contract included provisional sums items that accounted for work that was not designed by the previous PRT. The new PRT was given permission to commence on the detailed designs pertaining to the provisional sum items in April 2023. This was made up of 19 items which were designed and implemented as drawings were being made available. The previous practical completion date of December 2023 did not take into consideration the detailed designs, procurement of selected subcontractors, shops drawings, manufacturing, delivery, and installation on site of these provisional sum items. Hence, the previous practical completion date could not be achieved. • The procurement and appointment of selected subcontractors for the specialist works/provisional sums. • The long-lead items, which are required for the provisional sum items. • The delays in issuing out construction drawings to the contractor. • The delays in securing tenants for the building.
		Number of rolled over township industrial parks infrastructure projects implemented.	0	0	3	3	-	-
Expansion and sustainability of local business supported.	Local contractors benefiting from sub-contracting.	Number of local contractors receiving sub-contracting from EPMO projects.	4	24	40	55	+15	The inclusion of the Chamdor roof project sub-contractors and new evidence supporting the employment of additional sub-contractors in existing projects led to the overachievement of the target .

Programme 1: GGDA Holdings re-tabled Annual Performance Plan								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	**Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
Sub-Programme 3: Special Economic Zones (SEZs)								
Increased investment and growth in economic infrastructure in Gauteng.	Investment for SEZ projects secured.	Rand value of investment committed to the Vaal SEZ.	-	R4,8 billion	R2 billion	R2,8 billion	+R800 million	The target has been met and exceeded as commitment values received were higher than expected.
		West-Rand SEZ master plan approved.	-	52%	West Rand SEZ master plan approved.	West Rand SEZ master plan not approved.	West Rand SEZ master plan not approved.	The master plan was completed and underwent internal reviews in; Q3, however, there was a delay in getting confirmation of the land from the mining company. This was only received in February 2024. This new development prompted the PMU to amend the master plan.
		Lease/ donation agreement for the West Rand SEZ entered.	-	-	Lease/ donation agreement for the West Rand SEZ entered.	Lease/ donation agreement for the West Rand SEZ not entered.	Lease/ donation agreement for the West Rand SEZ not entered.	A draft lease agreement with the municipality was initially drafted and signed by all parties except the Gauteng Department of Infrastructure Development (GDID) – which is the custodian and owner of all government properties in the province. Upon follow-ups with GDID to sign, a requirement to restart the entire land agreements process was proposed. GDID required its sister department (GDED) to mandate them to form party to the agreements. Therefore, against the yearly target of entering into a lease agreement, this target has not been achieved.
		Number of pre-designation activities undertaken for West Rand SEZ.	-	-	2	1	-1	The award of the deal maker was not concluded by the end of the 4th quarter.

Linking performance with budgets

Table 15: Linking performance with budgets

Programme/ activity/objective	2022/23			2023/24		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	196 642	191 298	5 344	232 229	235 858	(3 629)
TIRE	12 899	11 476	1 423	15 433	15 179	254
EPMO	197 243	85 757	111 486	437 689	158 676	279 013
Business Intelligence	2 900	4 121	(1 221)	6 400	3 581	2 819
Special Economic Zones	93 028	5 497	87 531	56 682	9 546	47 136
Total	502 712	298 149	204 563	748 433	422 840	325 593

BioPark Phase 3

The project entails the construction of a biomedical facility at the Innovation Hub to accommodate tenants in this space. The objective was to achieve 100% completion by the end of the 2023/24 financial year; however, due to delays anticipated from long-lead items, completion will only be achieved in September 2024. The project is currently at 69% overall progress.

ConHill Visitor Centre

The scope of work entailed the development of the ConHill Visitor and Conference Centre. The work comprises a multi-story building on an existing basement parking facility. The objective was to achieve 100% completion by the end of Q3 of the 2023/24 financial year, however, the contract with the contractor was terminated on 15 August 2023. The project's physical progress at termination was 16,5%.

Special Economic Zones (SEZs)

The expenditure incurred mainly relates to operationalisation of the PMU of the SEZs and development of master plans for the Vaal SEZ and West Rand SEZ.

The budget of R93 million mainly relates to the Vaal SEZ allocation. The key planned project for the period under review was for the design and installation of an integrated security solution. The appointments of service providers were made and R21 million is fully committed towards this integrated security solution.

Strategy to overcome areas of under performance

To address the underperformance on construction projects, the procurement of Professional Service Providers (PSP) will be streamlined by utilising a pre-approved panel, which will reduce turnaround times and expedite the appointment of service providers, thereby minimising procurement delays.

Additionally, a comprehensive strategy will be implemented to improve supervision, financial assessment, contractor capacity, and risk management. The Terms of Reference (TOR) will be revised to mandate the inclusion of a resident engineer, ensuring on-site oversight and management to prevent issues stemming from inadequate supervision. For assessing contractor financial capability, measures such as financial audits and debt ratio assessments will be introduced, going beyond the traditional reliance on bank rating letters to ensure contractors have the necessary liquidity for day-to-day operations.

Regular, detailed risk assessments will be conducted for all projects and monitored weekly to proactively identify and mitigate potential issues. This multi-faceted approach aims to enhance efficiency, coordination, and overall project outcomes.



Construction workers at the TIH's BioPark



Mr Andile Africa

Chief Executive Officer:
Automotive Industry Development Centre

Programme 2: Automotive Industry Development Centre (AIDC)

Purpose: To develop the automotive manufacturing sector to globally competitive standards of excellence, through a world-class value proposition which enables effective and sustainable socio-economic growth. The organisation was established as a government support centre, to increase the local automotive industry's global competitiveness and to promote Gauteng as the automotive industry investment destination of choice.



Automotive Industry Development Centre
Your partner in becoming globally competitive



100%

Achievement



285 unemployed
township-based youth
trained in automotive
skills.



1 419 employed
individuals
upskilled/reskilled
to ensure retention
of jobs.



238 candidate
artisans declared
competent at the AIDC
Trade Test Centre.



46,4% productivity
improvement in
companies participating
in the efficiency
improvement programme.



R122 million
in revenue generated by
SMMs operating within
the AIDC Incubation
Programme.



62 township-based
SMMs upskilled in the
automotive sector.



R2,4 million
in revenue generated by
SMMs operating within
the AIDC Township
Automotive Hubs.

The AIDC celebrates 20 years of the Automotive Supplier Park

The Automotive Industry Development Centre (AIDC) marked a significant milestone on 19 March 2024, as it celebrated the 20th anniversary of the Automotive Supplier Park (ASP) in Rosslyn. The event, attended by esteemed stakeholders from the automotive industry, served as a celebration of the AIDC's contributions to the automotive sector and its role in driving economic growth in the broader northern economic corridor.

A total of 150 strategic stakeholders comprising media, business and the MEC of Economic Development participated in the 20-year celebration of the AIDC. The event profiled key milestones in the Automotive Industry Development Centre (AIDC).

The Automotive Supplier Park (ASP) is an industrial park based in Rosslyn, which is modelled on leading supplier parks that operate in Europe, Japan and America.

AIDC is dedicated to shape the future of automotive manufacturing through strategic investments and expansion plans for ASP, with a focus on sustainability, efficiency, and competitiveness. AIDC aims to further enhance ASP as a prime location for automotive manufacturing.

The ASP's location creates synergies and cost-saving potential for investors due to its proximity to all major OEMs in Gauteng.

The ASP spans 160 hectares (116 hectares owned by the AIDC and 44 hectares by the municipality). A total of 60 hectares (37,5%) of the available 160 hectares is developed, and houses 13 factories which are consistently at 98% occupancy. The AIDC has facilitated over 2 000 permanent indirect jobs through the companies housed in the Automotive Supplier Park, and 900 contractual jobs since its inception.

The transformative impact of the AIDC encapsulates significant impacts. From 2004 to 2024, the AIDC has created more than 1 200 direct jobs and trained more than 18 000 individuals in the automotive industry. Furthermore, the revenue generated by the 22 incubatees stands at an estimated R800 million since inception in 2011 and successfully graduated 11 incubatees, which bears testimony to the AIDC's commitment to fostering entrepreneurship.



Batyi Automotive Component Supply supported by the AIDC

Achievement of institutional outcomes

Table 16: AIDC achievement of institutional outcomes

Outcome	Outcome indicator	Baseline	Five-year target 2020 - 2025	Progress	% of five-year target
Enhanced transformation in the economy	Number of incubatees recruited and graduated from the incubation programmes	13	20	18	90%
To develop the township economy	Additional hubs in townships	2	1	1	100%
	Number of townships SMMEs upskilled in the automotive sector	6	80	111	139%
Enhanced skills development and training	Number of individuals reskilled and upskilled	3 100	15 000	9 210	61%
	Trade Test Centre (TTC) assessment conducted	120	520	738	142%
Improved production	Number of companies in the automotive value chain supported to achieve world class manufacturing standards	30	150	154	103%
Accelerated job creation, upskilling for employability and skills development within the automotive industry	Number of jobs created	200	1 000 (Permanent)	903	90%
Incubation programme to provide skills and jobs	Revenue generated by 13 SMME's operating within the AIDC Incubation Programmes to increase localisation from 40% to 60% by 2035	R45m	R150m	R262m	175%

Unemployed township-based youth trained in automotive skills

This is an entry-level skills programme based on core practical modules and introductory training sessions that are aimed at introducing unemployed youth to a variety of careers in the automotive industry. The introductory courses serve as a foundation for further technical training in automotive occupational trades. The training interventions is targeted at unemployed youth who preferably reside in the townships, informal settlements and hostels.

During the financial year under review, the planned target of 120 youth was surpassed by training 285 unemployed young people from local townships at the Gauteng Automotive Learning Centre, Winterveldt Hub, and Chamdor Hub. The trained group consisted of 127 females and 158 males. The overachievement resulted from the partnership with Tiger Wheel and Tyre, which provided training in tyre stripping, fitment, wheel balancing, and puncture repairs at the Chamdor Hub. Given the current shortage of skilled technicians in the wheel and tyre sub-sector, as highlighted by Tiger Wheels and Tyre, the training at Chamdor is aimed at bridging this particular skills gap.

Automotive skills training

Table 17: Automotive skills training (modules)

Type of training	Total trained
Start and Improve Your Business Programme	68
Automotive Electrical Circuits and Wiring	34
Simulator Training	10
Tyre Fitting, Stripping and Balancing	173
	285

Employed individuals upskilled/reskilled to ensure retention of jobs

This intervention aims to upskill or reskill those already employed to acquire technical and non-technical automotive skills for job sustainability and retention. This is achieved through support provided to SMMEs and partnerships with OEMs, academia and other private organisations.

During the reporting period, the Gauteng Automotive Learning Centre and other AIDC projects (Nissan incubation, Ford incubation and Supplier Enterprise Department) successfully trained 1 419 employed individuals, exceeding the target of 1 300. This group included 258 female youth and 416 male youth. The type of training offered during the year is listed in the table below:

Table 18: Automotive skills training (topics)

Training topic	Number trained
Code of Conduct	228
Health and Safety Induction	65
Cashflow Management	5
TPS Standard Work	4
Kaizen Training	35
Quality Productivity Network (Kaizen)	12
Kaizen: 7 Waste and 5S	0
5S and 7 Waste	84
5S Training	8
QMS Awareness Training	7
TPM Workshop	10
TPM AM and TPM Overview	14
TPM Overview	13
TPM Facilitators Course	23
Manufacturing Process Training	6
QMS Problem Solving and Communication	17
RPIW - Problem Solving	22
Basic Problem Solving	4
RPIW - Final	2
RPIW - Follow-up	1
Basic Kaizen Training - 5s	21
Basic Root Cause Analysis and Communication	13
Management Training Industry 4.0 Change	30
Festo LX-Industry 4.0	46
ACMA Automotive Training	27
SMME's Supervisory Training	9
SMME Training	68
SMME Workshop Training	62
Automotive Sales Training	28
Nissan Secondary Damage Training	18
GIBS Training	18
YK04 Nissan Training	26
ATWI Nissan Training	31
CCBC-Technical Training	37
5s Training - Festo LX	15
TATA - Festo LX Training	15

Training topic	Number trained
Festo LX Module Electric	25
Nissan - Project Management	11
Nissan - Intro to Project Management	10
Nissan - NSA Training	12
Rainbow Technical Training (PLC)	34
NISSAN Team Cohesion Training	30
Nissan Production Training	13
Nissan Building Resilience in Self and Others	14
Nissan First Aid Training	33
Nissan AMIEO F2F Soft Skills Training	6
AMIEO F2F Nissan Soft Skills Training	9
Nissan Project Management Training	9
Poor Performance Management	45
Automotive Electrical Circuits and Wiring	27
TOT Mechatronics Training	6
Production Technology	11
Supervisory Course-Team Leader	13
Mechatronics Practical Modules	8
She Rep Training	14
Battery Training	6
Introduction to automotive	22
Automatic Tool and Die	16
Hand Skills	5
Nissan TQMQC	5
MH Basic Skills	11
	1 419

Candidate artisans declared competent at the AIDC Trade Test Centre

The TTC was established with the purpose of facilitating trade certification for those trades, which results in trade test assessments with accredited training. There is still a gap around the formalisation of skills within the automotive and allied industries. This gap can be addressed through the Artisan Recognition of Prior Learning assessment, which is one way of recognising the prior learning and experience of a person who has been working for some years in a trade but has not passed a formal trade test and is, therefore, not recognised as a qualified artisan.

The TTC caters for apprentices and learners that have completed their full qualifications to be trade tested under section 26D of the Trade Test Regulations. After the applicant's suitability for a trade test is determined, the applicant will then undergo a trade test at a Manufacturing, Engineering and Related Services SETA, Quality Council for Trades and Occupations, and National Artisan Moderation Body accredited TTC. The following are the AIDC TTC's scope of accreditation: diesel mechanics, spray painter, boilermaker, mechanical fitter, fitting and turning, auto electrician, auto body repairer, and welding.

During the financial year, the total assessments reached 238, exceeding the annual target of 220 assessments.

Table 19: Automotive skills training (trades)

Trades	Annual total	Q1	Q2	Q3	Q4
Welding	25	5	2	15	3
Mechanical Fitter	34	4	5	4	31
Boilermaker	114	47	35	9	23
Fitter and Turner	55	2	18	0	35
	238	58	60	28	92

Average percentage of productivity improvement in companies participating in the Efficiency Improvement Programme

The efficiency programme aims to increase the productivity levels of participating SMMEs. A baseline productivity percentage is calculated at the start of the programme and is then measured again at the end of the intervention to ascertain the level of improvement. AIDC intervenes through design, programming, and other operational processes to improve current productivity levels. These interventions contribute to financial savings, increased number of units produced during a set period, improved production volumes, job security, and increased income for the companies. The international benchmark for efficiency improvement is 10% for manufacturing companies. The AIDC has targeted to improve the efficiency of companies participating in the programme by 35%.

For the 2023/24 financial year, 28 companies were supported with supplier and enterprise development interventions. The average efficiency achieved for the companies supported in the 2023/24 financial year is 46,4%, as listed below:

Productivity improvement intervention outcomes

Table 20: Productivity improvement intervention outcomes

#	Company	Programme	Project intervention	Unit of measure	Before	After	Average efficiency improvement %
1	The Automotive Pros	Quality Management System	QMS compliance improvement	%	20,00%	35,90%	15,90%
2	B Engineering	Lean Manufacturing	Improve lead time for ABB alloys product	Hours	3,946	1,846	53,22%
3	BACS	Lean Manufacturing	Reduction in dirt under paint defects	Units per month	176,00	122,00	30,68%
4	Batho Ke Bokao Motor Clinic	Lean Manufacturing	Reduction in searching time	Seconds	21,00	10,00	52,38%
5	BFG Africa	Lean Manufacturing	Reduction in the number of defects in the RTM line	%	11,00%	2,00%	47,56%
			Reduction in excess resin monthly trend	Units per month	36,00	5,00	
6	Excellence Motor Trimmers (EMT)	Lean Manufacturing	Improvement in average cycle time at steering wheel sawing area	Seconds	223,00	197,00	11,66%
7	Feasible Plastics	Lean Manufacturing	Reduction in searching time	Seconds	153,00	55,00	64,05%
8	Feltex Trim Rosslyn	Lean Manufacturing	Reduction in number of parts scrapped	Units per month	103,00	38,00	63,11%
9	Feltex Trim Silverton	Lean Manufacturing	Reduction in roll change over times	Minutes	10,00	3,00	36,79%
			Increase moulding output	Units per hour	56,00	58,00	
10	Feltex Fehrer Rosslyn	Lean Manufacturing	Reduction in number of parts scrapped	Units per month	333,00	172,00	48,35%
11	Khampe Tyre & Wheels	Lean Manufacturing	Reduction in searching time	Seconds	24,00	10,00	58,33%
12	KPL Die Casting	Quality Management System	Reduction in searching time within the powder coating workshop (seconds)	Seconds	58,00	36,00	37,93%
13	Lazar Material Handling	Lean Manufacturing	Increase in number of units per hour	Units per hour	44,00	66,00	50,00%

#	Company	Programme	Project intervention	Unit of measure	Before	After	Average efficiency improvement %
14	Leloko Transport	Quality Management System	QMS compliance improvement	%	35,43%	98,48%	63,05%
15	Lwams	Quality Management System	QMS compliance improvement	%	50,20%	93,91%	43,71%
16	Mammoth	Lean Manufacturing	Improve cycle time at pre-machining station	Hours	2,00	1,00	37,50%
		Lean Manufacturing	Improve cycle time at machining station	Hours	8,00	6,00	
17	Mphary Spray Painters & Panel Beaters	Lean Manufacturing	Reduction in searching time	Seconds	40,00	15,00	62,50%
18	Nakana Automotive	Lean Manufacturing	Improvement in lead time for the B-Post rework station	Seconds	112,58	88,64	21,26%
19	Nissan SA	Lean Manufacturing	Improve lead time	Days	5,30	3,53	33,40%
20	Nomtec Automotive Supplies	Lean Manufacturing	Reduction in number of rejects	Units per month	1 135,00	715,00	37,00%
21	NTCS Engineering	Quality Management System	QMS compliance improvement	%	60,40%	92,40%	32,00%
22	Premier Mats	Lean Manufacturing	Improved lead time on average	Seconds	126,00	51,00	59,52%
		Manufacturing	Cycle time at velcro station				
23	RD Auto Interiors	Lean Manufacturing	Reduction in searching time	Seconds	272,00	65,00	76,10%
24	SA Power Coaters	Quality Management System	QMS compliance improvement	%	22,20%	77,60%	55,40%
25	Safeline Brakes	Lean Manufacturing	Reduction in number of rejects at grinding area	Units per month	2 659,00	585,00	78,00%
26	Supreme Spring	Total Productive Maintenance (TPM)	Reduction in average downtime at the Torsion Bar line in Plant 1	Hours	12,71	9,47	14,25%
		Total Productive Maintenance (TPM)	AM Step 1 Audit Score	%	41,50%	44,50%	
27	Vacuform	Lean Manufacturing	Reduction in number of scrapped parts	Units per month	410	157	61,71%
28	X-Haulted	Lean Manufacturing	Increase operator utilisation	%	28,0%	83,0%	55,00%
Average efficiency							46,44%

Revenue generated by SMMEs operating within the AIDC incubation programmes

The incubation programme (Ford and Nissan) aims to empower black-owned enterprises to become Tier 1 and Tier 2 suppliers to OEMs and in so doing, bring them to the mainstream economy of the automotive sector to transform the automotive sector and increase localisation.

The total combined revenue of incubatees within the two incubation programme was R122 358 830,04 against an annual target of R55 million – an actual performance of 222% for the year.

This over-achievement was mainly due to increased production volumes on the Ford Ranger model from Ford Motor Company South Africa (FMCSA). FMCSA works 24 hours a day on a three-shift model, and this has further resulted in the facility working additional overtime to accommodate the increased volume required by Ford. The breakdown of revenue per incubatee company can be seen in Table 21 below:

Incubation programme turnover report

Table 21: Incubation programme turnover

Ford incubation	Total
Motsau Technologies Automotive Assemblies (Pty) Ltd	R33 749,49
Ikukeng Automotive Engineering IAE (Pty) Ltd	R5 648 475,51
Nomtec Automotive (Pty) Ltd	R26 117 612,23
Tshetu Automotive Supplier (Pty) Ltd	R59 697 339,08
MH Automotive Engineering (Pty) Ltd	R6 915 531,00
TOTAL:	R98 412 707,31
Nissan incubation	
Ndivho Automotive Services (Pty) Ltd	R6 546 055,70
Letago Automotive Manufactures (Pty) Ltd	R2 835 689,12
Nakana Automotives Co (Pty) Ltd	R3 472 894,26
Omi 3D Engineering (Pty) Ltd	R1 086 815,61
Agile Industrial Systems (Pty) Ltd	R2 876 560,89
Sana Automotive Manufacturer (Pty) Ltd	R7 128 107,15
Newco 2	-
Newco 3	-
TOTAL:	R23 946 122,73
COMBINED TOTAL	R122 358 830,04

Township-based SMMEs upskilled in the automotive sector

Township-based SMMEs are supported with tailor-made skills programmes to increase their capacity to service clients and become profitable and efficient. The type of skills provided is determined by a needs assessment at each township hub, which include technical training and mentorship programmes, financial skills, and marketing, among others. On successful completion, attendees are awarded certificates of completion.

A total of 62 township SMMEs were upskilled during the financial year due to a partnership between AIDC and GBNR Solutions (Pty) Ltd to develop township SMME's in various automotive programmes. The development of township SMMEs will improve market access or trade activities and increase their revenue to be self-sustainable.

GNBR Solutions (Pty) Ltd is implementing a Small Enterprise Development Agency (SEDA) National Skills Training Programme targeting informal SMMEs in the automotive and related industries from township and rural areas in South Africa.

The SEDA Business Start-Up training programme covers the following topics: Marketing the Business, Financing the Business, Managing the Business, Business Compliance (including assisting informal businesses with CIPC registration) and Business Planning and presentation to potential financiers for funding. The course is presented over a 5-day period.

Revenue generated by SMMEs operating within the AIDC Township Automotive Hubs

This indicator tracks the monetary value generated by township-based SMMEs by calculating the value of purchase orders/invoices processed at the township hubs.

The total turnover of the Township Automotive Hubs (both Winterveldt and Chamdor) was just over R2 million for the FY, exceeding the annual target by 19%. The annual target was exceeded due to an increase of private vehicles to the hubs. The total value contributed by both the Winterveldt Hub and Chamdor Hub is outlined in the table below:

Table 22: Township Automotive Hub revenue generated

Township Hub	Amount	Number of vehicles processed
Winterveldt Enterprise Hub	R 849 789,65	172
Chamdor Automotive Hub	R 1 521 067,89	257
Annual Total	R 2 370 856,54	429



AIDC's Chamdor Automotive Hub

Programme 2: AIDC – Originally tabled Annual Performance Plan

Table 23: AIDC originally tabled APP – Outcomes, outputs, output indicators, targets and actual achievements

Programme 2: AIDC – Originally tabled Annual Performance Plan									
Outcome	Output	Output indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	*Actual Achievement 2023/24 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Globally competitive SMMEs. Improved market access or trade activities by township-based SMMEs. Decent employment through inclusive growth.	SMMEs completing efficiency improvement programmes productivity.	% of productivity improvement in companies intervened with the efficiency improvement programme.	41,98%	46%	35%	-	-35%	This was an annual target due for reporting at year end.	The group APP had to be corrected to align with the output indicator as reflected in the AIDC APP which is being correctly measured by AIDC as "Average % of productivity improvement in companies participating in the efficiency improvement programme".

Programme 2: AIDC – Re-tabled Annual Performance Plan

Table 24: AIDC re-tabled APP - Outcomes, outputs, output indicators, targets and actual achievements

Programme 2: AIDC – Re-tabled Annual Performance Plan								
Outcome	Output	Output indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	**Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
Enhanced skills development and training.	Individuals and SMMEs trained.	Number of unemployed township-based youths trained in the automotive skills.	1 189	651	120	285	+165	The overachievement was due to a new partnership with Tiger Wheel and Tyre for technical training in tyre stripping, fitment, wheel balancing and puncture repairs at the Chamdor Hub – 173 unemployed youth were trained through this initiative alone.
		Number of employed individuals upskilled/ reskilled to ensure retention of jobs.	-	1 275	1 300	1 419	+119	The overachievement was due to positive outcomes from mitigations such as increased training with Nissan SA and the efficiency improvement programme implemented to make up the deficit on the annual target.
		Number of candidate artisans declared competent at the Trade Test Centre.	92	225	220	238	+18	The overachievement was due to the 80 cancelled assessments from Nissan SA planned in Q3, which took place in Q4 after serial numbers were issued from MerSETA.
		Number of township SMMEs upskilled in the automotive sector	New	74	50	62	+12	Overachievement was due to the partnership between AIDC and GBNR solutions to develop township SMMEs in business start-up training programme.
Globally competitive SMMEs.	SMMEs completing efficiency improvement programmes productivity.	Average % of productivity improvement in companies participating in the efficiency improvement programme.	41,98%	46%	35%	46,4%	+11,4%	14 companies achieved efficiency improvement between 50% and 100%, which has contributed to overall increase in average % of productivity improvement.
Improved market access or trade activities by township-based SMMEs.		Revenue generated by SMMEs operating within the AIDC Incubation Programme.	R60,15 million	R73,3 million	R55 million	R122 358 830	+R67 358 830	The overachievement is due to increased production volumes from Ford Motor Company South African (FMCSA) that started in the first quarter and the subsequent introduction of a third shift for production at the Ford Incubation Centre.

Programme 2: AIDC – Re-tabled Annual Performance Plan								
Outcome	Output	Output indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	**Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
Decent employment through inclusive growth.	SMMEs completing efficiency improvement programmes productivity.	Revenue generated by SMMEs operating within the AIDC Township Automotive Hubs.	R290 067,00	R2 159 166	R2 million	R2 370 856	+ R370 856	The overachievement was due to an increase in private vehicle clients utilising the hubs for repairs and maintenance.

Linking performance with budgets

Table 25: Linking performance with budgets

Programme/activity/objective	2022/23			2023/24		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Industry Development	49 714	46 244	3 470	60 649	49 709	10 940
Operations	135 559	106 942	28 617	151 304	145 230	6 074
M&E and Risk	3 309	3 081	228	3 770	3 080	690
Business Development	7 294	8 075	(871)	13 930	11 331	2 599
Management	2 921	3 512	(591)	5 110	5 931	(821)
Finance	30 912	34 610	(3 698)	39 766	34 291	5 474
Human Resource	8 380	7 271	1 109	10 107	9 303	803
Total	238 089	209 735	28 354	284 635	258 876	25 759

2022/23

The overall variance for the 2022/23 financial year expenditure indicates savings of R28.3m. However, the expenditure amount remains stagnant as a commitment amount for tenders that were not awarded during the financial year. AIDC will apply for budget rollover for the fund to be utilised in the next financial period.

2023/24

The overall variance for the 2023/24 financial year expenditure indicates savings of R25.8m. This expenditure saving was due to vacant positions within different departments. A cost containment measure was introduced by National Treasury in Q3, and as a result, the recruitment process has been scaled down. The AIDC vacancy rate is at 50%.



BFG Africans supported by TIRE



Mr Bangani Mpangalasane
Chief Executive Officer
The Innovation Hub Management Company

Programme 3: The Innovation Hub Management Company (TIHMC)

Purpose: The Innovation Hub Management Company (TIHMC), as a Science and Technology Park, is an innovation agency tasked with spearheading innovation initiatives within the Gauteng City Region. As a key innovation agency within the province, TIHMC plays a pivotal role in both conceptualising and implementing innovative programmes in high-growth sectors aligned to the Growing Gauteng Together 2030 (GGT2030) initiative, including the digital economy, bio-economy, and green economy.

At the core of TIHMC's mandate is fostering entrepreneurship, incubating new ventures, and catalysing radical economic transformation. TIHMC's focus extends to creating new business opportunities, nurturing entrepreneurial talent, and sourcing relevant innovations to modernise the economy. By providing attractive spaces for emerging knowledge companies and facilitating human capacity development aligned with industry needs, TIHMC ensures a dynamic ecosystem where businesses can thrive. This is achieved by fostering collaboration between industry, government, and academic and research institutions, reinforcing the constructive collaboration necessary for the development of innovative solutions.

TIHMC encompass a range of sub-programmes aimed at achieving the above. These initiatives serve as incubators for emerging ventures, providing vital business development support, and fostering the development of innovations provided below:

Maxum Business Incubator: Maxum provides business development support to start-ups in the smart industries: ICT (eg. Internet of Things, cyber security, big data and analytics, artificial intelligence) and advanced manufacturing/industry 4.0 (e.g. industrial IoT, additive manufacturing, foundry 4.0).

Climate Innovation Centre Incubator: The programme provides support to start-ups in the South African green economy. Through targeted business development support, this initiative facilitates the growth of enterprises committed to addressing environmental challenges and driving sustainable innovation.

BioPark Incubator: BioPark Incubator provides business development support to start-ups in the health (biopharmaceuticals, medical devices and diagnostics, indigenous knowledge-based cosmeceuticals, cosmetics), agriculture (agro/food processing, bioprocessing, smart agriculture) in industrial biotechnology sectors.

eKasiLabs Incubator: The eKasiLabs programme is an extension of TIHMC's service offering. Its micro-innovation hub facilities spread across five economic corridors in Gauteng where a culture of innovation and entrepreneurship in townships is fostered and cultivated. The facilities are in Mohlakeng, Sebokeng, Garankuwa, Soweto, Tembisa, Alexandra, Mamelodi, Kagiso, Kathorus and Mabopane, Tsakane, Diepsloot, and Danie Van Zyl.



83%

Achievement



12 open
innovation projects
contracted



**67 Intellectual
Property (IP)**
applications filed



**10 innovation
products**
developed from the
Product Development
Lab



64 product ready
innovations taken to the
market by incubated
companies



12 product ready
innovations exported
by incubated
companies



9 companies
graduating from
incubation

Achievement of institutional outcomes

Table 26: TIHMC - Institutional outcomes achievement

Outcome	Outcome indicator	Baseline	Five-year target 2020 - 2025	Progress	% of five-year target
Increased levels of economic activity through strategic economic infrastructure	Number of new and upgraded TIHMC Facilities	3	3	4	133%
Enhanced collaboration to foster innovation and leverage resources	Number of collaborations fostered through innovative platforms	55	61	58	95%
Enhanced transformation in the economy	Number of innovative assistance offered through enterprise development	776	1 140	986	86%
	Number of employment opportunities created through TIHMC programmes	961	1 291	1 346	104%
Enhanced skills development and training	Number of youths trained and developed	850	1 040	769	74%

Outcome 2: Enhanced collaboration to foster innovation and leverage resources

Open Innovation projects contracted

Established by TIHMC, the OpenIX supports the Gauteng Innovation and Knowledge Economy Strategy. It has evolved into a recognised platform for private companies, the provincial departments, municipalities, and state-owned companies in Gauteng to engage researchers and entrepreneurs. Since the 2012/13 financial year, OpenIX has executed 105 open innovation challenges from industry and government, and matched 88 challenges with solutions from researchers, entrepreneurs and corporates processes. Underlining TIHMC's mandate, the platform fosters innovation through collaboration with the organisation's strategic partnerships such as the City of Tshwane Municipality for the piloting of a solution to address water leakages. In the year under review, TIHMC successfully contracted 12 projects for piloting (from a target of 11) that responded to both industry and service delivery challenges. The table below summarises the pilot projects that were contracted during the financial year under review.

Open Innovations Pilot Projects Contracted

Table 27: Open innovations pilot projects contracted

No.	Solution Provider	Background of the Solution
1	UJ-PEETS	The project will pilot a three phased approach of implementing full scale energy measurements (electricity and gas). This will include waste foundry sand quantification, testing and analysis and foundry waste sand beneficiation and simulation.
2	Linbul Suppliers (Pty) Ltd	The project will pilot a 15kW Solar PV system with an online monitoring application system that will monitor energy consumption and generation. This will include additional security features such as reinforced doors and motion detector cameras.
3	Watttech Technologies	The objective of the pilot project is to produce and test a pre-production version of the energy recovery device that is homologated to South African industry standards to evaluate the real-world performance and durability of the homologated device.

No.	Solution Provider	Background of the Solution
4	WEBOTEC (Pty) Ltd	Hydroponics, a soilless farming technique, has gained popularity due to its potential to maximise yield, conserve resources, and reduce environmental impacts. However, traditional hydroponic systems often lack the precision required to optimise crop growth, resulting in suboptimal yields and inefficient resource utilisation. Current hydroponic practices rely on manual monitoring and adjustments, which can lead to human errors and inconsistent crop performance. Additionally, farmers often face challenges in managing crucial factors such as water quality, nutrient levels, pH balance, and temperature control, leading to imbalanced growth and increased resource consumption. Furthermore, the lack of real-time data and analytics hampers decision-making and prevents proactive measures to prevent or address crop diseases, nutrient deficiencies, and environmental variations. The absence of connectivity and intelligent automation are also challenges being experienced.
5	LOO Afrique (Pty) Ltd	The project will pilot an improved sanitation solution with the aim to save water and improve hygiene in Early Development Centre's (ECD) in townships. Due to the ECD's in the townships predominantly being backroom/home dwelling facilities, most of them do not have space to cater for ablution facilities leading to lack of hygiene and good health which this pilot seeks to address.
6	Mutangiwa General Trading (Pty) Ltd	A study conducted by the Gauteng Department of Infrastructure Development on groundwater quality in farm schools indicated that it was contaminated with Escherichia coli indicating faecal contamination. The groundwater contained high levels of total dissolved solids, total hardness, turbidity, and fluoride. The presence of combined nitrate and nitrite was also observed. In response to this, the project will pilot the implementation of water purification systems in schools with the aim of removing harmful containment, reducing the amount of chlorine, soil residue, organic and inorganic substances thereby improving the taste, smell, and visual appearance of the drinking water.
7	Technological Plumbing Solutions t/a Prev Leak	The Prev Leak innovation addresses critical challenges in wastewater and water management through the implementation of an innovative hardware solution – the smart manhole cover. Concerns such as theft prevention are tackled with the cover's built-in locking mechanism. Prev Leak is a cloud-based system that uses Sigfox network to communicate with each hardware, Plumber App, CMS, public reporting app and can integrate with current systems used by the City of Tshwane (CoT) Municipality.
8	Sizophila Electrical & Projects (Pty) Ltd	The agricultural sector in South Africa grapples with the negative impact of an unreliable electricity supply which is exacerbated by significant load shedding and outages. Considering these challenges, the Gauteng Department of Economic Development (GDED), in collaboration with TIHMC and the Gauteng Department of Agriculture and Rural Development (GDARD), has initiated a strategic partnership to explore potential solutions. The focus is on identifying measures that can mitigate the impact of energy challenges on Agri-parks in the Gauteng region.
9	MJNE World (Pty) Ltd	Non-motorised transport (NMT) is often a key element in successfully encouraging clean urban transport. It can be a very attractive mode of transport for relatively short distances, especially in an area like TIHMC. For this pilot project, a dual-powered golf cart refers to a golf cart that will be powered by a lithium battery and solar PV as sources of power. The dual powered capability will provide flexibility for short-distance travel, allowing the use of electric power for efficiency and solar PV as a backup for extended range when needed.
10	Love Our City Klean (LOCK) NPC	Love Our City Klean (LOCK) will pilot a mobile application for waste management to address the increasing waste demand challenge experienced in Gauteng due to increasing urbanisation. The App will encompass an element of education and awareness through training and workshops, as well as provide employment opportunities through recycling projects.
11	Tlotlokgolo Business Investments (Pty) Ltd	The company is addressing an environmental need by recycling used cooking oil around their township and repurposing it into soaps. While addressing the environmental need the company will also be able to employ more people within the township and create direct and indirect opportunities.
12	SEBOWEB (Pty) Ltd	Digital Registration System for TIHMC staff, visitors and security control.

Outcome 3: Enhanced transformation in the economy

TIHMC's commitment to fostering entrepreneurial growth is illustrated through its various enterprise development programmes, including the Maxum Incubator (Digital economy incubator), Climate Innovation Centre SA Incubator (green economy incubator), eKasiLabs Incubator, and BioPark Incubator (Bio-economy Incubator). These strategically designed incubation programmes aim to provide robust incubation support to entrepreneurs, empowering them to cultivate sustainable businesses. In the immediate term, the programmes focus on augmenting the number of commercialised innovations within TIHMC's targeted sectors, with a view to facilitate the establishment of successful enterprises. This, in turn, contributes to the creation of knowledge-based employment opportunities and bolsters the economic landscape of the Gauteng Province.

Throughout the reporting period, active measures were undertaken within the Maxum, CIC, eKasiLabs, and BioPark business incubation programmes to drive the development and growth of incubated companies. A noteworthy total of 494 companies underwent incubation, reflecting a collective dedication to nurturing businesses. Of the total number of companies incubated 276 are in pre-incubation, with 218 in the core phase of incubation. The figure below provides a detailed breakdown of incubated companies per programme incubation stage.

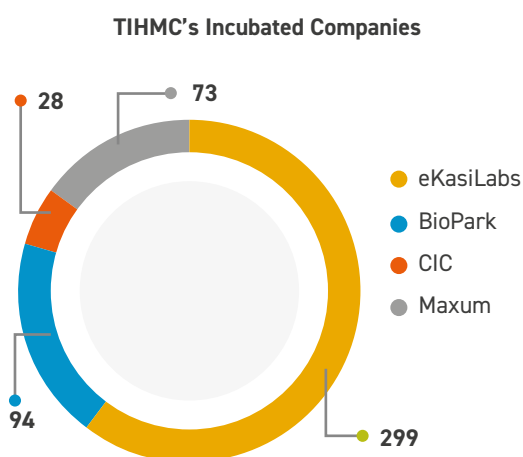


Figure 21: Total number of companies incubated

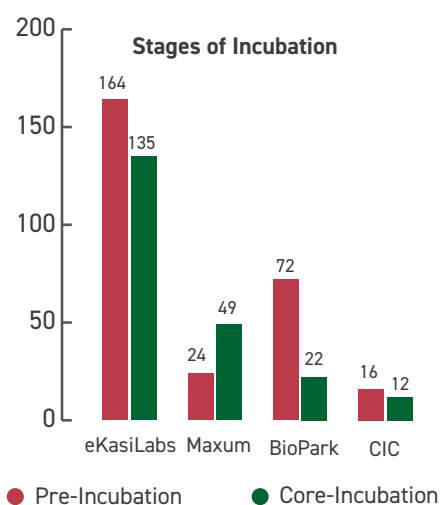


Figure 22: Company stage of incubation

TIHMC focuses on providing incubation support to previously disadvantaged members of society as is depicted in the gender and age breakdown in the figure below:

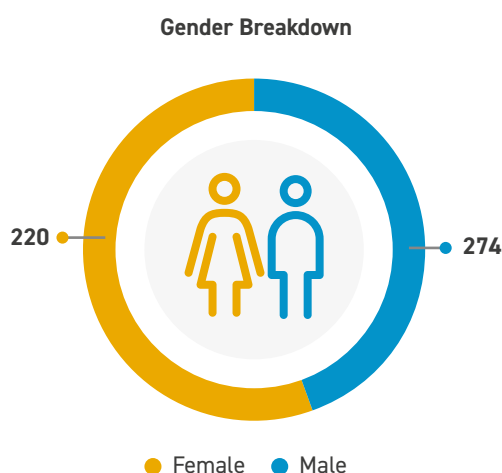


Figure 23: Gender breakdown of incubated companies

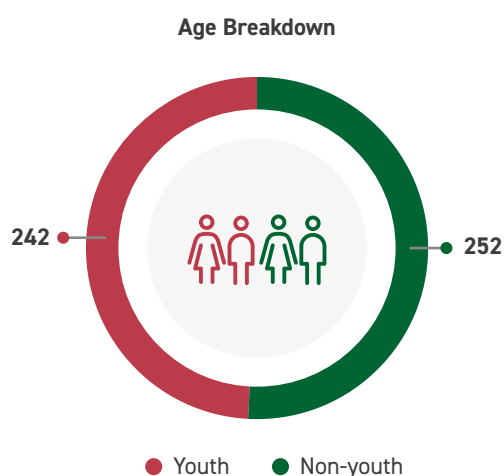


Figure 24: Age breakdown of incubated companies

TIHMC's key priority sectors focus on the green economy, bio-economy, and digital economy. Below are the key sectors being focused on per incubation programme:

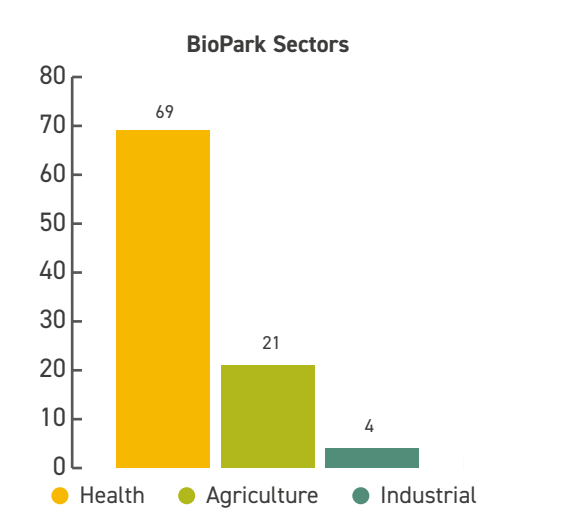


Figure 25: BioPark Sectors – 94 companies

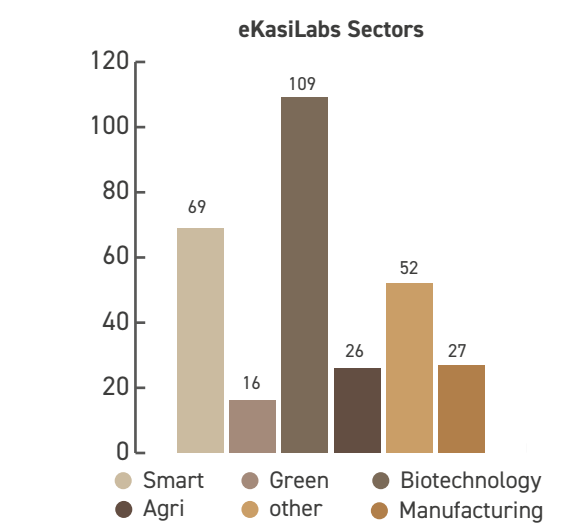


Figure 27: eKasiLabs Sectors - 299 companies

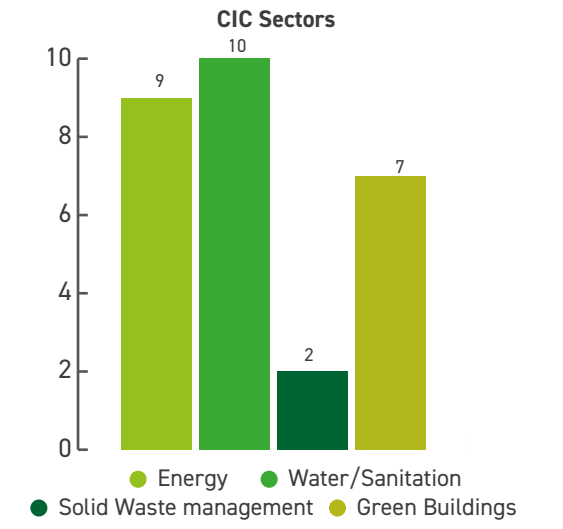


Figure 26: CIC Sectors – 28 companies

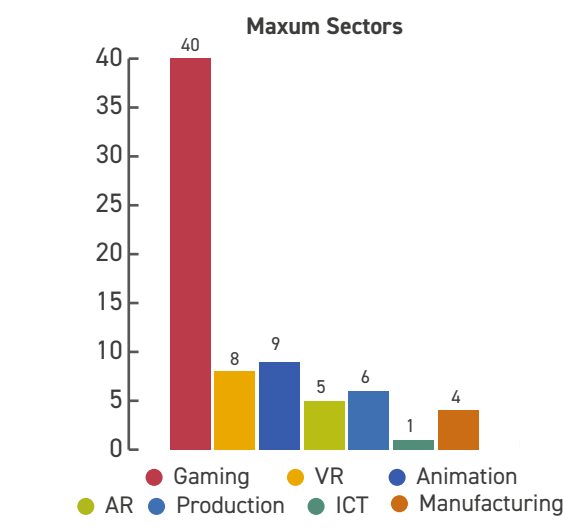


Figure 28: Maxum Sectors – 73 companies

Intellectual Property (IP) applications filed

A critical part of business incubation is equipping companies that are incubated with tools that will enable them to protect their intellectual property from exploitation. This is one of the programme's critical value propositions. For the financial year under review, the organisation had a target of filing 60 IP applications for incubated companies which was exceeded by 7. The table below provides detailed information of the applications filed.

Table 28: Number of IP applications filed

INCUBATOR	TYPE OF IP FILLED	TOTAL IP'S FILLED
BioPark	8 Trademarks	8
CIC	1 PCT Patent	1
Maxum	• 1 Complete Patent • 1 PCT Patent • 3 Trademarks	5
eKasiLab – Garankuwa	7 Trademarks	7
eKasiLab – Mabopane	10 Trademarks	10
eKasiLab – Kagiso	5 Trademarks	5
eKasiLab – Kathorus	• 1 Complete Patent • 1 Provisional Patent • 2 Designs • 4 Trademarks	8
eKasiLab – Mamelodi	5 Trademarks	5
eKasiLab – Mohlakeng	4 Trademarks	4
eKasiLab – Sebokeng	6 Trademarks	6
eKasiLab – Soweto	8 Trademarks	8
TOTAL		67

Innovation products developed from the Product Development Lab

The overall objective of the PDL is to provide product development as a service to innovators, where solutions will be developed from proof of concept to fully functioning products and services. The PDL is located at the TIHMC Park Precinct and will test reliability, readiness, and security of solutions before they go into production. It is envisaged that the establishment of this PDL infrastructure will:

- Stimulate pipeline for incubation programmes and enhance commercialisation.
- Accelerate technological development.
- Build innovation capacity by equipping individuals with the requisite skill sets to build innovative solutions.
- Lead towards technology advancement, and
- Improve local production.



eWaste Africa supported by The Innovation Hub

Table 29: Companies assisted through the PDL

NO.	COMPANY	PRODUCT
1	Mectroniced	The smart security blinds and system is a security product that replaces conventional burglar proofing. It is a panel that will be installed on a window opening and act as a vertical blind but made from metal. It rotates clockwise and anti-clockwise and can determine if someone interferes with the system.
2	MATJZN Trading	The product offers a lid for toilets designed to clean itself automatically.
3	Dales Programming and Robotics Club House	A D3 technology-based, semi-automated machine designed specifically for the mass production of wooded toys.
4	Eco Bar (Pty) Ltd	A decentralised and environmentally sustainable handwashing basin has been developed to address the hygiene challenges in remote areas where conventional bathrooms are absent, facilities are lacking, and water is scarce.
5	Tshedza Tshongoni Holdings	An ultraviolet light that detects and kills bacteria. The product is targeted at cold storage facilities, doctor's rooms as well as kitchens.
6	Garden in the Sky	The company is prototyping a 3D platform for growing seedlings and micro-greens.
7	Absolute Techno-Quadcopter	This product is a drone that will be used for law enforcement and surveillance and scanning faces and car registration plates around the city and border gates.
8	Boxed Shower/Khatsaway	A standalone foldable shower cubicle with equipment that will allow the boxed shower to produce both cold and hot water.
9	Enza Isibawo	The company offers a boiler operations management app.
10	Kasi Made Prosthetics	Kasi-Made Prosthetics delivers a compassionate and individualised solution for clients and amputees seeking newly crafted prosthetic limbs. Serving patients in the Gauteng region, our dedicated team offers expert fitting and consultation services for orthotic devices and prosthetics.

Product ready innovations taken to the market by incubated companies

TIHMC's enterprise development programmes consist of the Maxum Incubator, Climate Innovation Centre SA Incubator, eKasiLabs Incubator and the BioPark Incubator. These programmes offer incubation support for entrepreneurs to enable them to develop their businesses. In the short-term, these programmes aim to increase the number of innovations taken to market, exports, job creation and ultimately graduating out the programme within TIHMC's three targeted sectors: bio-economy, green economy, and the digital economy.

During the year under review, TIHMC extended commercialisation support to incubated startups. These included 64 companies (against a target of 52) that took their innovations to market, meeting its annual target. The 64 companies that entered the market are from the eKasiLabs programme. The three key sectors that TIHMC focused on are shown below.

- Green economy: 4
- Bio-economy: 7
- Digital economy: 10
- eKasiLabs, which includes a combination of the innovations from the green, bio and digital economies: 43

Product ready innovations exported by incubated companies

TIHMC's incubated companies exceeded the annual target of exporting six innovations by five (achieving eleven). These startups successfully exported their innovations to various countries, including Namibia, Zimbabwe, Zambia, Nigeria, Zimbabwe, the United Kingdom, and others. The total export value of these eleven innovations stands at R294,170,320.

Below is a summary of the types of innovation exported by these startups.

Table 30: Innovations exported

No.	Company	Innovation Description	Sector	Destination
1	Busy Moon Productions	The company creates and supplies original animated content for distribution and animation services for clients.	Gaming	Nigeria
2	Entertainment Analytics	Entertainment Analytics supplies Virtual Reality and Augmented Reality video production services.	Extended Reality	Namibia
3	Addmore Digital	Addmore Digital is a digital solutions company that specialises in creating a holistic digital experience. They are driven by the latest trends, techniques, and effective online marketing strategies. They specialise in website design, content creation, social media campaigns, branding, UI/UX design, CRM/ CMS integration, mobile and desktop application development and online event registration forms.	Digital	Zambia
4	Roc-Water Technology	The company has developed an innovative method for cleaning toxic water.	Water	United Kingdom
5	LiGE (Pty) Ltd	The company provides accessible 'Cleantech' storage technology that addresses energy supply and cost challenges that large energy users on a worldwide scale currently face today.	Energy	Australia
6	Sisanda Tech	The company specialises in Augmented Reality and gaming, focusing on the primary educational sector. They have developed Si Realities which is a virtual science laboratory for STEM learners and teachers. Si Realities uses augmented reality technology using a camera-equipped smartphone or tablet to project digital science apparatus on top of Sisanda Cube (SICU) or Sisanda T-Shirt (SITEE) to appear on a learner's smartphone or tablet for educational purposes.	Augmented Reality	Zimbabwe
7	eWaste Africa	The company recycles electronic waste and has the first accredited plant in SA.	Waste	France
8	Pro Automation	Pro Automation has developed a water monitoring product called 'Pool Sense' which is a floater that interfaces via a mobile application for easy pool maintenance. The floater monitors and sends pool data to the app daily.	ICT	Sweden
9	Little Genius	Little Genuis manufactures educational puzzles for children, to aid in early childhood learning.	Advanced Manufacturing	Ghana
10	Lefakong Farming	Lefakong is a company that utilises Moringa leaves, which are dried and processed into tea and powder that is rich in essential nutrients, that when consumed, may contribute to better health.	Bio-economy	USA
11	My Pregnancy Journey	My Pregnancy Journey (Pty) Ltd has created an educational application focusing on the unique challenges that African women and girl's encounter. MY Pregnancy Journey (Pty) Ltd is aimed at creating a holistic pregnancy system linking products, service providers, doctors, hospital, and clinics to app users.	ICT	Ireland
12	AgriSmart Engineering (Pty) Ltd	AgriSmart Engineering is an Agri-Tech company that focuses on developing cultivation technologies centred around cannabis cultivation. Their main technological output is custom LED cultivation lights and a closed-loop hydroponic system for cannabis cultivation.	Agro-processing	Lesotho

Companies graduating from incubation

For the period under review, nine companies graduated from the incubation programme, falling short of the target of 20. The support offered to these companies through the TIHMC value propositions included mentorship, skills training, access to markets, access to networking opportunities, strategic infrastructure, and funding opportunities. This support offered these eight companies the opportunity and ability to graduate from the incubator. This target was not achieved due to the introduction of a new gradation criteria which was not met by the remaining 11 incubatee companies. Below is a list of the companies that graduated, along with their value offering.

Table 31: Companies graduating from incubation

No.	Company	Programme	Company Description
1	AgriSmart Engineering (Pty) Ltd	BioPark	AgriSmart Engineering is an Agri-Tech company that focuses on developing cultivation technologies centred around critical cannabis cultivation. Their main technological output is custom LED cultivation lights and a closed-loop hydroponic system for cannabis cultivation.
2	DNF Waste Management	CIC	DNF Waste Management is a consulting specialist in the implementation of labour-intensive waste and environmental management projects. The company has won significant awards and received recognition from prominent publications.
3	Leafline (Pty) Ltd	CIC	Leafline develops sanitary products from renewable pineapple fibres. The company has developed its latest range of products and is currently streamlining its supply chain and distribution agreements.
4	Lige	CIC	The company provides accessible 'Cleantech' storage technology that addresses the energy supply and cost challenges that large energy users face in the world today. The company's technology does uptake and recover potential value waste chemicals, particularly metals in acid mine drainage for value addition as they are generated, thus preventing pollution of water bodies downstream.
5	Sisanda Tech (Pty) Ltd	Maxum	The company specialises in Augmented Reality and gaming focusing on the primary educational sector. Additionally, the company has developed Si Realities, which is a virtual science laboratory for STEM learners and teachers. Si Realities uses augmented reality technology via the camera on a smartphone or tablet to project digital science apparatus on top of Sisanda Cube (SICU) or Sisanda T-Shirt (SITEE) on a learner's smart device.
6	Kutsala Publishing	eKasiLabs	Kutsala Publishing is a publishing company that aims to change the narrative of African storytelling. The company creates indigenous content that African children can relate to in the form of books. The company also manufactures children's character-based schoolbags, lunchboxes, toys, apparel, and stationery.
7	Naledi Baby Brands	eKasiLabs	The company produces a wide range of baby skin products that are designed to be gentler on the delicate skin of babies and infants.
8	Pro Skin Cosmetics (Pty) Ltd	eKasiLabs	Pro-Skin is a natural cosmetics company that provides affordable, natural and eco-friendly cosmetics to end-users. Pro-Skin's range of innovative products gives everyone the opportunity to have healthy skin, helping them to look and feel their best. Their range is based on age-old indigenous knowledge, a good example being that indigenous African people once used aloe (Halibhoma) and other natural plants to heal and maintain their skin for optimal beauty results.
9	Go Create	eKasiLabs	The company produces a range of cleaning detergents, including dishwasher detergent, pine gel, de-greaser and deep cleaners. With the aid of R268 000.00 in SSP grant funding, the company has set its sights on expanding operations by targeting mining companies and other enterprises utilising oils.

Programme 3: TIHMC – Originally tabled Annual Performance Plan – not applicable

TIHMC did not have any adjustments to outputs indicators or targets on the original APP. However, amendments were made to the technical indicator description to enhance and refine definitions.

Programme 3: TIHMC – Re-tabled Annual Performance Plan

Table 32: TIHMC re-tabled App – Outcomes, outputs, output indicators, targets and actual achievements

Programme 3: TIHMC – Re-tabled Annual Performance Plan								
Outcome	Output	Output indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	**Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
Enhanced collaboration to foster innovation and leverage resources.	Open Innovation (OPENIX) projects contracted.	Number of Open Innovation projects contracted.	12	-	11	12	+1	The target was achieved through a healthy pipeline of pilot projects that were set by the organisation during previous quarters.
Enhanced transformation in the economy.	Intellectual Property (IP) applications filed.	Number of Intellectual Property (IP) applications filed.	-	75	60	67	+7	The target was over-achieved due to the additional resources that were acquired by employing mentors to assist with the IP applications that had to be filed.
	Innovation products developed.	Number of innovation products developed from the Product Development Lab.	-	10	10	10	-	-
	Innovations taken to market.	Number of product ready innovations taken to the market by incubated companies.	-	63	52	64	+12	The target was exceeded due to the support that was provided for companies under the pre-incubation phase of the programme.
	Innovations exported.	Number of product ready innovations exported by incubated companies.	7	7	6	12	+6	The incubator provides an enabling platform for entrepreneurs to access markets outside South Africa's borders.
	Companies graduating.	Number of companies graduating from incubation.	16	9	20	9	-11	The target has not been achieved due to the new criteria that incubated companies must meet to graduate out of the incubator. The criteria involve items such as revenue, and solvability.

Linking performance with budgets

In assessing the achievement of the outputs in comparison to the planned targets, the public entity must consider the linkages and the relation to the resources available to the public entity, particularly the financial resources. Therefore, the following financial information should be presented. The financial information must agree to the information in the annual financial statements.

Table 33: Linking performance with budgets

Programme/activity/objective	2022/23			2023/24		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Maxum Incubator	2 965	6 299	(3 334)	3 112	6 180	(3 068)
Climate Innovation Centre	1 700	4 568	(2 868)	1 800	4 105	(2 305)
BioPark Incubator	2 300	4 530	(2 230)	2 200	5 005	(2 805)
mLab, including Code Tribe Academy	0	0	0	0	0	0
Open Innovation Solutions Exchange (OpenIX)	2 000	3 720	(1 720)	1 900	862	1 038
Start-up Support Programme	1 000	1 093	(93)	1 000	80	920
eKasi Labs	22 392	21 918	474	23 467	25 684	(2 217)
GAP ICT & Green	1 000	0	1 000			
Maxum Digital Media	1 000	269	731	1 000	1 335	(335)
Internal Projects	8 000	0	8 000	0	1 678	(1 678)
BioPark Phase 3	58 050	58 050	0	89 531	89 531	0
Total	100 407	100 447	(40)	124 010	134 460	(10 450)

Reasons for over/under expenditure

The 2022/23 financial year

While certain projects demonstrate underspending, others are characterised by overspending. Therefore, savings from those underspent projects compensates for any expenditure over the budget of overspent projects as all annual performance targets were met. BioPark Phase 3 relates to the infrastructure project currently underway at the park. The organisation had a budget of R8 million for internal projects which are implemented in conjunction with the GGDA. Due to financial constraints, some projects were not allocated funding during the year under review.

The 2023/24 financial year

The printer's contract has been centralised to GGDA which was not budgeted for in 2023/24. In addition, to ensure that organisational planned targets were achieved, additional funding had to be allocated to the enterprise development (ED) programme for financial mentorship and filing of IP applications which contributed towards the overspending.

The over expenditure on ED is attributed to a decrease in external programme funding that the organisation was historically able to leverage in previous financial years which was used to supplement the organisation's grant allocation. This put a strain on the enterprise development budget which negatively affected the programme's spending.

For the Demand Led Open Innovation Programme, there are on-going pilot projects that were approved during FY2023/24 and implementation has overlapped into FY2024/25. Therefore, the R 862 000 reflected as underspending is actually committed.

Strategy to overcome areas of under-performance

For the financial year under review, TIHMC achieved 83% of its planned six targets. It was, however, unable to meet the target for 'number of companies graduating from incubation'.

The target was not achieved as some companies were unable to reach developmental milestones, which were used to determine their eligibility to graduate from the incubator.

The key factors that have contributed to companies not reaching their developmental milestones are:

- Lack of product-market fit;
- Inadequate sales and marketing; and
- Failure to secure funding.



Roc Water supported by The Innovation Hub



Ms Thandiwe Ngqobe

Chief Executive Officer:
Gauteng Industrial Development Zone

Programme 4: Gauteng Industrial Development Zone Development Company (GIDZ)

Purpose: The GIDZ, created by the GGDA, serves as a special-purpose entity managing the development and operation of the designated SEZ at OR Tambo International Airport in Kempton Park, Gauteng. GIDZ's primary role is to foster investment in manufacturing by developing responsive infrastructure that can serve as a home for companies looking to manufacture for export. To that end, the overall objective of the GIDZ is to advance manufacturing and beneficiation activities out of the Zone, contributing to the positioning of Gauteng as a leading, world class economic and export hub.

The SEZ encompasses three distinct land parcels near the airport, being a, 7.5-hectare area within the airport's boundaries (ORTIA Precinct 1), a 29-hectare site adjacent to ORTIA Precinct 1 (but outside the airport boundaries – ORTIA Precinct 2), and a 13,9-hectare site located 30 km from the airport, next to the Impala Platinum Refinery in Springs (Springs Precinct). Each of these parcels targets specific industries, chosen based on comprehensive studies to maximise suitability for investment and production.

ORTIA Precincts 1 and 2 aim to attract industries that produce high-value, low-mass products suitable for airfreight, such as jewellery, diamonds, pharmaceuticals, electronics, and agro-processing. Meanwhile, the Springs Precinct is strategically positioned to enhance the beneficiation of Platinum Group Metals (PGM), focusing on products like fuel cells due to its proximity to the PGM refinery. It is also identified as an ideal site for producing capital and mining equipment.



80%

Achievement



100% of ORTIA SEZ
Precinct 1 JMP top
structure construction
completed
(Building 5 - shell)



7 interns
participating
in the ORTIA SEZ
operations and
construction mentorship
programme



51 SMMEs
who benefit from the
ORTIA SEZ



**2 precious
minerals**
beneficiation cluster
components operational

Achievement of institutional impacts and outcomes

Table 34: GIDZ achievement of institutional impacts and outcomes

Outcome	Outcome indicator	Baseline	Five-year target 2020 - 2025	Progress
Improved economic infrastructure at the ORTIA SEZ.	ORTIA SEZ Precincts developed and operational.	ORTIA SEZ Northern Precinct constructed and operational.	Completion of the Southern Precinct (ORTIA Precinct 1).	The construction of top structures (shell) for buildings 3, 6a, 6b, 7, 8, 9, 10, and 11 was completed in the 2022/23 financial year, and practical completion and occupation certificates were received during the 2023/24 financial year. Additionally, the remaining section of Precinct 1, building 5, top structure was completed in the 2023/24 financial year. The practical completion and occupation certificates are anticipated to be achieved in the first quarter of the 2024/25 financial year.
		Commercial case (Precinct 2 and Springs).	Development of the ORTIA SEZ Precinct 2.	The tender was deemed non-responsive during the bid evaluation stage as all the bids submitted did not meet some of the requirements outlined in the invitation to tender. As of 31 March 2024, the ToRs were revised and submitted to GGDA SCM for the probity auditors to review prior to the TORs being presented to BAC for final approval.
			Development of the Springs Precinct.	There is no confirmed funding for the project. Consequently, the target is being monitored at the Operational Plan level. Currently, a process to review and finalise TORs is unfolding.
		308	880 job opportunities were created through infrastructure development at ORTIA SEZ	1 606 infrastructure jobs were created.
Domestic or foreign direct investments that lead to an increase in exports, SMME and job opportunities.	Number of job opportunities created through domestic and foreign investment.	-	2 700 job opportunities facilitated through domestic and foreign investment.	2 734 jobs were created and retained by tenants operational at the ORTIA SEZ during 2023/24
	Rand-value of investments secured for location at the ORTIA Precinct 2 and Springs Precinct.	R140 000 000	R6,17 billion investments secured for location at the ORTIA Precinct 2 and Springs Precinct by 2025.	R1,27 billion in investments was secured for the Precinct 1 and Precinct 2.
Enhanced skills development and training.	Increased provision of skilled workforce to support inclusive economy.	15 students (Jewellery designs and manufacturing)-	100 students trained in construction skills.	To date, 43 interns have been trained and mentored. Among them, 10 participated in the internship mentorship programme during the 2021/22 financial year, 26 in the 2022/23 financial year, and the remaining 7 participated during the 2023/24 financial year.

Outcome	Outcome indicator	Baseline	Five-year target 2020 - 2025	Progress
Enhanced transformation in the economy.	Number of SMME opportunities linked to the investment opportunities.	-	• 159 SMMEs linked to investment opportunities. • Development and implementation of the Enterprise Development Strategy.	183 SMMEs benefitted from the GIDZ operations. An enterprise development strategy has been developed and approved by the Board. The implementation of the strategy is currently underway. The Enterprise Development hub has been established and is operating as a non-profit organisation (NPO). As of the end of March 2023, the Board of Trustees was appointed, and the MetCon Goldsmith Programme was fully operational and ongoing. Additionally, processes are underway to appoint a project manager.

ORTIA SEZ Precinct 1 development

ORTIA SEZ Precinct 1 is strategically positioned within the property boundaries of the OR Tambo International Airport, one of Africa's largest and busiest airports. This, 7.5-hectare area is vital for its role in boosting South Africa's economic growth through industrial development. As a hub for the Jewellery Manufacturing Precinct (JMP) and one of the world's largest fresh food factories, Precinct 1 is a beacon of innovation and productivity in mineral beneficiation and agro-processing.

The GIDZ completed the remaining development stages (building 5) during the reporting period. This development not only enhances the precinct's capabilities in mineral processing but also aligns with broader strategic goals to strengthen South Africa's position as a leader in the global minerals market.

ORTIA SEZ Precinct 1 plays a crucial role in fostering economic opportunities and its contribution to the national GDP (projected to exceed R20 billion) will no doubt prove to be of significant value for the Gauteng economy. The ongoing developments and achievements within this precinct continue to support significant job creation, with hundreds of construction and direct jobs already realised.

ORTIA SEZ Precinct 1 houses two agencies established at national level to oversee mineral beneficiation activities in the country, namely, the South African Diamonds and Precious Metals Regulator (the state agency established as the regulatory custodian of beneficiation activities in the country) and the State Diamond Trader (the state agency established to buy and sell rough diamonds to promote equitable access and beneficiation of diamond resources). With their presence at the JMP, the two national agencies lend uncontested support to the GIDZ's objective to develop a viable mineral beneficiation cluster and value chain at the ORTIA SEZ.

ORTIA SEZ Precinct 2

ORTIA SEZ Precinct 2, located in Kempton Park along Atlas Road and adjacent to ORTIA SEZ Precinct 1, encompasses a 29-hectare land parcel optimally positioned near OR Tambo International Airport. This strategic location is designated for the production and export of high-value, low-mass products such as perishables (including pharmaceutical and medical devices as well as fresh food products), electronics, and advanced components.

The development of Precinct 2 also aims to be a significant contributor to the economic growth of the province: by leveraging the competitive advantages offered by its proximity to one of Africa's busiest airports for enhanced exports from Gauteng to meet global market demands.

Social economic impact

Job creation

The project is projected to create a total of 6 390 construction jobs, comprising 1 441 skilled, 3 567 semi-skilled, and 1 382 low-skilled positions. This employment opportunity spans various phases of the construction process, providing substantial workforce engagement in the region.

Exports enhancement

By facilitating increased exports through OR Tambo International Airport, Precinct 2 contributes to strengthening South Africa's position in the global market, particularly in the pharmaceuticals, medical devices, and electronics sectors.

Revenue projections

Financial forecasts are robust, with R2,7 billion in expected revenue over 30 years based solely on land preparation for tenant development. Additionally, constructions by GIDZ are projected to generate R20,7 billion over the same period, with an Internal Rate of Return (IRR) of 12,75%, highlighting the long-term economic viability of the investments.

Skills development

An integral part of the precinct's strategy includes a successful skills development programme that is designed to enhance the technical skills of the workforce. This initiative supports the broader goals of increasing employment quality and addressing the skills gap in high-demand sectors.

Strategic impact

The development of ORTIA SEZ Precinct 2 supports economic diversification and industrial growth. It also plays a critical role in the socio-economic development of the region. By integrating cutting-edge technology and fostering a skilled workforce, the precinct ensures that South Africa remains at the forefront of innovation and competitiveness in the international arena.

The Springs Precinct

The Springs Precinct, located next to the Impala Platinum Refinery in Springs, Ekurhuleni, encompasses a strategic 14-hectare land parcel. Situated approximately 3,5km north of the Springs CBD and 30km from OR Tambo International Airport, this precinct is ideally positioned for the manufacturing and export of Platinum Group Metals (PGM) related products, including fuel cells – an emerging market projected to reach US\$40 billion by 2026

Key developments and economic contributions

The Springs Precinct is earmarked for the enhanced manufacturing of capital and mining equipment, leveraging Ekurhuleni's role as a significant supplier into sub-Saharan markets. The focus on localising production aims to tap into the R85 billion industry, harnessing ongoing infrastructure development opportunities in Africa over the next two decades. The strategic location, with easy access to both road (N1 highway) and air freight via OR Tambo International Airport, makes this precinct an ideal base for manufacturing products destined for both local and international markets.

Socio-Economic impact

Job creation

The development of the Springs Precinct is projected to create 1 648 construction jobs, segmented into 372 skilled, 920 semi-skilled, and 356 low-skilled positions. This employment generation plays a crucial role in local job markets, providing varied opportunities across skill levels.

Exports contribution

The precinct is expected to contribute approximately R100 million to the country's exports, enhancing South Africa's trade balance and economic stability.

Revenue projections

Over a 30-year period, revenue from land preparation for tenant development is estimated at R514 million, with an Internal Rate of Return (IRR) of 10,87%. Additionally, the development of GIDZ-built structures is projected to generate R4,6 billion in revenue, with an IRR of 11,98%.

Skills development

A successful skills development programme supports the precinct's operations, enhancing the technical skills of the workforce and ensuring that employees are well-equipped to meet the demands of advanced manufacturing sectors.

Strategic importance

The Springs Precinct is envisioned to be a key player in the manufacturing and export of high-value products, specifically targeting the burgeoning PGM market and capital equipment sectors. The ongoing development and operational success of this precinct are expected to contribute to the economic growth of the Gauteng region and South Africa as a whole.

ORTIA SEZ infrastructure development and enterprise initiatives

Throughout the 2023/24 fiscal year, the GIDZ has made notable progress in its infrastructure and enterprise initiatives.

Infrastructure development insights

Infrastructure development progressed as follows:

Springs Precinct

Appointment of a contractor to undertake bulk installation for the Springs Precinct will be initiated as soon as bulk funding is secured.

Despite the funding challenges, the GIDZ continued with procurement processes and strategic planning to ensure the success of the development. These efforts will continue to be tracked at the Operational Plan level.

ORTIA SEZ Precinct 2

The ORTIA SEZ Precinct 2 also experienced funding difficulties. Partial funding of R65 million was, however, secured and this prompted a re-evaluation of project targets to align with the available resources.

Despite concerted efforts, the annual target of a 2,5% completion rate for bulk infrastructure development was not attained. The tender was deemed non-responsive during the bid evaluation stage as all bids submitted did not meet some of the requirements outlined in the invitation to tender.

The requirements stipulated in the tender document underwent a thorough review and amendment process, following extensive consultations with procurement governance structures.

Subsequently, two items that were found to have been non-compliant by the tenderers/bidders were carefully re-evaluated. Consequently, these items have been removed from the list of mandatory requirements and will be managed through the contracting process. These items relate to the mentorship element in the skills development requirements as well as the requirement of a resident installation electrician. Following these changes, the revised ToRs were approved by the Specifications Committee, and for further approval by other procurement governance structures. It is anticipated that the appointment of a contractor will be finalised by the first quarter of the 2024/25 financial year.

Skills development and mentorship

A cornerstone of the GIDZ strategy is the focus on skills development through its mentorship programmes. During the reporting period, the programme aimed to include five interns, focusing on ORTIA SEZ's operations and construction functions. Although some interns resigned, the programme continued to attract new participants and actively engaged with educational institutions to replenish and expand the intern pool. As a result, the ORTIA SEZ operations and construction internship programme currently hosts a total of seven interns, surpassing the set target by two.

Enterprise development and SMME support

The ORTIA SEZ has been proactive in fostering enterprise development, with a total of 51 SMMEs benefiting from the zone during the 2023/24 fiscal year. These SMMEs were involved in various capacities, from providing essential services like plumbing and fire engineering to participating in facility management, security management and event management services. Such initiatives demonstrate the GIDZ's commitment to empowering local businesses and alignment with national development objectives.

Investor attraction and job creation

Investor attraction has been a critical focus area, aiming to enhance domestic and regional demand as well as promote FDI and export capabilities. The efforts in this area have been closely aligned with the delivery of strategic infrastructure, particularly the development of bulk infrastructure, which facilitates the crowding-in of private or third-party interest.

Precious minerals beneficiation

The Jewellery Manufacturing Precinct (JMP) within ORTIA SEZ Precinct 1 operated with a focus on the beneficiation of precious minerals such as gold, platinum, and diamonds. The annual target to operationalise two cluster components has been successfully achieved, marking a significant milestone in the development of Precinct 1. As scheduled, tenant-billing activities commenced in Quarter 3, further solidifying the progress made within this timeframe. The table below depicts detailed information regarding the tenants for the two cluster components, namely diamond cutting and polishing, and jewellery manufacturing.



Jewellery Manufacturing Precinct (JMP) within the OR Tambo SEZ

Operational tenants to date

Table 35: Operational tenants to-date

No.	Investor name	Cluster	Estimated investment (R'000)	Estimated investment time frame (years)	Estimated jobs	Comments/status
1	Metal Concentrators	Gold refinery and jewellery production	R102 million	3 years	103	Lease commencement effected in January 2021
2	Malca Amit	Regulator and Support	-	-	16	Lease commencement effected in October 2021
3	Brinks	Regulator and Support	-	-	18	Lease commencement effected in October 2021
4	South African Diamonds and Precious Metals Regulator	Regulator and Support	-	-	-	Lease commencement effected in September 2021
5	State Diamond Trader	Regulator and Support	-	-	-	Lease commencement effected in September 2021
6	Akapo	Jewellery	R2 million	10 years	5	Lease commencement effected in November 2023
7	Pluczenik	Jewellery	R10 million	5 years	108	Lease commencement effected in November 2023
8	Thoko's Diamonds	Diamond Cutting and Polishing	R3,5 million	3 years	5	Lease commencement effected in November 2023
9	Kwame Diamonds	Diamond Cutting and Polishing	R5 million	5 years	5	Lease commencement effected in November 2023
10	Diamante Antwerp	Diamond Cutting and Polishing	R10 million	2 years	30; 5 in the first year	Lease commencement effected in November 2023
11	Razita	Diamonds and Refinery	R23 million	5	44; 23 in first year	Lease commencement effected in November 2023
12	Isabella Jewellers	Jewellery	R4 million	2 years	12; 2 in the first year	Lease commencement effected in January 2024
13	Janmac/Auro Star	Diamond Cutting and Polishing	R40 million	-	-	Lease commencement effected in November 2023

Investor attraction, marketing and events

Investor attraction is essential for promoting an organisation's business and mission. As part of its function, the Marketing Department is responsible for reaching out to prospective clients, customers, investors, and/or the community, as well as developing an overall brand image positively.

In the year under review, the department met with 18 potential investors, processing 35 queries relating to the SEZ. In addition, the department also worked with the Gauteng Infrastructure Financing Agency on a procurement process initiated to appoint a dealmaker to support in the promotion of ORTIA Precinct 2 and the Springs Precinct. Unfortunately, this appointment process was unsuccessful during the current year under review and will be pursued in the new financial year.

Additionally, the Marketing Department coordinated and produced numerous materials that portray the organisation's brand in a positive light. During the year under review, the following activities were undertaken by the Marketing Department:

BRICS Summit media tour

The OR Tambo SEZ hosted members of the media as part of the build-up towards the SA Investment Conference. The delegation visited In2Food as it was one of the projects that pledged investment at the 2018 conference.

Belgian business delegation

The OR Tambo SEZ hosted Belgian-based women-owned businesses at the Jewellery Manufacturing Precinct for potential business uptake in future. The delegation toured the Metal Concentrators building and got an exclusive opportunity to view operations and to interacted with the team.

BRICS Business Council site visit to OR Tambo SEZ

The ORTIA SEZ hosted members of the BRICS Business Council during the BRICS Summit. The delegation visited In2Food as a case study of manufacturing infrastructure and showcasing best practice models to benchmark opportunities.



Jewellery Manufacturing Precinct (JMP) within the OR Tambo SEZ

BRICS exhibition

The Business Development team and some of the SEZ's SMMEs exhibited at the BRICS summit.

GDED China exhibition

The Business Development team exhibited at the China Exhibition, sharing a stand with the shareholder. This provided an opportunity for the OR Tambo SEZ brand to be exposed to both international and domestic travellers attending the China Exhibition.

AGOA Buyers Tour of In2Food

The OR Tambo SEZ hosted an AGOA event that took American investors into industrial spaces of interest for potential matchmaking and for information exchange and networking purposes.

Africa Green Economy Summit

The OR Tambo SEZ participated as both sponsor and speaker at the 2024 Africa Green Economic Summit. The summit helped provide a platform for the OR Tambo SEZ to enhance its brand visibility, specifically in respect to the implementation of sustainable development solutions for the continent, an aspect that the SEZ aims to champion for the purposes of sustainable economic development.

JETRO cocktail event

The GIDZ hosted a networking and cocktail session in partnership with the TIRE team to welcome a Japanese business delegation. Coordinated through JETRO, the Japanese External Trade Organisation, the delegation's visit to South Africa aims to explore potential areas of collaboration, specifically in the green energy and fuel cells areas.

Tenant on-boarding event

An official welcoming of tenants to the OR Tambo SEZ Precinct 1 event was held during March 2024. This event signified the operationalisation of the Precinct and marked the conclusion of the construction project.

Over and above the aforementioned events and exhibitions, the following were also actioned during the current fiscal:

- Signage inside the Super Block building.
- Two x 3D animated videos to promote OR Tambo SEZ Precinct 2 and Springs Precinct.
- Four x quarterly internal newsletters.
- One x company profile.
- One x active website.
- Active social media pages (X, Facebook, Instagram and LinkedIn).
- One x refurbished billboard installation.
- A Sawubona print and social media advertorial.
- Power FM campaign.
- An Airport TV campaign undertaken over a 3-month period.
- A CNBC campaign, that will continue in the new financial year.
- Two precious minerals beneficiation cluster components operational.

Programme 4: GIDZ – Originally tabled Annual Performance Plan

Table 36: GIDZ – Originally-tabled APP - Outcomes, outputs, output indicators, targets, and actual achievements

Programme 4: GIDZ – Originally tabled Annual Performance Plan									
Outcome	Output	Output indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	*Actual Achievement 2023/24 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved economic infrastructure at the ORTIA SEZ.	Economic infrastructure projects completed.	% of ORTIA SEZ Precinct 2 infrastructure development completed.	Infrastructure development - Bulk infrastructure designs not commenced.	Infrastructure development - Bulk infrastructure development not initiated. Infrastructure development - Bulk infrastructure designs approved.	10% infrastructure development completed.	-	-10% infrastructure development completed.	This was an annual target planned to be delivered in Q4 only.	The target was revised downwards from 10% to 2,5% development completed as confirmation of 2023/24 budget was received after finalisation of the APP targets. As a result, the indicator was revised to be specific or aligned to the infrastructure development activities to be completed within the financial year. These activities are informed by the confirmed budget of R65 million.
		% of ORTIA SEZ Springs Precinct infrastructure development completed.	Infrastructure development - Bulk infrastructure designs not commenced.	Infrastructure development - Bulk Infrastructure development not initiated. Infrastructure development - Bulk infrastructure designs approved.	10% infrastructure development completed.	-	-10% infrastructure development completed.	This was an annual target planned to be delivered in Q4 only.	Infrastructure development for Springs Precinct was not initiated, as funding was not received during the 2023/24 FY. The target was relegated to operational plan level.
Enhanced skills development and training.	Interns mentored in the ORTIA SEZ operations and construction.	Number of interns participating in the ORTIA SEZ operations and construction mentorship programme.	10	26	15	3	-12	This was an annual target planned to be delivered in Q4 onl.	The target was reduced to align to the infrastructure development activities that will be completed within the financial year.



Pioneer Diamond Tender House located at the Jewellery Manufacturing Precinct (JMP) within the OR Tambo SEZ

Programme 4: GIDZ – Re-tabled Annual Performance Plan

Table 37: GIDZ – Re-tabled APP – Outcomes, outputs, output indicators, targets, and actual achievements

Programme 4: GIDZ – Re-tabled Annual Performance Plan								
Outcome	Output	Output indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	**Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
Improved economic infrastructure at the ORTIA SEZ.	Economic infrastructure projects completed.	% of ORTIA SEZ Precinct 2 bulk infrastructure development completed.	Infrastructure development – Bulk infrastructure designs not commenced.	Infrastructure development – Bulk infrastructure development not initiated. Infrastructure development – Bulk infrastructure designs approved.	2,5% bulk infrastructure development completed.	0% bulk infrastructure development completed.	-2,5% bulk infrastructure development completed.	The tender was deemed non-responsive as the bids submitted did not conform to some parts of the mandatory requirements outlined in the bid scope. These items relate to the mentorship element in the skills development requirements as well as the requirement of a resident installation electrician.
		% of ORTIA SEZ Precinct 1 JMP top structure construction completed (Building 5 – shell).	-	-	100% construction completed.	100% construction completed.	-	-
Enhanced skills development and training.	Interns mentored in the ORTIA SEZ operations and construction.	Number of interns participating in the ORTIA SEZ operations and construction mentorship programme.	10	26	5	7	+2	Additional capacity was required to accommodate the increasing number of tenants operating at the precinct, and as a result the Facility Management, Marketing and Finance units appointed interns.
Enhanced transformation in the economy.	Economic opportunities facilitated for SMMEs.	Number of SMMEs who benefit from the ORTIA SEZ.	27	132	50	51	+1	An additional SMME was appointed to deliver the required events management service for the SEZ operations.
	Operational precious minerals beneficiation cluster.	Number of precious minerals beneficiation cluster components operational.	One operational cluster component operational (First cluster component {50%} and the second component {37,5%} totalling 87,5%).	-	2	2	-	-

Linking performance to budgets

Table 38: Linking performance to budgets

Programme/activity/objective	2022/23			2023/24		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Infrastructure development –Southern precinct JMP top structures	219 751	217 109	2 642	235 594	214 724	20 870
Infrastructure development – ORTIA SEZ Precinct 2, bulk development	0	0	0	65 000	0	65 000
Investor attraction	3 283	0	3 283	3 429	799	2 630
Expansion phase	521	14	507	544	544	0
Finance (internal & external audits)	540	509	31	640	596	44
Total	224 095	217 632	6 463	305 207	216 663	88 544

Reasons for over/under performance

2023/24

Southern Precinct JMP top structures

The variance is mainly due to the contractor's construction cashflow forecasts not being aligned to the actual invoicing and Trencon's construction programme being slightly behind schedule. The forecasts were done optimistically with the assumption that all works including subsequent invoicing would be complete by March 2023. However, to date, external works remain underway.

Investor attraction

The variance was due to the late appointment of service providers; however, the amount was fully committed at year-end.

ORTIA SEZ Precinct 2, bulk development

There was no expenditure incurred due to late confirmation of bulk contributions by the City of Ekurhuleni (COE). However R55,7 million of the amount was committed (approved for payment by the Board on 28 March 2024 towards the bulk development contributions to the COE) and the remainder was approved by the Board in April 2024. The variance in achieving the target is also attributable to two main factors:

1. The GIDZ received confirmation to proceed to market (advertise the tender) with partial funding in the third quarter of the reporting period.
2. During the bid evaluation stage, the tender was deemed non-responsive, contributing to the deviation from the planned timeline for the year under review.

Internal audit fees

The variance is due to the late submission of the internal audit invoice. The internal SCM audit was concluded on 17 April 2024, and as such, was only invoiced after year-end.

Strategy to overcome areas of under-performance

The GIDZ implemented the following corrective measures for the Southern Precinct JMP top structures:

- Continuous engagements to take place between the contractor, professional resource team (PRT) and Implementing Agent, to ensure that all urgent items are addressed. Fortnightly meetings are held by the infrastructure team with the contractor and PRT, aimed at aligning the budget and cashflow with the construction progress;
- The contractor's performance is being closely monitored by the PRT; their submitted schedules are also reviewed; and
- The contractor is doing their best to finish the works and obtain practical completion by end-April 2024.

As illustrated in the APP above, it is noted that one of the targets set by the GIDZ was not met. Specifically, this refers to the target related to the percentage of completion for the ORTIA SEZ Precinct 2 bulk infrastructure development.

The GIDZ implemented the following corrective measures to ensure the appointment of the service provider in the upcoming financial year:

- The requirements stipulated in the tender document underwent a thorough review and amendment process, following extensive consultations with the procurement governance structures;
- Subsequently, two mandatory requirement areas which were not met by the tenderers/bidders were carefully re-evaluated. Consequently, these areas have been removed from the list of mandatory requirements and will be managed through the contracting process;
- These items relate to the mentorship element in the skills development requirements as well as the requirement of a resident installation electrician; and
- Following these changes, the revised ToRs were approved by the Specifications Committee for further approval, and by the other procurement governance structures.



Jewellery Manufacturing Precinct (JMP) within the OR Tambo SEZ



Mr Siyabonga Hlongwane
Acting Chief Executive Officer

Programme 5: Constitution Hill (ConHill)

Purpose: Constitution Hill (ConHill), a mixed-use heritage precinct, actively engages with its surroundings and contributes to the Greater Johannesburg Region (GCR) and the regeneration of Johannesburg's inner city. ConHill promotes civic growth by offering historical insights and bringing the values of the Constitution to life within the precinct.

ConHill works to involve the public, build partnerships, foster collaborations, and effect positive global change, ultimately striving to contribute to a society where justice, dignity, freedom, and respect for human rights is accessible for all. The organisation is dedicated to upholding the values and principles of South Africa's Constitution and works tirelessly to achieve a future where these ideals are universally upheld.

Our guiding principles:

- Firmly grounded in our principles, ConHill aims to be a reliable hub for human rights knowledge and resources;
- To guarantee our mission will endure for future generations, ConHill cultivates a workplace that mirrors our values, demonstrating accountability for our team, assets, finances, and environmental footprint; and
- ConHill is committed to broadening our influence, offering visitors human rights encounters that inform and empower. These experiences will leave a lasting imprint on the hearts and minds of all visitors, whether they engage on-site, online, or through other channels and platforms.



100%

Achievement



63 685
ticketed leisure visitors
to Constitution Hill



R11 516 847
Gross economic
impact of hosting
signature events



10 tourism
enterprises incubated
through the Tourism
Centre of Excellence
Programme



95 public
programmes
hosted



1 197 creatives
benefitting from the
Creative Uprising
Programme

Achievement of institutional outcomes

Table 39: Achievement of institutional outcomes

Outcome	Outcome indicator	Baseline	Five-year target 2020 - 2025	Progress	% of five-year target
Enhanced transformation in the economy.	Sustainable growth through product and infrastructure development.	503 823	181 040	115 963	64%
	Market access opportunities developed for creatives.	610	1 890	337	18%
	Sustainable growth through product and infrastructure development (MICE).	R3 million	R21,3 million	R15,8 million	134%
Improved social cohesion through Constitutionalism.	Programmes and campaigns that stimulate transformation and result in social cohesion.	150	359	370	103%
Enhanced transformation in the economy	Tourism and creative SMEs upskilled to contribute to economic growth and transformation.	209	1 098	243	22%
	Number of creative SMEs capacitated with skills	-	7 500	4 791	64%

Ticketed leisure visitors to Constitution Hill

During the reporting period, on-site visitor numbers increased to 63 685 for the year, an influx of 162% from the previous year's total of 39 371 and 6% above target of 60 000 – trending positively towards pre-pandemic levels which saw close to 62 379 visitors in the 2018/19 fiscal year.

- 2 456 visitors in attendance at free open days, which included the commemoration of Youth Month, Women's Month, commemoration of the Signing of the Constitution, celebration of Heritage and Human Rights Month.
- 4 683 on-site student tour visits.
- 21 154 visitors had visited ConHill via tour operators.

Throughout the year, ConHill remained committed to providing an outstanding visitor experience, maintaining customer satisfaction rates consistently above 90%. This high satisfaction level has been crucial in efforts to promote the site as the destination of choice, reflecting ConHill's commitment to enhancing the understanding of South Africa's democratic journey and human rights through our exhibitions, educational outreach, and cultural events.

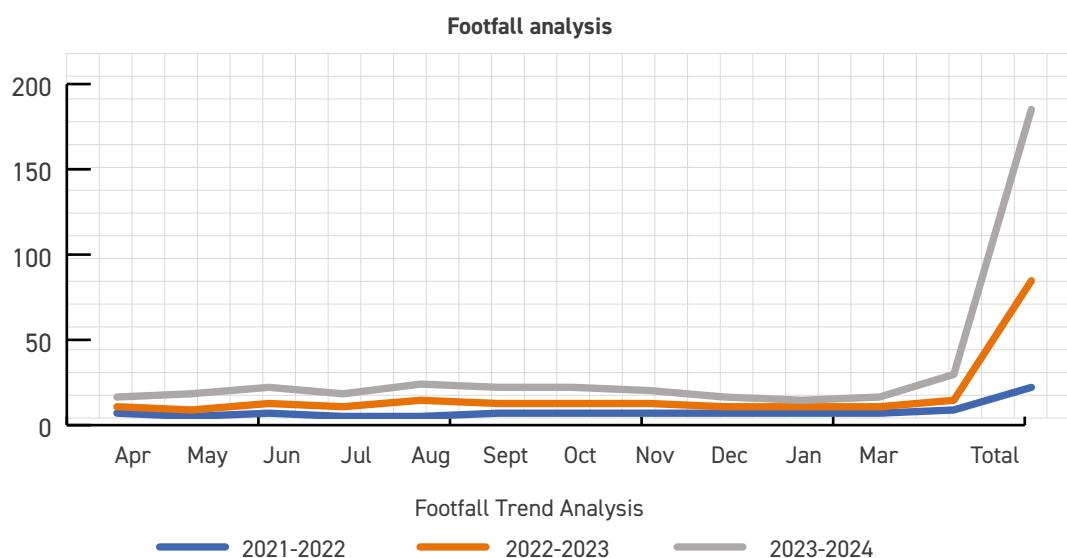


Figure 29: Footfall analysis

Tourism enterprises incubated through Tourism Centre of Excellence Programme

By capacitating SMMEs in the tourism sector, Constitution Hill contributes to the growth and development of small- and medium-sized businesses in the tourism sector, which in turn helps to drive economic growth and job creation in the local community. During the period under review, 10 SMMEs were given market access opportunities, and diversified the tourism offering in the area, making it more attractive to visitors and ultimately driving economic growth in the industry. Tour operators account for 33% of visitors coming through to Constitution Hill and during the year under review, seven women-owned SMME's participated in the Tourism Centre of Excellence Programme.

Support to tourism SMMEs was further extended through the IAMJOBURG initiative, sparking a cultural renaissance, fostering a sense of pride and ownership among the tourism SMMEs while captivating the imagination of visitors from around the world; challenging perceptions and inspiring dialogue on issues ranging from urban development to the role of tourism in development.

IAMJOBURG profiled unique tourism SMMEs in Johannesburg which includes walking and cycling tours of Joburg's iconic neighbourhoods to unique culinary and cultural experiences. IAMJOBURG positions Constitution Hill as a gateway to the heart of South Africa's historical narrative, symbolising resilience, justice, and transformation.

Through its digital platform, IAMJOBURG seamlessly integrates this iconic landmark into curated experiences, inviting travellers to explore its hallowed halls, hear the echoes of struggle and triumph, and embark on a transformative voyage through South Africa's rich and diverse history by exploring other transformational sites and offerings in Gauteng.

Gross economic impact of hosting events by ConHill

This indicator measures economic impact and calculates the additional economic activity that takes place in the region because of festivals which include spending patterns on accommodation, daily expenditure on food, souvenirs and other purchases.

The results of the financial impact for hosting Basha Uhuru and Human Rights Festivals were calculated using the SAFEIC events calculator. The total amount spent by festival organisers in the host economy – which has been defined to be the City of Johannesburg, was R3 000 000 for Basha Uhuru, while R4 150 000 was spent for the Human Rights Festival. Considering outflows and the multiplier effect, the total economic impact of the Basha Uhuru Festival on the host economy was R 4 665 406, attracting 1 026 event attendees hosted over a four-day period. The Human Rights Festival achieved R 6 851 441 – attracting 4 058 attendees over a four-day period. Participants responding to an impact study survey indicated having spent an average of R300 while on-site. The festivals further impacted job creation opportunities in the creative sectors, resulting in 208 individuals who directly benefitted.

Public programmes

Public programmes are designed to engage the public on various offerings ranging from public lectures, dialogues, workshops, and public outreach activities. The programmes aim to create community cohesiveness by strengthening relationships with the community.

Through these public programmes, ConHill collaborates with organisations to create an environment for engagement and trust-building. These were major focus areas during the year. Learners from all other provinces were encouraged to have their say on various topics, which were amplified through various outreach programmes.

Throughout the 2023/24 financial year, ConHill hosted a total of 95 public programmes, successfully exceeding the target of 90. These programmes were pivotal in advancing public engagement and raising awareness on constitutional education.

Notable initiatives included collaborations with PlayAfrica to educate young people under the age of 12 years on human rights issues. ConHill also hosted the Freedom Charter Exhibition that led up to the commemoration of Human Rights month in March, culminating in the observance of 30 years of constitutional democracy in South Africa. The exhibition's most profound impacts are in its commitment to giving those voices within historically marginalised communities, the platform to be heard – amplifying the stories of ordinary South Africans who contributed toward the freedom struggle. The exhibition further celebrated the diversity of experiences and perspectives that shaped the nation's history. From grassroots activists to community leaders, each voice served as a reminder to the collective strength and resilience of the South African people.

Building links between schools and museums

The site hosted a Pan-African debate in May 2023, which was a significant event that aimed to foster dialogue, exchange ideas, and promote Pan-Africanism and unity. The participants actively engaged in the discussions, contributing valuable insights and perspectives focused on social cohesion, building a better Africa for all and human rights. The learners, supported by teachers and researchers from the Law Society demonstrated enthusiasm, attentiveness, and a willingness to participate, creating an enriching and dynamic atmosphere throughout the event. Two hundred learners from Zambia, Tanzania, Kenya, South Africa, Zimbabwe, Botswana, and Lesotho attended the workshops and were educated on debating skills, research, and human rights issues.

Commemorating 30 years of South Africa's freedom

A series of exhibitions which included the hosting of the Freedom Charter exhibition was held. The exhibition's most profound impacts were in its commitment to centring voices that have been historically marginalised, amplifying the stories of ordinary South Africans who contributed to the struggle for freedom. The exhibition celebrates the diversity of experiences and perspectives that shaped the nation's history and was featured in the Human Rights Festival.

Creative Uprising Programme

Creative Uprising is Constitution Hill's ongoing programme designed to develop, support and elevate creative talent within a variety of art forms including music, film, art, design, dance, theatre, and poetry. The programme sets about establishing a home for creatives on the Hill. The target market is the creative entrepreneurial and small business sector, both formal and informal, and recognition of their unique talents.

The Creative Uprising Programme significantly impacted the local creative community, benefiting 1 197 creatives through skills development initiatives such as access to gallery spaces and product showcases. During this period, 43% of the 1 197 creatives who benefited were women, while 69% were young people.

Creatives gained market access opportunities by setting up pop-up stalls for books, clothing and jewellery, and food and drinks. Through these programmes, the museum heritage asset contributed towards local tourism attractions, provided networking opportunities, and extended the use of museum collections to enhance the work of the creatives.

The launch of the Creative Uprising Hub in December 2023, transformed the historical Queen Victoria building into a vibrant creative node featuring 62 studios, maker spaces, and gallery spaces where these businesses operated from. This was further supported by six cultural and creative industry support organisations including Concert SA, Craft and Design Institute and the South African Creative Industries Incubator. The Hub further supported micro-creative enterprises with physical amenities like Wi-Fi, low-cost studio space, and networking opportunities.

The project has created a network of creatives in the fashion design, visual arts, graphic design, film and music, jewellery making, photography and print art, footwear, painting, architecture, and interior design spaces.

The Creative Uprising project creates social innovation through spreading the site's creative resources into the industrial and product space, and in so doing, challenging and giving new insights into existing production processes. Moreover, this project has integrated young creative people into the creative and cultural industries, providing production access.

Festivals

Basha Uhuru

Through its dynamic programming of exhibitions, performances, workshops, and panel discussions, Basha Uhuru hosted from 21 to 24 June 2023, fostered meaningful interactions between artists, activists, and the broader community, sparking dialogue, challenging perceptions, and inspiring collective action. By celebrating the rich diversity of South African culture and heritage, the festival not only created a sense of pride, belonging, and unity among the over 1 026 attendees, but also created direct job opportunities for 146 creatives. A total of 50 workshops were hosted for the creative and cultural industries. Considering outflows and multiplier effects, the total impact of the festival was R4,6 million.



Basha Uhuru Festival attendees

Human Rights Festival

The Human Rights Festival at Constitution Hill, themed 'Seize the power' provided a significant space for partnerships, catalysing social change and dialogue, leaving a profound impact on both individuals and communities.

The event delivered a compelling programme that highlighted activism, dialogue, art, culture, exhibitions, books, poetry, film, a children's corner, a 5km walk and live music. This milestone served as an occasion to revisit the values of the constitution, emphasising a commitment to equality, dignity, freedom, and justice for all.

Attended by 4 052 participants, the festival was delivered with partners from various sectors , including government, social justice organisations and embassies.

A human rights activism row, hosted with 48 social justice organisations provided services to the public on human rights issues. Some of the topical subjects included the youth's experience of democracy and the need to vote.

The average spend for festival attendees was R300, excluding tickets as entrance into the festival was free.

Considering outflows and multiplier effects, the total impact of the festival was R6,8 million.



Human Rights Festival attendees

Curated markets

A total of six curated markets were hosted during the 2023/24 financial year, providing market access opportunities to a total of 102 SMMEs within the creative industry.

Programme 5: ConHill – Originally tabled Annual Performance Plan

Table 40: ConHill – Originally-tabled APP – Outcomes, outputs, output indicators, targets, and actual achievements

Programme 5: ConHill – Originally tabled Annual Performance Plan									
Outcome	Output	Output indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	*Actual Achievement 2023/24 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Enhanced transformation in the economy.	Value generated from leisure, business & events at ConHill.	Rand value generated from hosting meetings, incentives, conferences, exhibitions, and events on host economy	-	-	R7 200 000	R5 457 081	-R1 742 919	The outstanding targets were planned for reporting at the end of the Q4 period.	The indicator seeks to measure the economic impact of signature events hosted by the ConHill. Signature events refer to Basha Uhuru and human rights festivals. The economic impact of the signature events on the host city will be measured through the South African Festivals Economic Impact Calculator (SAFEIC). The Q3 target was moved to Q4 and combined to accommodate the hosting of the Human Rights Festival. Annual target remained unchanged.

Programme 5: ConHill – Re-tabled Annual Performance Plan

Table 41: ConHill – Re-tabled APP – Outcomes, outputs, output indicators, targets, and actual achievements

Programme 5: ConHill – Re-tabled Annual Performance Plan								
Outcome	Output	Output indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	**Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
Enhanced transformation in the economy.	ConHill leisure visitor number ticketed.	Number of ticketed leisure visitors to Constitution Hill.	10 256	39 395	60 000	63 685	+3 685	The increase in the number of visitors on site is due to a diversification of offerings which include festivals, schools' visitations.
	Value generated from leisure, business and events ConHill.	Gross economic impact of hosting signature, events.	-	-	R7 200 000	R11 516 847	+R4 316 847	Partnerships from the public and private sector contributed financial and non-financial resources towards the implementation of the two signature events – Basha Uhuru and the Human Rights Festival resulting in the economic impact reported.
	Creatives capacitated through access to knowledge and technical resources.	Number of tourism enterprises incubated through Tourism Centre of Excellence Programme.	-	130	10	10	-	-
Social cohesion through constitutionalism.	Human rights awareness through public programmes hosted.	Number of public programmes hosted.	126	138	90	95	+5	Increase in the number of partnerships from the social justice sector enabled the site to centre community voices and implement programming that responds to socio-economic contemporary issues
Enhanced transformation in the economy.	Creative sector development through resource aggregation.	Number of creatives benefitting from creative uprising programme.	2 754	-	1 000	1 197	+197	The hosting of signature events on site; curated markets and the creative hub resulted in an increase in the number of creatives accessing programmes on site.

Linking performance to Budgets

Table 42: Linking performance to budgets

Programme/activity/objective	2022/23			2023/24		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Education and public programmes	1 800	1 334	466	789	789	0
Exhibitions	300	300	0	300	300	0
Facilities management	44 260	41 966	2 294	50 699	54 229	(3 530)
Venue hire	1 200	1 561	(361)	1 200	2 300	(1 100)
Tourism (Visitors)	12	12	0	12	12	0
Total	47 572	45 173	2 399	53 000	57 630	(4 630)

Reasons for over/under expenditure

2023/24

The operating results for the financial year and the situation of the company are consolidated in this Annual Report and are available in the company's separate set of Annual Financial Statements. The company's operating surplus was R11,4 million with a net asset value of the company to R345 million (2022/23 financial year was R334 million). During the 2023/24 financial year, ConHill received a total grant of R55,4 million from GGDA.

Spend analysis

The overall spend exceeded the budget R4,6 million supported by additional funds raised from sponsorships and contributions by partners collaborated with ConHill on signature events. The company has implemented cost containment measures to curtail spend and realised some savings on both employee costs and Administrative expenses. ConHill has managed to achieve 100% delivery on planned targets with limited financial resources.

Strategy to overcome areas of underperformance

- Implementing a comprehensive recruitment programme to increase public awareness of ConHill programmes is crucial. This will involve fostering active community engagement by empowering local communities to participate in decision-making processes related to tourism and creative initiatives. Partnerships between ConHill, private sector stakeholders, civil society organisations, and local communities are essential to leverage resources, expertise, and networks effectively and fast track the further development of the site as a Global Human Rights Precinct.
- Additionally, investing in capacity-building programmes will enhance the skills and capabilities of individuals and organisations within the creative and tourism sectors, including training in entrepreneurship, cultural preservation, and management to ensure that there is a sustainable Creative Hub model; and the Tourism Centre of Excellence.



Curated. Makers Market

Revenue collection

Table 43: Revenue collection

Sources of revenue	2022/23			2023/24		
	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
Rental income	35 396	51 340	(15 944)	132 803	138 336	(5 533)
Rental of facilities and equipment	52 086	50 712	1 374	8 507	11 489	(2 982)
Project income (non-MTEF)	23 377	19 585	3 792	28 648	18 832	9 816
Rendering of services	106 709	122 264	(15 555)	111 071	129 686	(18 615)
Admission fee and sale of goods	2 649	2 938	(290)	3 826	4 421	(595)
Total	220 217	246 840	(26 623)	284 855	302 764	(17 909)

Capital investment

There are currently no plans to close or downgrade any current facilities.

The maintenance across the Group is based on the Annual Plans in place for the infrastructure.

Disposal, scrapping and loss of assets due to theft are written off through Board approvals, and stolen items were reimbursed from insurance, or the amount recovered from the employee if it was due to negligence.

The Group's assets are managed through an asset management policy that stipulates procedures for ensuring that processes are uniform throughout the Group as prescribed by the PFMA, Treasury regulations and requirements of GRAP. The GGDA Group maintains a fixed asset register and monitors the existence and condition of assets during biannual asset verification processes. The GGDA assets can be listed as 'good or fair', as they are maintained through an active maintenance plan.

Table 44: Capital investment

Infrastructure projects	2022/23			2023/24		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
ConHill Visitor Centre	61 429	25 339	36 090	173 317	13 531	159 786
BioPark Phase 3	145 735	58 496	87 239	129 441	89 531	39 910
Township hub refurbishment (2022/23)	62 412	1 722	60 690	51 014	44 391	6 623
Township hub refurbishment (2023/24)	0	0	0	50 000	0	50 000
Extension to Nissan IC	5 200	0	5 200	5 200	0	5 200
Extension to Ford IC	4 500	0	4 500	4 500	0	4 500
GIDZ Southern Precinct	168 711	174 618	(5 907)	235 594	214 724	20 870
Total	447 987	260 175	187 812	649 066	362 177	286 889



Human Rights Festival attendees



PART C



GOVERNANCE

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Introduction

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King IV™ Report on Corporate Governance. The Board of the GGDA is ultimately responsible for ensuring that corporate governance standards are complied with. The GGDA Group remains fully committed to business integrity, fairness, transparency, and accountability in all its activities.

Executive authority

The GGDA provides monthly progress reports to its shareholder, in addition to attending GDEDs senior management team and executive management team meetings. Board-approved reports are submitted to the GDED on a quarterly basis. Ad hoc data and information are provided when requested. The Board attends briefing sessions when requested by the Executive Authority. Shareholder representatives serve on the Board and attend Board meetings.

The GGDA is an entity established in terms of the 2012 amendment to the Blue IQ Investment Holdings Act by the Gauteng Provincial Government, and reports to the GDED.

The accounting authority/board

Introduction

The role of the Board is described by the following activities:

- Provide strategic direction and leadership;
- Determine the goals and objectives of the Company;
- Approve key policies, including investment and risk management;
- Review the Company's goals and strategies for achieving its objectives;
- Approve and monitor compliance with corporate plans, financial plans, and budgets.
- Review and approve the Company's financial objectives, plans and expenditure;
- Consider and approve the Annual Financial Statements, interim statements, and notices to the shareholder;
- Ensure good corporate governance and ethics;
- Monitor and review performance and effectiveness of controls;
- Ensure effective communication with relevant stakeholders;

- Liaise with and report to the shareholder;
- Guide key initiatives;
- Approve transactions beyond the authority of management;
- Consider and adopt, if appropriate, operating budgets and business plans proposed by management for the achievement of its strategic direction;
- Delegate authority for capital expenditure;
- Ensure ethical behaviour and compliance with relevant laws and regulations, audit and accounting principles, and the GGDA's internal governing documents and codes of conduct, and
- Act responsibly towards the GGDA's relevant stakeholders.

The Board regularly reviews its Annual Plan to ensure that sufficient time is allocated for the review of its strategy, which involves the analysis of the choices articulated in such strategy and the ongoing review of progress against approved plans.

Board Charter

The Board Charter sets out the roles, duties, and responsibilities of the Board, as well as salient corporate governance principles. The Board and committee charters are revised annually to ensure effectiveness and relevance. In line with the Charter, the Board met a minimum of four times during this financial year to discharge its duties as set out in the PFMA and the King IV™ Report on Corporate Governance. Proceedings at meetings are directed by a formal agenda. The proposed agenda is circulated prior to the meeting to allow Board members sufficient opportunity to request additional agenda items. In addition, a comprehensive Board pack is distributed to all members in advance of meetings, to ensure that they are properly informed and to enable them to undertake meaningful discussions and effectively discharge their duties.

Board packs typically include:

- An agenda;
- The previous meeting's minutes;
- Copies of any resolutions passed since the last Board meeting; and
- A governance update to assist Board members in keeping abreast of relevant legislation.

All Board members have unrestricted access to the Company Secretary and all Board records, as well as to independent professional advice in appropriate circumstances.

Composition of the Board

Table 45: GGDA Board composition

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
Advocate K. Maja	Chairperson	01 October 2021	N/A	Bachelor of Laws (LLB) Master of Business Administration.	Business banking Corporate social responsibility strategies. Enterprise and supplier development. Socio-economic development. Stakeholder and partnerships management. Enterprise and supplier development. Governance and ethics. Community development. Trade, investment, and regulatory enablement Enterprise supplier development.	None	Member: GGDA Group Nominations, Human Resources, and Remuneration Committee.	23 of 25
Mr K. Matabane	Deputy Chairperson	01 October 2021	N/A	Master of Business Leadership Senior Executive Development Programme Leadership Development Programme Post Graduate Diploma in Business Administration Certificate Programme in Financial Analysis Bachelor of Technology: Cost and Management Accounting National Diploma: Cost and Management Accounting	Operations. Human resources and remuneration. Corporate governance. Finance. Social and ethics. General management. Socio-Economic transformation. PPPFA and PFMA.	National Home Builders Registration Council and Presidential Broad- based Black Economic Empowerment Advisory Council.	Member: GGDA Group Audit and Risk Committee.	22 of 25
Dr S. Vilakazi	Non-executive Director	01 October 2021	N/A	PhD: Organisational Development and Diversity Management. Finance for Non- Financial Managers. MA: Research Psychology. BSocSci (Hons): Psychology. BSocSci: Psychology. Marketing Certificate.	Research. Organisational development and diversity management. Business strategy. Customer strategy design and implementation.	Kalagadi Manganese Mining company. Member of the Social, Ethics and Transformation Committee and the Safety, Health and Environmental Committee. South African Music Rights Association (SAMRO). Chairperson: Social, Ethics and Governance Committee and Member: Nominations and Human Relations Committee Black Management Forum. Chairperson: Social and Ethics Committee.	Member: ConHill Board Member: GGDA Group Social and Ethics Committee	23 of 25
Mr T. Fakude	Non-executive Director	01 October 2021	N/A	Bachelor of Arts with Honours Master of Arts Certificate of Proficiency in Employee Benefits Certificate of Participation, Role of Media in the Society Certificate of Recognition, Preparation for 9th Al Jazeera Forum	Geopolitical research. Media engagements – broadcast and print. South African Tourism.	None	Chairperson: TIHMC Board. Member: GGDA Group Trade, Investment and Regulatory Board Committee.	22 of 25

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
Mr D. Maimela	Non-executive director	01 October 2021	N/A	MA (Politics) BA (Hons) B.Pol.Sci	Economic development and investment. Politics and governance. Human resources.	None	Chairperson: GGDA Group Trade, Investment and Regulatory Enablement Committee. Member: TIHMC Board.	23 of 25
Mr K. Sukdev	Non-executive director	01 October 2021	N/A	B Bus Sc (Hons) Fellow of Faculty of Actuaries Certified Financial Planner Fellow of Actuarial Society of South Africa MBA	Finance. Economics. Retirement funds. Risk management. Strategic planning. Audit and risk committees. Investments.	None	Chairperson: GGDA Group Audit and Risk Committee. Member: AIDC Board	24 of 25
Ms R. Letwaba	Non-executive director	01 October 2021	N/A	LLB B Juris	Local government knowledge. Legislative sector knowledge. Public sector knowledge. Government functionality including inter-governmental relationships. Budget management. Human resource management. Legal and regulatory environment. Operations at senior management. Public/stakeholder relations and strategic partnerships. Risk management experience. Community development. Project management.	Member of Advisory Panel: Department of Human Settlement Chairperson: REMCO and Social and Ethics Committee at Gauteng Enterprise Propeller (GEP)	Member: ConHill Board. Chairperson: GGDA Group Nomination, Human Resources and Remuneration Committee.	22 of 25
Ms T. Godongwana	Non-executive director	01 October 2021	N/A	Bachelor of Science Business Management Diploma Higher Diploma in Education Bachelor of Education Current studies	Corporate governance. Business and organisational development. Human resources policy formulation, strategies, and procedures.	Chairperson of the OR Tambo Premier Hotel Board member of both SAFEC and the Community Schemes Ombud Services (CSOC). CSOC member of the HR REMCO LATCOM Audit and Risk Committee Chair	Member: GIDZ Board	21 of 25
Advocate L. Mokgatle	Non-executive director	01 October 2021	N/A	LLB Trained as an Attorney in Gaborone Admitted as an Advocate of the Supreme Court	Litigation. Commercial law. Legal advice. Legal writing and research. Legal research. Legal compliance.	Non-executive director South African Forestry Company Limited since 2018 (Member: Human Resource and Remuneration, Social and Ethics, and Safety, Health, Environment and Quality committees). Sci-Bono since 2015 ending in October 2022. (Member: Social and Ethics Committee). Chancellor House Holdings since 2016 (Chair: Remuneration Committee and member: Audit and Risk Committee, and Investment Committee). Member of The Financial Services Tribunal and the Financial Intelligence Centre Appeal Board since 1 April 2024		21 of 25

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
Dr Ezra Ndwandwe	Non-executive Director	18 October 2023	N/A	Bachelor of Science (Bsc.) – Wits Masters of Business Leadership – UNISA SBL PhD (Awaiting Graduation) – DaVinci School of Business Leadership	Corporate strategy development. Change management Project management and economic development initiatives of mega projects. Organisational culture change expert. Business process re-engineering.	None	Chairperson: GIDZ Board Member: GGDA Group Trade, Investment and Regulatory Enablement Committee.	13 of 13
Ms Meloney van Eck	Non-executive Director	18 October 2023	N/A	Bachelor of Business Administration – Stadio – 2021 Purchasing Management Diploma – Damelin – 2006 Advanced Management development Programme – University of Pretoria – 2008 Certificates Matric – Eersterus Secondary School – 1995 Accounting information Cert – Technikon Pretoria – 1996 Computer Literacy and office Administration – 2000 Supplier Evaluation and Negotiation Techniques – 2005	Experienced professional with over 17 years working in the public sector, public institutions and having exposure in formulating strategic partnerships with Private Sector. I have expert level skills in the areas of Strategy Formulation, Strategy Implementation, Medium- and long-Term Planning, Scenario Planning, Institutional Performance Management, Monitoring and Evaluation, Stakeholder and Inter-Governmental Relations, Communications, Policy Development, and Implementation. I have experience working in the build environment and project conceptualisation, implementation and management is one of my key skills acquired over the years I hold a Bachelor of Business Administration which has enhanced my skills in Management and Project Management which enables me to be versatile in my role as an Executive. I also have various other qualifications and skills enhancement certificates that has assisted with the managerial roles I held. I have excellent skills in managing negotiations and structuring of relevant agreements, analysing, developing, and advising on policy, systems, business processes as well as standard operating procedures.	None	Chairperson: AIDC Board Member: GGDA Group Audit and Risk Committee	13 of 13
Ms Dikeledi Tsotetsi	Non-executive Director	18 October 2023	N/A	BA BA Hons Masters	Highly experienced in community development, Human resources management, Small business management, Public governance and management, Project management.	None	Chairperson: ConHill Board Member: GGDA Group Social and Ethics Committee	13 of 13

*Advocate Kgotso Maja was appointed as Chairperson on 8 December 2023
Mr Kganki Matabane was appointed as Deputy Chairperson on 8 December 2023*

Committees

The Board has the authority to form committees to aid in carrying out its responsibilities, powers, and authorities. The committees established by the Board include the Audit and Risk Committee, Social and Ethics Committee, Nomination, Human Resource and Remuneration Committee, and the Trade, Investment, and Regulatory Enablement Committee. The functions of these committees are detailed in their respective charters. Additional members were appointed as members of the committees, after the financial year had started.

Table 46: Committees of the GGDA Group

Committee	Name	Designation	Date appointed	End of Term	Number of meetings attended
GGDA Group Audit and Risk Committee*	Mr K. Sukdev	Chairperson	1 January 2022	N/A	17 of 18
	Mr T. Fakude	Member	1 January 2022	8 December 2023	11 of 14
	Advocate L. Mokgatle	Member	1 January 2022	8 December 2023	11 of 14
	Ms T. Godongwana	Member	28 April 2022	8 December 2023	10 of 14
	Mr A. Latchu	Member	28 April 2022	8 December 2023	13 of 14
	Mr G. Yende	Member	28 April 2022	8 December 2023	10 of 14
	Mr T. Ditshwane	Member	28 April 2022	N/A	18 of 18
	Ms P. Mangoma	Member	28 April 2022	N/A	18 of 18
	Ms M. van Eck	Member	8 December 2023	N/A	4 of 4
	Ms N. Thanjekwayo	Member	8 December 2023	N/A	4 of 4
	Dr D. Konar	Member	8 December 2023	N/A	4 of 4
	Mr K. Matabane	Member	8 December 2023	N/A	4 of 4
GGDA Group Nomination, Human Resources and Remuneration Committee	Advocate L. Mokgatle	Chairperson	1 January 2022	10 January 2024	3 of 3
	Mr K. Sukdev	Member	1 January 2022	10 January 2024	3 of 3
	Dr S. Vilakazi	Member	1 January 2022	10 January 2024	3 of 3
	Mr R. Maboe	Member	1 January 2022	10 January 2024	3 of 3
	Mr B. Gantile	Member	28 April 2022	N/A	6 of 6
	Ms J. Phiri	Member	28 April 2022	N/A	5 of 6
	Ms R. Letwaba	Chairperson	10 January 2024	N/A	3 of 3
	Advocate K Maja	Member	10 January 2024	N/A	3 of 3
GGDA Group Social and Ethics Committee	Ms T. Kutumela	Chairperson	1 January 2022	8 December 2023	3 of 3
	Ms T. Godongwana	Member	1 January 2022	10 January 2024	2 of 3
	Mr G. More	Member	1 January 2022	10 January 2024	3 of 3
	Mr P. Mofokeng	Member	1 January 2022	10 January 2024	3 of 3
	Mr M. Sebothoma	Member	28 April 2022	10 January 2024	3 of 3
	Mr R. Moeng	Member	28 April 2022	10 January 2024	3 of 3
	Mr P. Nyandu	Member	28 April 2022	10 January 2024	2 of 3
	Advocate L Mokgatle	Chairperson	10 January 2024	31 March 2024	0 of 1
	Dr N. Skeepers	Member	10 January 2024	N/A	1 of 1
	Dr S. Vilakazi	Member	10 January 2024	N/A	1 of 1
	Ms D. Tsotetsi	Member	10 January 2024	N/A	1 of 1
GGDA Group Infrastructure, Trade, Investment and Regulatory Enablement Committee	Mr D. Maimela	Chairperson	1 January 2022	N/A	3 of 3
	Mr T. Fakude	Member	1 January 2022	N/A	2 of 3
	Mr S. Mbele	Member	28 April 2022	N/A	1 of 3
	Dr S. Vilakazi	Member	28 April 2022	10 January 2024	2 of 2
	Dr B. Mabizela	Member	28 April 2022	N/A	3 of 3
	Ms C. Maluleke	Member	28 April 2022	N/A	3 of 3
	Mr B. Mboniswa	Member	28 April 2022	10 January 2024	1 of 2
	Dr E. Ndwandwe	Member	10 January 2024	N/A	1 of 1
	Ms N. Mashologu	Member	10 January 2024	N/A	1 of 1
	Dr R. Mashologu	Member	28 April 2022	10 January 2024	2 of 2

Remuneration of Board members

Non-executive directors receive fees for their contribution to the Board and the committees on which they serve. The shareholder determines this rate in terms of a policy. Non-executive directors are also reimbursed for out-of-pocket expenses incurred on the Company's behalf. Further information on directors' remuneration appears on pages 226 to 229.

Table 47: GGDA Board remuneration

Name	Remuneration	Other re- imbursements	Total
Advocate Lentswe Mokgatle	333 963,00	92,80	334 055,80
Advocate Kgotso Maja	219 244,00	4 910,98	224 154,98
Dr Ezra Ndwandwe	122 297,50	2 171,52	124 469,02
Dr Charity Mbileni-Morema	223 108,00	4 496,16	227 604,16
Dr Deenadayalen Konar	132 430,00	863,04	133 293,04
Dr Natalie Skeepers	154 680,50	-	154 680,50
Dr Sibongile Vilakazi	296 044,50	3 067,04	299 111,54
Dr Bongani Mabizela	122 444,00	2 589,12	125 033,12
Mr Mphulo Sebothoma	111 194,00	900,16	112 094,16
Mr Raleshaba Moeng	103 282,00	1 494,08	104 776,08
Mr Sipho Mbele	119 944,00	1 141,44	121 085,44
Mr Ashley Latchu	201 365,00	-	201 365,00
Mr Butana Mboniswa	132 032,00	2 400,74	134 432,74
Mr David Maimela	315 379,00	4 310,56	319 689,56
Mr Errol Magerman	5 000,00	-	5 000,00
Mr Gugu Yende	197 004,00	3 006,72	200 010,72
Mr Kganki Matabane	183 268,00	-	183 268,00
Mr Krishen Sukdev	511 433,25	4 978,72	516 411,97
Mr Phila Nyandu	100 157,00	343,36	100 500,36
Mr Raymond Maboja	124 944,00	3 413,78	128 357,78
Mr Thembisa Fakude	398 701,50	4 959,34	403 660,84
Mr Tshagofatsa Ditshwane	236 564,00	3 396,48	239 960,48
Mr Xolani Zulu	123 893,00	185,60	124 078,60
Mr Bonisile Gantile	159 106,00	1 243,52	160 349,52
Mr German More	111 094,50	389,76	111 484,26
Mr Pule Mofokeng	143 069,00	547,52	143 616,52
Mr Rendani Mamphiswana	166 119,00	1 856,00	167 975,00
Ms Dikeledi Tsotetsi	122 610,00	5 503,04	128 113,04
Ms Meloney Van Eck	143 121,50	3 164,48	146 285,98
Ms Nelisiwe Thanjekwayo	147 842,00	556,80	148 398,80
Ms Carol Maluleka	204 120,50	9 029,44	213 554,94
Ms Joyce Phiri	151 592,00	658,88	152 250,88
Ms Princes Mangoma	224 064,00	863,04	224 927,04
Ms Refilwe Letwaba	237 606,50	8 700,00	246 306,50
Ms Thabiso Kutumela	102 034,00	621,76	102 655,76
Ms Thandiwe Godongwana	390 739,00	1 285,28	392 024,28
Ms Noluthando Mashologu	196 379,00	2 384,96	198 763,96
Total	6 967 869,25	85 526,11	7 053 800,36

Risk and ethics management

Ethics management

The GGDA recognises that risk and ethics management are key to enhancing strategic, operational and financial management, which are all crucial to delivering value to our stakeholders. For the GGDA to be a sustainable organisation, the leadership must proactively cultivate an organisational culture characterised by ethical leadership, ethics awareness, ethical decision-making and consistent ethical behaviour. Achieving a truly ethical culture is a long-term endeavour that requires sustained leadership commitment.

The GGDA has developed a three-year Ethics Strategy aimed at bolstering institutional integrity across the Group. This strategy is informed by the findings of a comprehensive Ethics Risk Assessment and Ethics Management Maturity Assessment process carried out within the GGDA Group. It is further informed by the outcomes of a culture survey conducted during the 2022/23FY. We believe that the implementation of this strategy will enable the GGDA Group to shape its ethical culture, encouraging all employees and stakeholders to act ethically – whether under scrutiny or not. By embarking on this ethical journey, the GGDA Group will be better positioned to ensure the effective, efficient, transparent, and ethical delivery of its intended outcomes, leading to improved services and increased stakeholder satisfaction.

The GGDA has implemented various measures to reduce ethics-related risks. These include a Fraud Prevention Policy that allows for anonymous reporting of fraud through an independently managed hotline, a robust policy framework to mitigate ethics risks and proactive communication with employees to ensure that they are aware of their ethical obligations and responsibilities.

Risk management

The GGDA Group, through its approved Risk Management Framework and Policy has organised its risk management architecture to optimise its risk management capability. The GGDA continuously endeavours to make risk prevention and management part of our culture. This shared responsibility rests with individuals at all levels of the organisation. During the reporting period the focus was on developing an effective risk management strategy and ensuring that key risks identified in the annual risk assessments are effectively managed. Throughout the financial year, the risk profile is assessed to determine effectiveness of risk mitigation and emerging risks are tracked accordingly.

The GGDA Group Board has ensured that there is an Audit and Risk Management Committee in place to provide oversight of the organisation's risk management systems. This oversight includes risk advisory, risk monitoring and commissioning independent monitoring of the system of risk management in the organisation. The Audit and Risk Management Committee played an important role in ensuring that key risks were mitigated to acceptable levels to ensure that the organisation meets its performance targets. Overall risk mitigations have yielded positive results which have seen notable improvements in performance, specifically programme risks. During the financial year the Group grappled with key risks in the following areas:

Project delivery

A key project in the Group experienced delayed delivery due to contractor risks materialising because of poor contractor performance, as well as contractors experiencing financial difficulties. The Group is committed to ensure that these risks are mitigated to ensure that projects commence and are completed as scheduled. The group has strengthened its project management capacity, improved project monitoring through revised standard operating procedures. The risk areas will remain an area of concern in the future and specific focus will be placed on managing project risks.

The key risk that Group addressed in this FY (a High-risk rating) was Project Delivery Risks, namely, 'Failure to timeously and efficiently deliver on strategic economic infrastructure'. All the other key risks are rated either low or medium.

The table below are the key risks for the group. They have been managed to acceptable levels in the financial year except for the aforementioned project risk. These ratings are aligned and reflected in the organisation's annual performance.

Table 48: GGDA Group key risks

No. #	Outcome	Risk	End of FY rating
1.	Increased levels of investment into Gauteng City Region.	Inability to reach targets for FDI, DDI and Trade.	Medium
2.	Increased investment and growth in economic infrastructure in Gauteng (EPMO).	Failure to timeously and efficiently deliver on strategic economic infrastructure.	High
3.	Globally competitive SMMEs. Improved market access or trade activities by township-based SMMEs.	Inability to create and development sustainable SMMEs.	Medium
4.	Enhanced skills development and training.	Inability to deliver impactful skills development and training programmes.	Medium
5.	Increased investment and growth in economic infrastructure in Gauteng (SEZ Programmes).	Failure to establish SEZs.	Medium
6.	Financial management.	Financial sustainability risk.	Medium
7.	Creating a high-performance organisation.	Under performance. Poor performance culture.	Medium

Internal audit

The GGDA has an internal audit function that independently appraises the organisation's operations. It helps the organisation to achieve its objectives by evaluating and improving the effectiveness of risk management, control, and governance processes. The internal audit function does not have direct operational responsibility or authority over any of the activities audited. Therefore, it does not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair the internal auditor's judgment, objectivity, and/or independence.

The internal audit function's responsibility is to review and provide assurance on the adequacy and effectiveness of the internal control environment across the significant areas of the organisation's operations, risk management and governance processes. For the financial year, the internal audit function was capacitated through a co-sourced internal audit model. The internal audit function reports directly to the Audit and Risk Committee and administratively to the Group Chief Executive Officer.

The internal audit function reports to the Audit and Risk Committee on the progress made in implementing the Annual Internal Audit Plan and other relevant matters. On a quarterly basis, it reported significant issues arising from its audits and potential improvements to the audited areas. This also includes significant risk exposures, control issues, corporate governance, and other matters.

The controls that are subject to evaluation encompass the information systems environment, the reliability and integrity of financial and operational information, the effectiveness of operations, the safeguarding of assets, and compliance with laws, regulations, policies, and procedures as well as contracts.

For the financial year ending 31 March 2024, the internal audit function performed the following key audits across the Group:

- Supply Chain and Contract Management;
- Annual Financial Statement Reviews;
- ICT General Controls Review;
- Revenue Management;
- Incubation Programme;
- Facilities Management;
- Security and OHS Management;
- Enterprise Risk Management;
- Management Accounts;
- Marketing, Communication and Stakeholder; Management Review; and
- Audit of Performance Information.

Audit and risk committee

The primary role of the Audit and Risk Committee is to assist the Board in fulfilling its oversight responsibilities in areas such as financial management and reporting, the adequacy and effectiveness of the risk management and internal control systems, as well as fraud and ethics management within the GGDA Group.

The Audit and Risk Committee is responsible for ensuring that the group's internal audit function is independent and has the necessary resources, skills, standing, and authority within the organisation to enable it to discharge its responsibilities effectively. The Internal Auditors have unrestricted access to the Audit Committee.

As part of the committee's agenda, the committee also reviewed standing matters such as the Group's performance reports, financial and supply chain reports, updates from the head of Internal Audit, on the effectiveness of internal control systems and the outcomes of significant audits and control matters, updates from the head of Risk and Ethics regarding the risk and ethical landscape of the organisation.

The Audit and Risk Committee formed an opinion that adequate, objective internal audit policies and procedures exist within the Group and that the Group's internal audit function had complied with the internal audit standards, the required legal, regulatory, and other responsibilities as stipulated in its Charter during the period under review.

The Audit and Risk Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the Group.

The key responsibilities for the Audit and Risk Committee as outlined in the Charter include, but are limited to:

- Approving the three-year strategic rolling internal audit plan for the year ending 31 March 2026;
- Approving the annual internal audit plan for the year ending 31 March 2024;
- Reviewing and approving the internal audit; quarterly reports in line with the approved internal audit plan;
- Reviewed and approved the Internal Audit Charter;
- Reviewing the integrated Fraud and Whistleblowing reports;
- Examining the integrity of the financial statements of the entities within the GGDA Group, and any other formal announcement relating to its financial performance;
- Reviewing significant financial reporting issues and judgments; and
- Overseeing compliance with applicable legal and regulatory requirements, including monitoring ethics and compliance risks.

The table below discloses relevant information on the audit committee members

Table 49: GGDA Audit Committee members

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mr K. Sukdev	B Bus Sc (Hons) Fellow of Faculty of Actuaries Certified Financial Planner Fellow of Actuarial Society of South Africa MBA	External	N/A	1 January 2022	N/A	17 of 18
Mr T. Fakude	Bachelor of Arts with Honours Master of Arts Certificate of Proficiency in Employee Benefits Certificate of Participation, Role of Media in the Society Certificate of Recognition, Preparation for 9th Al Jazeera Forum	External	N/A	1 January 2022	8 December 2023	11 of 14
Advocate L. Mokgatle	LLB Trained as an Attorney in Gaborone Admitted as an Advocate of the Supreme Court	External	N/A	1 January 2022	8 December 2023	11 of 14
Ms T. Godongwana	Bachelor of Science Business Management Diploma Higher Diploma in Education Bachelor of Education	External	N/A	28 April 2022	8 December 2023	10 of 14
Mr A. Latchu	PhD = current registered student Masters = 2020 Bsc Honours = 2014 BSc Degree = 2012	External	N/A	28 April 2022	8 December 2023	13 of 14
Mr G. Yende	Matriculated in 1987. BPROC (Law degree) University of Fort Hare 1992	External	N/A	28 April 2022	8 December 2023	10 of 14
Mr T. Ditshwane	BCom Economics & Econometrics (UJ) - 2016 Cert. Strategic Management (Wits) - 2018 Post Graduate Diploma in Business Administration (UNISA) - 2019 MSc Applied Economics Banking & Financial Markets (Bath UK) - in progress.	External	N/A	28 April 2022	N/A	18 of 18
Ms P. Mangoma	B COMPT (Bachelor of Accounting Sciences) September 2004 B Com Honours (honours bachelor of commerce) June 2011 Certified Internal Auditor (Part 1, 2 and 4) July 2009	External	N/A	28 April 2022	N/A	18 of 18

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Ms M. van Eck	Bachelor of Business Administration – Stadio – 2021 Purchasing Management Diploma – Damelin – 2006 Advanced Management development Programme – University of Pretoria – 2008 Certificates Matric – Eersterus Secondary School – 1995 Accounting information Cert – Technikon Pretoria – 1996 Computer Literacy and Office Administration – 2000 Supplier Evaluation and Negotiation Techniques – 2005	External	N/A	8 December 2023	N/A	4 of 4
Ms M. Thanjekwayo	Law Society of South Africa, Norton Rose Fulbright, Practical Legal Training, (2015) World Trade Institute, University of Bern, Masters in International Law and Economics (cum laude), (2015) Oliver Schreiner School of Law University of the Witwatersrand, LL.M in Commercial and Business Law, (2015) Mandela Institute, University of the Witwatersrand, Mining Tax Law Postgraduate Certificate, (2014) Mandela Institute, University of the Witwatersrand, Energy Law Postgraduate Certificate, (2014) Oliver Schreiner School of Law University of the Witwatersrand, LL.B, (2013)	External	N/A	8 December 2023	N/A	4 of 4
Dr D. Konar	B.Com PG Dip in Accounting CA(SA) Cert in Tax Law D.Com	External	N/A	8 December 2023	N/A	4 of 4
Mr K. Matabane	Master of Business Leadership Senior Executive Development Programme Leadership Development Programme Post Graduate Diploma in Business Administration Certificate Programme in Financial Analysis Bachelor of Technology Degree: Cost and Management Accounting National Diploma: Cost and Management Accounting	External	N/A	8 December 2023	N/A	4 of 4

Compliance with laws and regulations

Legislative and other mandates

The GGDA is a holding company that is registered as a PFMA Schedule 3C public entity whose sole shareholder is the MEC responsible for the GDED.

Four sector implementing entities are wholly owned by the GGDA: AIDC, TIHMC, GIDZ and ConHill. These entities, by virtue of their ownership by GGDA, also conduct themselves as Schedule 3C public entities. In terms of its governance arrangements, the GGDA is accountable to both GDED and an independent Board that has been established in terms of the Companies Act.

Similarly, Boards have also been established for each of the implementing entities. The GGDA is positioned to ensure the delivery of economic growth and economic development – encompassing the full spectrum of economic development priorities. In terms of this model,

the GDED is responsible for strategy, policy, and oversight and the GGDA is responsible for the implementation of approved initiatives. This is managed via a framework of control and governance that provides Gauteng with a mechanism to encourage the development of existing economic activity in addition to the creation of new opportunities. This approach aids in the base growth of sustainable employers and employment opportunities and the overall economy of Gauteng.

The GGDA and the implementation entity Boards are responsible for monitoring and reviewing the corporate strategy of the Company and the Group. The Group Executive Committee (EXCO) comprises the CEOs of the Group and its subsidiaries, and the Group executives.

The Group EXCO is established to assist the Group in fulfilling its oversight responsibilities. It provides an open platform for communication between financial management, operations management, risk management, human resources, and Board matters.

The Group EXCO makes recommendations to the Boards, except in situations where a Board authorises the EXCO to take and implement decisions. Thus, in undertaking its duties, the Group EXCO has due regard to its role as an advisory body to the Group, unless specifically mandated by the Boards to make decisions.

Fraud and corruption

The GGDA Group acknowledges that incidents of fraud and corruption have the potential to derail the work of the Group and to adversely affect the organisation's reputation. This section of the report aims to communicate the annual review of the GGDA Group's counter-fraud and corruption arrangements and provides an overview of fraud and whistle blowing activity for the relevant period.

The GGDA Group implemented the Fraud Prevention and Whistle Blowing Policy through the Ethics Implementation Plan together with a fraud and risk register. The Fraud Prevention and Whistle Blowing Policy enables whistle-blowers to report any misconduct or unethical behaviour anonymously and independent investigations are conducted and report to the Audit and Risk Committee where required.

Those who report to the hotline remain anonymous. Reference numbers are issued so that they can follow up on reported matters should they wish to do so. Awareness sessions on the prevention of fraud and corruption were conducted with employees throughout the financial year.

Minimising conflict of interest

Below is a description on the processes implemented to minimise conflict of interest in supply chain management.

- Supply chain management has a Declaration of Interest form that is completed during each procurement process;
- Each member party to the procurement process is required to sign and declare their interest; and
- All declarations are subject to audit process. Where interest is declared, the conflict is assessed to determine if his/her interest will prejudice the GGDA. Thus, if the person has the deciding vote or power to influence or to direct the course and decisions of the enterprise, then the person will be requested to recuse him/herself.

Code of Conduct

The Employee Code of Conduct is a vital component in the GGDA's governance model, which encompasses common steering documents and processes, such as our policies and procedures. The GGDA maintained a Board approved Employee Code of Conduct that was workshoped with all employees. The intention of the Code of Conduct is to promote exemplary conduct.

The GGDA is committed to conduct all its activities to the highest standard of competence, integrity and ethical behaviour, to ensure its conduct is beyond reproach.

The Company is committed to provide a work environment that is intended to value diversity among its employees. HR policies, procedures and activities

create a respectful workplace in which every employee can reach his/her highest potential.

Every GGDA employee who violates the Code of Conduct will have the potential to receive sanctions after going through the investigation process and various considerations. The Code of Conduct also sets out the process for employees to report any breaches to the code and outlines a protected circumstances as required by legislation. The GGDA Code of Conduct places the following requirements on all employees, directors and stakeholders:

- Carry out their responsibilities honestly, in good faith and with integrity, due care, competence and diligence;
- Never misrepresent or withhold material facts or allow their independent judgment to be compromised;
- Avoid actual or apparent conflicts of interest in personal and professional relationships;
- Comply with applicable government laws, rules and regulations;
- Assist in the production of complete, accurate, timely and understandable external financial reporting and in other public communications made by the organisation; and
- Take all reasonable measures to protect the confidentiality of non-public information relating to the GGDA and its stakeholders.

Health safety and environmental issues

The GGDA prioritises the provision of a safe and healthy workplace for all its employees, visitors and invited guests, in compliance with the Occupational Health and Safety Act.

To this end, OHS Committees have been established across the Group. Their mandate includes promoting employee health and safety, monitoring workplace risks, managing reported incidents and enhancing awareness and responsibility about safety issues.

Company/Board Secretary

The Company Secretary is appointed by, and is accountable to, the Board. This person is the corporate governance knowledge manager and information officer of the GGDA and its subsidiaries and is responsible for the execution of all statutory requirements applicable to the GGDA and its subsidiaries.

In relation to their fiduciary duties and how to discharge such duties, the directors have unrestricted access to the advice and guidance of the Company Secretary. The directors are entitled to obtain independent professional advice at the GGDA's expense, should they deem this necessary. In addition to the performance of other assurance functions, the Company Secretary monitors the GGDA's compliance with the requirements of good corporate governance, the amendments to the Blue IQ Act, adherence to the PFMA, the Companies Act and other relevant legislation.

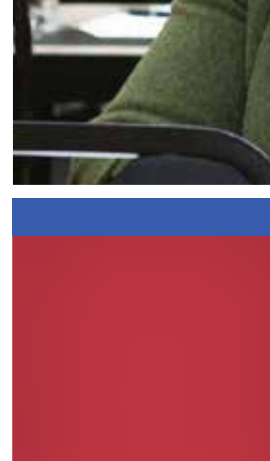
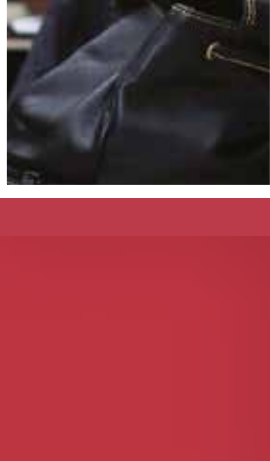
In terms of section 88(2)(e) of the Companies Act, as amended, the Company has lodged with the Companies and Intellectual Property Commissioner all such returns as are required of a public company in terms of the Companies Act and all such returns are true, correct and up to date.

B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Table 50: B-BBEE compliance

Has the department/public entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The GGDA does not issue any licences and concessions or authorisations to allow economic activity in terms of any law. This would likely only apply to entities that are responsible for issuing trade licences or mining and exploration licences and the like.
Developing and implementing a preferential procurement policy?	Yes	We developed and implemented a Procurement Policy that incorporates preferential procurement, together with various templates, evaluation criteria, and frameworks to ensure same is achieved. This is monitored monthly.
Determining qualification criteria for the sale of state-owned enterprises?	No	We do not generally engage in such sales, but when we do, certain criteria would be developed on a case-by-case basis to align with the nature of the asset or infrastructure on sale and the GGDA mandate, and to secure sustainable offerings in the interest of South Africa. The Innovation Hub Management Company (TIHMC) and Automotive Industrial Development Centre (AIDC) have serviced and unserved land parcels. TIHMC is considering the sale of some land parcels; however, there are policy constraints that require shareholder approval for the exemption to sell land.
Developing criteria for entering partnerships with the private sector?	Yes	TIHMC developed and applies a Public Private Partnership Framework for public and private partnerships that is aligned to section 16 of the PFMA. The frameworks include the following qualities: • Alignment of objectives; • Public interest; • Expertise and resources; • Mutual benefit; • Risk sharing; • Intellectual property and ownership; and • Legal and regulatory compliance.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-based Black Economic Empowerment?	No	The awarding of grants, incentives and investments is not a core activity in the GGDA, and we do not make material investments in this context, save for the context of bursary awards and corporate social investment initiatives that would target previously disadvantaged categories of individuals or institutions (such as schools, higher education institutions, and so forth). TIHMC provides Start Up Support Programme assistance to incubated companies to enable commercialisation as well as market entry. The grants and support provided has been limited in the recent years due to funding limitations.



PART D



HUMAN RESOURCE MANAGEMENT

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Introduction

The human capital function is responsible for managing and delivering strategic, tactical, and human capital services to the GGDA Group. At a strategic level, HRs partner with business to formulate and define the strategy of the organisation. In so doing, human capital interprets the organisation's strategic thrusts into relevant and value-adding human resource initiatives to deliver outcomes that support the organisational objectives.

At a tactical level, the human capital function is to translate strategic plans into specific deliverables that will enable the GGDA to implement its initiatives. Human capital also maintains policies and procedures to ensure their relevance, compliance and consistency on the way strategic objectives are rolled out. At this level, human capital focuses on improving channels of communication and ensuring that recruitment and retention strategies are conducted in an effective manner.

The purpose of the retention strategy is to ensure that the best talent remains in the organisation for as long as possible by means of effective workforce planning, employee engagement, training and reward mechanisms that focus on further development to maximise individual potential. As part of best practice, the GGDA creates a transformative environment that enables employees to thrive and reach their potential.

As an enabler, the human capital function ensures that the GGDA is well-resourced and capacitated to deliver on its mandate, and that talent is well managed and nurtured. Human capital enhances performance management systems and a coherent employee health and wellness service, ensuring a healthy working relationship between the employer and the employee.

Human resource oversight statistics

Personnel related expenditure

Personnel cost by programme/activity/objective

Table 51: Personnel cost by programme/activity/objective

Programme/activity/objective	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
GGDA	406 346	134 843	33%	131	1 029
AIDC	257 956	81 468	32%	131	622
TIHMC	140 327	62 216	44%	98	635
GIDZ	127 876	25 005	20%	34	735
ConHill	63 807	21 184	33%	43	493
TOTAL	996 312	324 716	33%	429	757

Personnel cost by salary band

Table 52: Personnel cost by salary band

Level	Personnel expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	14 950	5%	7	2 136
Senior Management	79 574	25%	31	2 567
Professional qualified	132 173	41%	31	4 264
Skilled	79 701	25%	31	2 571
Semi-skilled	18 227	6%	31	588
Unskilled	89	0%	31	3
TOTAL	324 714	100%	162	2 004

Performance rewards (2023/24)

The GGDA Group of companies in encouraging high performance by its staff and has put in place a reward scheme governed by a performance management policy. In terms of the policy, a process towards rewarding employees resumes with the final assessments in the month of April/May. This process is followed by moderation committees and finally approval by governance structures of the organisation to that end for the year under review. The final approval for payments of the 2023/24 financial year performance rewards will be actioned during the third quarter of the 2024/25 financial year.

Table 53: Performance rewards 2023/24

Programme//activity/objective	Performance rewards	Personnel expenditure (R'000)	% of Performance rewards to total personnel cost (R'000)
Top Management	1 862	14 950	12%
Senior Management	4 552	79 574	6%
Professional qualified	8 339	132 173	6%
Skilled	4 887	79 701	6%
Semi-skilled	1 176	18 227	6%
Unskilled	0	89	0%
TOTAL	20 816	324 714	6%

Training costs

Table 54: Training costs

Programme/activity/objective	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of personnel cost	No. of employees trained	Average training cost per employee
GGDA	81 468	703	1%	131	5
AIDC	134 843	2 612	2%	120	22
TIHMC	25 005	145	1%	34	4
GIDZ	62 216	712	1%	31	23
ConHill	21 184	79	0%	42	2
TOTAL	324 716	4 251	5%	358	12

Employment and vacancies

Table 55: Employment and vacancies across the GGDA Group

Programme/activity/objective	No. of employees 2022/23	Approved posts 2023/24	No. of employees 2023/24	Vacancies 2023/24	% of vacancies
AIDC	128	148	131	17	11%
ConHill	40	41	39	6	15%
GIDZ	16	44	32	5	11%
GGDA	130	150	118	39	26%
TIHMC	79	101	73	28	28%
TOTAL	393	484	393	95	20%

Table 56: Employment and vacancies across employment sector category

Programme/activity/objective	No. of employees 2022/23	Approved posts 2023/24	No. of employees 2023/24	Vacancies 2023/24	% of vacancies
Top Management	4	6	4	2	33%
Senior Management	29	37	27	10	27%
Professional qualified	150	182	148	34	19%
Skilled	141	183	155	28	15%
Semi-skilled	68	76	55	21	28%
Unskilled	7	0	4	0	0%
TOTAL	399	484	393	95	20%

GGDA group had engaged an external service provider (at subsidiary level) to assist in terms of recruitment to fill the vacant senior management and other key critical positions.

Employment changes

Table 57: Employment changes

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	4	0	2	2
Senior Management	54	1	5	50
Professional qualified	129	14	20	123
Skilled	128	9	8	129
Semi-skilled	60	21	4	77
Unskilled	18	0	9	12
TOTAL	393	48	48	393

Reasons for staff leaving

Table 58: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	27	7%
Dismissal	3	1%
Retirement	2	1%
Ill health	0	0%
Expiry of contract	16	4%
Other	0	0%
TOTAL	48	12%

Explanations: Out of a total of 393 employees, 48 (12%) have left the Company. The majority of resignations were due to employees with short-term contracts looking for medium to long-term employment contracts. The issue of short-term contracts contributes towards high turnover rate.

Labour relations: Misconduct and disciplinary action

Table 59: Labour relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	1
Final Written Warning	3
Dismissal	3
TOTAL	7

Equity target and employment equity status

Explanations: The variances between the target and current workforce narrowed though other races, with Coloureds and Indians still below expectations. Recruitment on vacancies will attempt to address these variances.

Table 60: Equity target and employment equity status (Male)

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	19	10	0	1	0	1	1	1
Professional qualified	54	50	0	2	2	2	4	4
Skilled	60	80	1	2	0	2	3	3
Semi-skilled	35	25	0	1	0	2	0	2
Unskilled	2	4	0	0	0	0	0	0
TOTAL	171	170	1	6	2	7	8	10

Table 61: Equity target and employment equity status (Female)

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	2	0	1	0	0	0	0
Senior Management	14	15	0	2	0	1	0	1
Professional qualified	58	58	2	3	2	2	3	4
Skilled	63	63	1	3	0	1	2	3
Semi-skilled	52	52	1	1	0	1	1	2
Unskilled	10	10	0	0	1	1	0	0
TOTAL	198	200	4	10	3	6	6	10

Table 62: Equity target and employment equity status (Individuals with disability)

Levels	Disabled staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	1	0	1
Professional qualified	0	2	1	2
Skilled	2	2	2	2
Semi-skilled	1	1	3	3
Unskilled	0	0	0	0
TOTAL	3	6	6	8



PART E



PFMA COMPLIANCE

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Irregular, fruitless and wasteful expenditure and material losses

Irregular expenditure

Reconciliation of irregular expenditure

Table 63: Reconciliation of irregular expenditure

Description	2023/24	2022/23
	R'000	R'000
Opening balance	56 715	77 676
Add: Irregular expenditure confirmed	589	1 670
Less: Irregular expenditure condoned	0	(22 631)
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
Closing balance	57 304	56 715

Reconciling notes

Table 64: Reconciling notes

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure that was under assessment in 2022/23	0	0
Irregular expenditure that relates to 2022/23 and identified in 2023/24	0	0
Irregular expenditure for the current year	589	1 670
Total	589	1 670

Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Table 65: Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	589	1 670
Irregular expenditure under investigation	0	0
Total	589	1 670

TIH

During the financial year 2023/24, management identified non-compliance to the Preferential Procurement Policy Framework relating banqueting services amounting to R334 thousand. The purchase order amount was exceeded without prior approval by the Accounting Officer.

During the financial year, the auditors identified noncompliance with the Preferential Procurement Policy Framework legislation regarding the emergency procurement of diesel supplied for power disruptions in the park. Management's view was to acquire these services in the event of an emergency and only utilise the Purchase Order for that reason. However, the Auditor's opinion and conclusion were that an emergency purchase order could not be used more than once, hence all transactions after the initial transaction, amounting R255 thousand were considered irregular expenditure.

Details of current and previous year irregular expenditure condoned

Table 66: Details of current and previous year irregular expenditure condoned

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure condoned	0	22 631
Total	0	22 631

Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Table 67: Reconciliation of fruitless and wasteful expenditure

Description	2023/24	2022/23
	R'000	R'000
Opening balance	1 192	1 219
Add: Fruitless and wasteful expenditure confirmed	65	240
Less: Fruitless and wasteful expenditure written off	0	0
Less: Fruitless and wasteful expenditure recoverable	(61)	(267)
Closing balance	1 196	1 192

Reconciling notes

Table 68: Reconciling notes

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2023/24	0	0
Fruitless and wasteful expenditure that relates to 2022/23 and identified in 2023/24	0	0
Fruitless and wasteful expenditure for the current year	65	240
Total	65	240

Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Table 69: Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	65	240
Fruitless and wasteful expenditure under investigation	0	0
Total	65	240

TIH

During the financial year 2023/24 management identified the noncompliance to the Treasury Regulation, the booking for the international travel was confirmed with the travel agency and due to unforeseen circumstances, the international travel did not take place and that left TIHMC with the outstanding amount still to be paid.

Details of current and previous year fruitless and wasteful expenditure recovered

Table 70: Details of current and previous year fruitless and wasteful expenditure recovered

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure recovered	0	267
Total	0	267

Late and/or non-payment of suppliers

Table 71: Late and/or non-payment of suppliers

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	3 410	709 942
Invoices paid within 30 days or agreed period	3 410	709 942
Invoices paid after 30 days or agreed period	0	0
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

Supply chain management

Procurement by other means

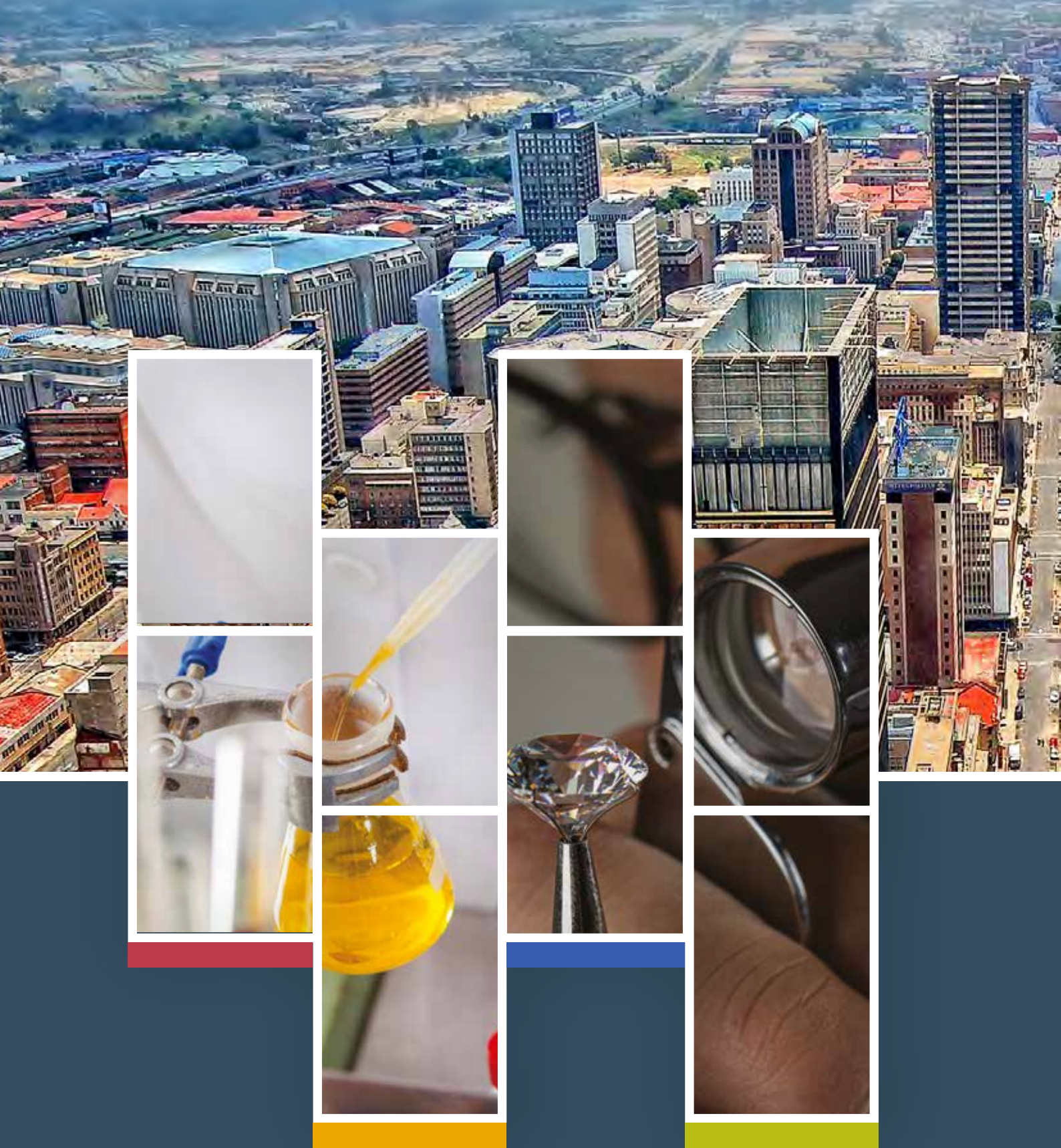
Table 72: Procurement by other means

NO.	Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract
					R'000
1	Transfer of funds to BPESA for the establishment of GBS Hubs	BPESA	Single Source	P001412	3 150
2	Single Source Memo - CNBC Africa Broadcast Media Service with GGDA	Africa Business News (Pty) Ltd	Single Source	P001449	1 400
3	Single Source-Digital and Roadside	Provantage	Single Source	P001560	1 747
4	Last Mile Project	Radah Skills Academy	Single Source	P001604	2 800
5	Last Mile Project	Radah Skills Academy	Single Source	P001623	2 900
6	Service Contributions for the electrical upgrade costs of the substation at ORTIA SEZ Precinct 1 from 5 MVA to 5.5 MVA, 3 phase connection.	City of Ekurhuleni Metropolitan Municipality	Single Source	P00383	1 127
	TOTAL				13 124

Contract variations and expansions

Table 73: Contract variations and expansions

No.	Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
					R'000	R'000	R'000
1	VO for EoT Biopark Phase 3	Khavhakone Construction Group	Extension of time due to delayed in construction of BioPark Phase3 project	P001330	235 534	41 474	10 283
2	Insurance Premium Increase Lateral	Lateral Unison	Annual premium increase on GGDA Group insurance cover	P001530	4 789	611	262
3	Insurance Premium Increase Indwe	Indwe Risk Services (Pty) Ltd	Annual premium increase on GGDA Group insurance cover	P001532	8 960	263	485
4	Variation Order for Multifunction Printing Devices	TECHEMPIRE	Additional printers for the TIH eKasi Labs & Vaal SEZ	P001545	11 857	1 166	0
5	VO for Chamdor Roof Repairs	UBE Construction	Additional scope of work for fire rational, lightening protector and generator	P001610	9 442	1 523	0
Total					270 582	45 037	11 030



PART F



FINANCIAL INFORMATION

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Directors' Responsibilities and Approval

The Directors are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the Group Annual Financial Statements and related financial information included in this report. It is the responsibility of the Directors to ensure that the Group Annual Financial Statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the Group Annual Financial Statements and was given unrestricted access to all financial records and related data.

The Directors are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the Group Annual Financial Statements and related financial information included in this report. It is the responsibility of the Directors to ensure that the Group Annual Financial Statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

The Group Annual Financial Statements have been prepared in accordance with IFRS (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with the Public Finance Management Act of 1999 as prescribed by National Treasury and the Companies Act 71 of 2008.

The Group Annual Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Director sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate controls, systems and ethical behaviour are applied and managed.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Group annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

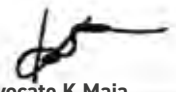
The Directors have reviewed the Company's ability to continue as a going concern for the year to 31 March 2025 and, in the light of this review and the current financial position, they are satisfied that the Company has or has access to adequate resources to continue in operational existence for the foreseeable future. The Company is dependent on the receipt of grant funding from the Gauteng Provincial Government of R639 million for continued funding of operations for the 2024/25 financial year. This funding has been approved as per the Medium Term Expenditure Framework of the Gauteng Provincial Government.

The Group Annual Financial Statements of the Company as presented, were prepared on a going concern basis. The Directors have reviewed current and future plans of the Company and are satisfied with the appropriateness of the basis.

The external auditors are responsible for independently reviewing and reporting on the Company and Group Annual Financial Statements. The Group Annual Financial Statements have been examined by the Company's external auditors and their report is presented on page 160-165.

APPROVAL OF GROUP ANNUAL FINANCIAL STATEMENTS

The Group Annual Financial Statements of Gauteng Growth and Development Agency SOC Limited, set out on pages 175-243, were approved by the board of directors on 31 July 2024 and were signed on its behalf by:



Advocate K Maja
Chairperson

Audit and Risk Committee Report

1. Legislative requirements

The audit and risk committee herewith presents its report for the financial year ended 31 March 2024, as required by section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999) (PFMA) read with Treasury Regulation 27.1.10. The audit and risk committee was established in accordance with sections 51(1)(a)(ii)] and 77 of the PFMA.

2. Audit and risk committee responsibility

During the period under review, the Committee fulfilled its statutory duties as required by the PFMA (section 51(1)(a)(ii)) and Treasury Regulations (regulation 27.1.8), as well as various additional responsibilities assigned to it by the Board. The Committee's activities are also guided by its Terms of Reference which are approved by the Board.

3. Audit and risk committee members and attendance

The audit committee charter requires that the audit committee comprises a minimum of three members. The committee consists of 10 Independent Non-Executive Members and is chaired by Mr Krishen Sukdev. The Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Internal and External Auditors have a standing invitation to all meetings of the Committee. A brief profile of each of the Committee Members, as well as their qualifications can be viewed in the Governance section of the Group Annual report, under Members of the Board

The Chairperson of the audit and risk committee reports to the Board quarterly, with regard to the audit and risk committee's deliberations, decisions and recommendations.

In terms of section 77(b) of the PFMA, the audit and risk committee must meet at least twice a year. During the financial year ended 31 March 2024, the audit and risk committee met on 18 occasions. The Composition of the committee was revised on the 8th of December 2023. 5 directors' term ended and new 4 directors were appointed after 14 meetings were already held.

The audit and risk committee is a shared resource across the group subsidiaries. The table below shows the attendance of these meetings:

3.1 Audit and risk committee members and meeting attendance

Name of member	Total meetings	Meetings attended
New composition		
Mr Sukdev (Chairperson)	18	17
Mr T Ditshwane	18	18
Ms P Mangoma	18	18
Mr K Matabane	4	4
Ms N Thanjekwayo	4	4
Ms Meloney van Eck	4	4
Dr L Konar	4	4
Outgoing		
Mr T Fakude	14	11
Ms T Godongwana	14	10
Advocate L Mokgatle	14	11
Mr A Latchu	14	13
Mr Yende	14	10

Audit and Risk Committee Report (continued)

4. Risk management and internal audit function

The audit and risk committee was responsible for the oversight of the risk management function. The Board has had oversight for the risk management process that was carried out by GGDA Group management during the period under review. An overview of risks managed for the 2023/24 financial year is discussed under the Governance section of the GGDA Group Annual report.

The audit and risk committee has reviewed the risk register and the reports from management and is generally satisfied with the maturity of the risk management process.

The audit and risk committee was responsible for ensuring that the Group's internal audit function is independent and has the necessary resources, skills, standing and authority within the organisation to enable it to discharge its responsibilities effectively. The Internal Auditors have unrestricted access to the audit and risk committee.

The audit and risk committee reviewed and approved the Internal Audit Plan. Internal audit's activities are measured against the approved internal audit plan and the Head: Internal Audit tables progress reports in this regard to the audit and risk committee.

The Internal Audit Unit was responsible for reviewing and providing assurance on the adequacy and effectiveness of the internal control environment across all of the significant areas of the Group's operations. The internal audit function is currently capacitated through a co-sourced model.

During the reporting period the Committee conducted the following activities

Reviewed and/or approved the following matters:

- Three year Strategic Rolling Internal Audit Plan for year ending 31 March 2024 (Approved);
- Annual Internal Audit Plan for the year ending 31 March 2024 (Approved)
- Capacity within the Internal Audit Unit;
- Internal Audit's quarterly reports in line with the approved Internal Audit Plan
- Whistle blowing reports

The audit and risk committee formed an opinion that adequate, objective internal audit policies and procedures exist within the Group and that the Group's Internal Audit Unit had complied with the internal audit standards, the required legal, regulatory and other responsibilities as stipulated in its charter during the period under review.

The audit and risk committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the Group.

5. Effectiveness of the internal control and risk management

Section 51(1) (a) (i) of the PFMA states that the Board must ensure that a public entity has and maintains effective, efficient and transparent systems of financial, risk management and internal control.

The audit and risk committee was responsible for overseeing risk management and reviewing the internal controls, as such independent reviews on the effectiveness of the internal controls were conducted by the internal audit function, and they covered areas of financial, operational, compliance and risk management.

Based on the results of Internal Audit reviews for the 2023/24 financial year, in our opinion, the overall control environment across the GGDA Holdings is considered to be "satisfactorily effective" in providing reasonable assurance that the inherent risks are appropriately managed and that the business objectives will be attained, and had remained effective throughout the 2023/24 financial year.

6. Evaluation of the Group Annual Financial Statements

During the reporting period, the audit and risk committee reviewed the Group Annual Financial Statements is satisfied that the Group Annual Financial Statements have been prepared in terms of GRAP and the PFMA. The Group Annual Financial Statements was reviewed with the following focus:

- Significant financial reporting judgments and estimates contained in the Group Annual Financial Statements;
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context including matters relating to any unauthorised, irregular, fruitless and wasteful expenditure;
- Changes in the Accounting Policies and Practices;
- Significant adjustments resulting from the Audit;
- Compliance with accounting standards and legal requirements;
- Explanation for the accounting treatment adopted;
- Reasons for year-on-year fluctuations;
- Asset valuations; and
- The basis for the going concern assumption.

Audit and Risk Committee Report (continued)

The review of the Group Annual Financial Statements and the Draft Annual Report for the 2023/24 financial year was done at the audit and risk committee's meeting held on 24 May 2024 and recommended them to the Board for approval on 30 May 2024.

7. Programme performance information management

The audit and risk committee is satisfied with the content and quality of management and quarterly reports prepared and issued during the year under review in compliance with the statutory framework. During the period under review, quarterly reports were presented by management to enable the audit and risk committee to:

- Review and comment on compliance with statutory requirements and programme performance information best practices and standards.
- Review and comment on the alignment of the annual performance plan, budget, strategic plan, corporate plan and annual performance plans.
- Review and comment on the relevance of indicators to ensure that they are measurable and relate to services performed by the public entity.
- Review of reported non-compliance with legislation
- Review of compliance with in year reporting requirements
- Assess internal audit reports on reviews carried out on quarterly performance reports

The audit and risk committee reviewed the quarterly and annual reports on Company and Group's performance against predetermined objectives.

The audit and risk committee is satisfied that the performance report has been prepared in terms of the PFMA, the Treasury Regulations and any other related regulatory requirements for reporting programme performance information.

8. The quality of monthly and quarterly reports submitted in terms of the PFMA

The Audit and Risk Committee is satisfied with the content and quality of management and quarterly reports prepared and issued during the year under review in compliance with the statutory framework. During the period under review, quarterly reports were presented by management to enable the Audit and Risk Committee to:

- Monitor the integrity, accuracy and reliability of the financial position of the Company and Group;
- Review the management accounts of the Company and provide the Accounting Authority with an authoritative and credible view of the financial position of the Company;
- Review the Company's internal financial and operational controls, as well as the risk management systems,
- Review the disclosure in the financial reports of the Company and the context in which statements on the financial health of the Company are made including matters relating to any unauthorised, irregular, fruitless and wasteful expenditure; and
- Review all material information presented together with the management accounts including, the monitoring of compliance with applicable laws and regulations.

9. External auditor and risk committee report

The audit and risk committee concurs with and accepts the conclusion and audit opinion of the external auditors on the Annual Financial Statements. The audit and risk committee is of the view that the audited financial statements be accepted and read together with the report of the external auditors. The audit and risk committee confirms that it has been actively involved throughout the audit process and has been thoroughly appraised of the issues giving rise to the audit opinion.

The external audit function, performed by the Auditor General, is independent of the Group. The audit and risk committee has met with the external auditors to ensure that there are no unresolved issues, and acknowledges the diligence and cooperation of the external audit team.

10. Conclusion

The Audit and Risk Committee has executed on its roles and responsibilities in terms of its Board approved charter.



Mr K Sukdev

Chairperson of the Audit and Risk Committee

Report of the Auditor-General to the Gauteng Provincial Legislature on the Gauteng Growth and Development Agency SOC Limited

Report on the audit of the consolidated and separate financial statements

Opinion

1. I have audited the consolidated and separate financial statements of the Gauteng Growth and Development Agency SOC Limited (the Group) and its subsidiaries set out on pages 175-243, which comprise the consolidated and separate statement of financial position as at 31 March 2024, consolidated and separate 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 consolidated and separate financial statements, including a summary of significant accounting policies.
2. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group as at 31 March 2024, and their financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Companies Act 71 of 2008 (Companies Act of South Africa).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the consolidated and separate financial statements section of my report.
4. I am independent of the Group 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 matters below. My opinion is not modified in respect of these matters.

An uncertainty relating to the future outcome of exceptional litigation

7. With reference to note 39 to the consolidated and separate financial statements, the Group is the defendant in various lawsuits. The Group is opposing these claims, as it believes that the terminations were lawful in that the contractor did not perform per the terms of the contracts.

The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the financial statements.

Material impairment - Trade receivables

8. As disclosed in note 4 to the consolidated and separate financial statements, material impairment of R21 718 000 was incurred as a result of a write-off of irrecoverable trade receivables.

Report of the Auditor-General to the Gauteng Provincial Legislature on the Gauteng Growth and Development Agency SOC Limited (continued)

Other matter

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

Unaudited supplementary schedules

10. The supplementary information set out on page 244 does not form part of the consolidated and separate financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting authority for the consolidated and separate financial statements

11. The accounting authority is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with GRAP and the requirements of the PFMA and the Companies Act of South Africa, and for such internal control as the accounting authority determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the consolidated and separate financial statements, the accounting authority is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Auditor-General for the audit of the consolidated and separate financial statements

13. My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.
14. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report.

Report on the annual performance report

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

Report of the Auditor-General to the Gauteng Provincial Legislature on the Gauteng Growth and Development Agency SOC Limited

16. I selected the following material performance indicators related to Trade, Investment and Regulatory Enablement (TIRE); Enterprise Project Management Office (EPMO) and Special Economic Zones (SEZs) presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
- Rand value of foreign direct investments facilitated
 - Rand value of domestic direct investments facilitated including infrastructure
 - Rand value of trade deals facilitated
 - Number of expansion opportunities matched with GCR companies
 - Number of infrastructure projects completed
 - Number of rolled over township industrial parks (TISH) infrastructure projects implemented
 - Number of local contractors (TISH) receiving sub-contracting from EPMO projects
 - Rand value of investment committed to the Vaal SEZ
 - West-Rand SEZ Master Plan approved
 - Lease/ donation agreement for the West Rand SEZ entered
 - Number of pre-designation activities undertaken for West Rand SEZ
17. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
18. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
19. I performed the procedures to report material findings only; and not to express an assurance conclusion.
20. I did not identify any material findings on the reported performance information for the selected programmes.

Other matter

21. I draw attention to the matter below.

Achievement of planned targets

22. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under-achievements.

Report on compliance with legislation

23. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

Report of the Auditor-General to the Gauteng Provincial Legislature on the Gauteng Growth and Development Agency SOC Limited

24. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
25. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
26. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

27. The accounting authority is responsible for the other information included in the annual report which includes the directors' report and the audit committee's report, as required by the Companies Act of South Africa. The other information referred to does not include the consolidated and separate financial statements, the auditor's report and those selected material indicators in the scoped-in sub-programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
28. My opinion on the consolidated and separate financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
29. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated and separate financial statements and the selected material indicators in the scoped-in sub-programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. If, based on the work I have performed, I conclude that there is a material misstatement in this other information; I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

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

Auditor - General

Johannesburg
31 July 2024



AUDITOR - GENERAL
SOUTH AFRICA

Annexure to the auditor's report

The annexure includes the following:

- The Auditor-General's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-General's responsibility for the audit

Professional judgment and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout my audit of the consolidated and separate financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the consolidated and separate financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the consolidated and separate 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 public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated and separate 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 public entity 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 consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate 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 the public entity to cease operating as a going concern; and
- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting authority 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.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them 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.

Annexure to the auditor's report (continued)

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Sections 51(1)(b)(i), 51(1)(b)(ii), 51(1)(e)(iii), 52(b) Sections 53(4), 54(2)(c), 54(2)(d) Sections 55(1)(a), 55(1)(b), 55(1)(c)(i), Sections 57(b), 66(4) SCM Instruction Note 02 of 2021-22 par 3.2.1 (bids advertised on or after 1 April 2022) SCM instruction note 2 of 2021/22 par. 3.2.4 PFMA SCM instruction note 03 of 2021/22 par 4.1. PFMA instruction note no.3 of 2021/22 definition PFMA instruction note no.3 of 2021/22 par. 4.2 (b)
Treasury regulations	TR31.1.2(c), TR 16A.7.1, TR 16A.7.3, TR 16A.7.6, TR 16A.7.7, TR 31.2.1, TR 31.3.3, TR 30.1.1, TR 30.1.3(a), TR 29.1.1, TR 29.1.1(a), TR 29.1.1(c), TR 30.1.3(b), TR 30.1.3(d), TR 29.2.1, TR 29.2.2, TR 30.2.1, TR 33.1.3, TR 33.1.1, TR 16A9.1(b)(ii), TR 16A9.1(e), TR 16A9.1(f), TR 16A6.3(b), TR 16A3.2, 16A6.3(a) (i), TR8.2.1 and 8.2.2, TR16A8.4 National Treasury Instruction 4A of 2016/17 NT Instruction note 4 of 2015/16 par. 3.4 SBD 6.2 issued in 2015/16 Treasury Instruction note 11 of 2020/21 par. 3.1 Treasury Instruction note 11 of 2020/21 par. 3.4 (b) and 3.9 NT Instruction No 5 of 2020/21 par 5.3 NT Instruction No .5 of 2020/21 par 4.8 NT Instruction No 5 of 2020/21 par 4.9 NT Instruction 07 of 2017/18 par 4.3 3). NT Instruction 4A of 2016/17 par 6
Preferential Procurement Regulations of 2022 (PPR)	PPPFA 2(1)(a); PPPFA (definition of acceptable tender) Regulation 4(4),
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
CIDB Act	Section 18(1), CIDB reg. 17; 2). CIDB reg. 25(7A)
Public Service Regulations	Regulation 18(1),(2)

Director's Report

The members submit their report for the year ended 31 March 2024.

1. Incorporation

The Gauteng Growth and Development Agency SOC Limited (GGDA) is legally constituted by the Blue IQ Act 5 of 2003 (as amended). The entity is classified as a Schedule 3C entity in terms of the Public Finance Management Act 1 of 1999 as amended.

2. Review of activities

Main business and operations

GGDA Group

The overarching aim of the GGDA is to provide specialised and focused competence for the Gauteng Province to implement its economic development goals. According to its establishment Act, the GGDA works towards the achievement of the following objectives:

- Enable economic development focused of sustainable jobs
- Drive growth in provincial growth domestic products and employment rates
- Strategically position province into a globally competitive city region
- Facilitate partnerships and create linkages across province in order to maximize service delivery outcomes
- Support the development of key sectors in the economy in line with established economic and industrial policies of the province.

The GGDA Group comprises:

- Gauteng Growth and Development Agency (GGDA) Holdings Company whose core mandate is Trade and Investment Facilitation and infrastructure development and deployment. Some corporate services functions are shared within the Group
- Automotive Industry Development Centre (AIDC) – provide support services to the automotive industry in Gauteng
- The Innovation Hub Management Company (TIHMC) – mandated to act as a direct contributor to economic growth and to enhance the global competitiveness of Gauteng through innovation and knowledge economy
- Gauteng Industrial Development Zone (GIDZ) – established to develop and operate the Industrial Development Zone (IDZ) designated in the Eastern Corridor, specifically around the OR Tambo International Airport (ORTIA).
- Constitution Hill (ConHill) – purpose is to preserve historically significant buildings in a manner which makes them publicly and commercially useful and catalyse the regeneration of the Braamfontein and Hillbrow Precincts.

The GGDA's Group performance is represented by the following core focus areas to which subsidiaries and business units at the Holdings Company all contribute:

- i. Identify and facilitate strategic economic infrastructure;
- ii. Skills Development;
- iii. Sector Development;
- iv. Enterprise Development (Pre-incubation, Incubation and Mentorship);
- v. Direct job creation in Gauteng; and
- vi. Facilitation of Investments and Trade.

The Group achieved 28 (82%) of the 34 planned targets and facilitated the creation of 16 524 job opportunities as depicted in the annual report. This overall performance represent a marginal improvement from the 81% achieved in the 22/23 financial year.

A. GGDA Holdings

To contribute to the attainment of the above outcomes, the GGDA Holdings Company focuses on the optimisation of efficiency as a 'single strategically coherent and integrated institution' and has established sector subsidiary companies and business units to deliver on same. The Holding Company is structured so that it provides shared services to the Group in respect of legal services, human resources management, internal audit, risk management and to some extent financial management and IT support functions amongst others.

The Holding Company provides support to the Group in respect of the following core functions

- i. Trade and Investment Facilitation;
- ii. Enterprise Project Management Office
- iii. Special Economic Zones (Vaal SEZ, West Rand SEZ, Lanseria Smart City and SEZ);
- iv. Business Intelligence provision; and
- v. Marketing and Communication.

Director's Report (continued)

2. Review of activities (continued)

i. Trade, Investment and Regulatory Enablement Business Unit (TIRE)

TIRE functions of the organisation contributes towards the achievement of economic development outcomes and imperatives. The attraction of investments in targeted sectors contributes to the development of the province's priority sectors. Both direct investments and exports are facilitated to increase the GDP contribution leading to growth of the Gauteng economy.

These efforts are critical for the creation of jobs which are vital for turning the tide on poverty and inequality within the province and nationally. TIRE focuses on the implementation of the Trade and Investment Strategy, the GGT 2030 as well as improving its approach to African markets. These interventions seek to improve and position Gauteng as a strategic trade partner within the continent. Strategic partners such as foreign missions, business chambers are a vital part of this approach. GGDA aims to intensify its programme and proactively partner with the private sector and other state-owned entities to support its initiatives.

The TIRE business unit achieved 100% of the four planned targets and facilitated the creation of 9 809 jobs. The business unit service offerings and performance is detailed in the annual report.

ii. Enterprise Project Management Office Business Unit (EPMO)

The EPMO provides holistic programme management services over multiple projects located within the Holding Company and subsidiaries. The programme provides transversal services in respect of centralised and co-ordinated management of the Group's capital infrastructure projects.

The business unit also maintains oversight and quality assurance over multiple programmes and projects in an effort to enhance the GGDA capability to align and oversee programmes so that projects can be executed as part of the organisational strategy.

The delivery of catalytic economic infrastructure is intended to change the economic face of the province in addition to unlocking potential in the key growth and development areas.

The business unit achieved two of the three planned targets, details of which are provided in the annual report.

iii. SEZ Programme

GGT 2030 puts Special Economic Zone at the center of industrialization, spatial structuring, job creation, competitiveness, and overall economic development. GGT 2030 further points that the Vaal SEZ must be operationalized by 2025. Through the SEZ Programme, the GGDA is developing special economic zones in the Gauteng City-Region as a tool to:

- Reindustrialize Gauteng for the 21st century by boosting manufacturing, increasing exports and employment, and add momentum towards turning Gauteng City Region into a single, multi-tier and integrated Special Economic Zone,
- Promote industrial agglomeration in the Gauteng City-Region,
- Build the required enabling industrial infrastructure to support SEZs in the Gauteng City region,
- Anchor new economic clusters guided by economic regional planning, & economic inclusion, and;
- Mobilize investment in the Gauteng City Region in identified high growth sectors

The SEZ programme (comprises Vaal SEZ and West Rand SEZ PMUs) achieved one of the planned four planned targets, details of which are detailed in the annual report.

B. SPDC t/a Automotive Industry Development Corporation (AIDC)

The SPDC t/a AIDC was established to provide support services to the automotive industry in Gauteng and contributes to all the core focus areas of the Group:

Its purpose is to develop the automotive manufacturing sector to globally competitive standards of excellence, through a world-class value proposition which enables effective and sustainable socio-economic growth. The organisation was established as a government support centre, to increase the local automotive industry's global competitiveness and to promote Gauteng as the automotive industry investment destination of choice.

The entity achieved 100% and above of the planned five targets 16% improvement compared to the 86% achieved in the prior year. The entity facilitated the creation of 1 440 jobs during the reporting period. Details of which are provided in the annual report.

Director's Report (continued)

2. Review of activities (continued)

C. The Innovation Hub Management Company (TIHMC):

The Innovation Hub Management Company (TIHMC) was established through a partnership between the Gauteng Provincial Government (as represented by Blue IQ) and the Southern Education and Research Alliance (SERA), i.e. a partnership between the Council for Scientific and Industrial Research (CSIR) and University of Pretoria (UP) with a view to spur the development of smart industries (high technology sectors) in Gauteng.

Its mission is to promote the economic development and competitiveness of Gauteng in targeted sectors through innovation by:

- Creating new business opportunities and adding value to mature companies in technology and knowledge-based sectors;
- Fostering entrepreneurship and incubating new innovative companies;
- Sourcing and implementing relevant innovations to support radical economic transformation and modernisation of the economy;
- Providing attractive spaces for emerging knowledge companies;
- Ensuring human capacity development of critical skills matching industry needs in priority sectors;
- Enhancing the synergy between industry, government, academic and research institutions.

TIHMC achieved five of six (83%) of its planned targets. This level of performance represents an 11% regression compared to the 93% achieved in the prior financial year. The entity facilitated the creation of 389 jobs during the reporting period. Details of which are provided in the annual report.

D. Gauteng Industrial Development Zone Development Company (GIDZ)

The Gauteng IDZ Development Company SOC Ltd ('GIDZ' or Gauteng IDZ') is a Special Purpose Vehicle established by the GGDA to manage the establishment and operationalization of defined infrastructure programmes at the designated Industrial Development Zone ('IDZ') at the OR Tambo International Airport. The mandate of the Gauteng IDZ is to create an enabling platform for investment opportunities through public/private partnerships and direct development investment.

The intention is for the Gauteng IDZ to drive focused manufacturing and beneficiation programmes whilst helping to position Gauteng as a global city region. Key to delivering this mandate is that these programmes will use international best practices and will increase industrialisation and manufacturing capability in Gauteng. The Gauteng IDZ will support the GGDA in its aim that key Provincial Strategies are supported in a manner that ensures success of those strategies.

The GIDZ achieved four of its five (80%) planned targets representing an 33% improvement compared to the results reported in the prior financial year. The entity facilitated the creation of 4340 jobs during the reporting period. Details of which are provided in the annual report.

E. Constitution Hill (ConHill)

The purpose of the Constitution Hill (ConHill) Project is to preserve historically significant buildings in a manner which makes them publicly and commercially useful and catalyse the regeneration of the Braamfontein and Hillbrow Precincts. Historic buildings continue to be upgraded and ConHill has extended its education programmes and exhibitions to increase public participation and attendance to the precinct. The ConHill focus is on:

Urban regeneration: As a multi-media, mixed-use heritage precinct, one of Constitution Hill's fundamental mission is to engage with its environment and contribute to the Gauteng City Region and the Johannesburg inner city regeneration.

Civic growth through historical perspective: By physically animating the values of the Constitution within the heritage precinct, it is expected that Constitution Hill can allow visitors to draw on and engage with lessons learnt from the past to fulfil the dreams for the future.

The entity achieved five (100%) planned targets, an 8% improvement compared to the 92% achieved in the prior financial year. Details of which are provided in the annual report.

Director's Report (continued)

3. Financial results

Net surplus of the Group is R333,9 million (2023: surplus R285,3 million).

4. Going concern

The Group annual financial statements as set out from pages 175-243, were prepared on a going concern basis. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors have reviewed the Group's ability to continue as a going concern for the 31 March 2025 and, in the light of this review and the current financial position, they are satisfied that the Group has or has access to adequate resources to continue in operational existence for the foreseeable future. The Group is dependent on the receipt of grant funding from the Gauteng Provincial Government of R621 million for continued funding of operations for the 2024/25 financial year. This funding has been approved as per the Medium Term Expenditure Framework of the Gauteng Provincial Government.

5. Post reporting date events

After year end, GGDA entered into a separation agreement with former Group CEO, Ms Mosa Tshabalala. The separation agreement was finalised on the 23rd of April 2024. The decision is being challenged by Head of Department of Gauteng Department of Economic Development.

6. Members' interest in contracts

None of the directors at the date of this report have interests in contracts entered into by the Holding Company.

7. Accounting policies

The Group annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with the Public Finance Management Act of 1999 as prescribed by the National Treasury and the Companies Act 71 of 2008.

8. Share capital

Authorised share capital

The authorised share capital of the Company is 4 000 shares.

There were no changes in the authorised share capital of the Company during the 2023/24 financial year.

Issued share capital

As at 31 March 2024 the issued share capital comprised of 100 ordinary shares issued at R1 each to Gauteng Department of Economic Development.

There were no shares issued during the financial year.

9. Distributions to owners

In terms of Section 53(3) of the PFMA, the Holding Company is not allowed to retain surpluses without Treasury approval.

10. Borrowing limitations

In terms of the PFMA, the Holding Company is prohibited from borrowing. During the year under review, the Company did not enter into any borrowing activities.

Director's Report (continued)

11. Board

The board of directors of the company during the year and to the date of this report are as follows:

Name	Appointed
Advocate K Maja (Chairperson)	01 October 2021
Mr K Matabane (Deputy chairperson)	01 October 2021
Ms T Godongwana	01 October 2021
Ms M Van Eck	18 October 2023
Ms R Letwaba	01 October 2021
Ms D Tsotetsi	18 October 2023
Mr D Maimela	01 October 2021
Dr S Vilakazi	01 October 2021
Dr E Ndwandwe	18 October 2023
Mr T Fakude	01 October 2021
Advocate L Mokgatle	01 October 2021
Mr K Sukdev	01 October 2021

The Composition of the board was revised during the current year. 3 directors were appointed on the 18th of October 2023. The term of the chairperson (Dr S Vilakazi) and deputy chairperson (Mr T Fakude) ended on the 8th December 2023.

12. Secretary

The secretary of the company as at 31 March 2024 and up to the date of this report is Jacky van Loggerenberg (Acting) .

Physical address 124 Main Street,
Marshalltown,
Johannesburg,
2001

Postal address Private Bag 10420,
Johannesburg,
2000

13. Corporate governance

Gauteng Growth and Development Agency SOC Ltd confirms and acknowledges its responsibility to comply with the Public Finance Management Act (PFMA), Act 1 of 1999, Treasury Regulations and where applicable and practical, with the Code of Corporate Practices and Conduct ("the Code") laid out in the King IV report on Corporate Governance for South Africa, 2016. The Board discusses the responsibilities of management in this respect at Board meetings and monitors the company's compliance with the Code on a quarterly basis.

The salient features of the company's adoption of the Code is outlined below:

Board of directors

The Board:

- retains full control over the entity, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the entity;
- is of a unitary structure comprising:
 - non-executive directors, all of whom are independent directors as defined in the Code; and
 - executive directors.

Director's Report (continued)

13. Corporate governance General (continued)

Chairperson and Chief Executive Officer

The Chairperson is a non-executive and independent director (as defined by the King IV Report on Corporate Governance). The roles of the Chairperson and Chief Executive Officer are separate.

Board meetings

The directors have met in line with the requirements of the King IV Report on Corporate Governance. During the current year 25 meetings were held. Additional 3 directors were appointed on the 18th of October 2023 after 12 meetings were already held.

Name of member	Total meetings	Meetings attended
Advocate K Maja (Chairperson)	25	23
Mr K Matabane (Deputy Chairperson)	25	22
Dr S Vilakazi	25	23
Mr D Maimela	25	23
Mr T Fakude	25	22
Mr K Sukdev	25	24
Ms T Godongwana	25	21
Advocate L Mokgatle	25	21
Ms R Letwaba	25	22
Ms D Tsotetsi	13	13
Dr E Ndwandwe	13	13
Ms M van Eck	13	13

Audit and risk committee

The Audit Committee is responsible for monitoring compliance, internal control and risk, as well as the internal and external audit functions and the Annual Financial Statements.

The committee consists of Independent Non-Executive Members and is chaired by Mr K Sukdev. The Composition of the committee was revised on the 8th of December 2023. 5 directors' term ended and 4 new directors were appointed after 14 meetings were already held.

Name of member	Total meetings	Meetings attended
New composition		
Mr K Sukdev (Chairperson)	18	17
Mr T Ditshwane	18	18
Ms P Mangoma	18	18
Mr K Matabane	4	4
Ms N Thanjekwayo	4	4
Ms Meloney van Eck	4	4
Dr L Konar	4	4
Outgoing		
Mr T Fakude	14	11
Advocate L Mokgatle	14	11
Ms T Godongwana	14	10
Mr A Latchu	14	13
Mr G Yende	14	10

Director's Report (continued)

13. Corporate governance (continued)

Nomination, Human Resource and Remuneration Committee

The committee consists of Independent Non-Executive Members and is chaired by Ms R Letwaba. The committee met in line with the requirements of the King IV Report of Corporate Governance to review matters necessary to fulfil its role. The Composition of the committee was revised on the 10th of January 2024. Four directors' term ended and two new directors were appointed after three meetings were already held.

Name of member	Total meetings	Meetings attended
New composition		
Ms R Letwaba (Chairperson)	3	3
Advocate K Maja	3	3
Mr B Gantile	6	6
Ms J Phiri	6	5
Outgoing		
Advocate L Mokgatle	3	3
Mr K Sukdev	3	3
Dr S Vilakazi	3	3
Mr R Maboe	3	3

Social and Ethics committee

The committee is chaired by Advocate L Mokgatle. The committee met in line with the requirements of the King IV Report on Corporate Governance to review matters necessary to fulfil its role. The composition of the committee was revised on the 10th of January 2024. Seven directors' term ended and five new directors were appointed after three meetings were already held.

Name of member	Total meetings	Meetings attended
New composition		
Advocate L Mokgatle (Chairperson)	1	-
Dr S Vilakazi	1	1
Dr N Skeepers	1	1
Ms D Tsotetsi	1	1
Mr A Latchu	1	1
Outgoing		
Ms T Kutumela	3	3
Mr G More	3	3
Ms T Godongwana	3	2
Mr R Moeng	3	3
Mr P Nyandu	3	2
Mr M Sebothoma	3	3
Mr P Mofokeng	3	3

Director's Report (continued)

13. Corporate governance (continued)

Group Infrastructure, Trade and Investment Committee

During the current financial year three meetings were held. The Composition of the committee was revised on the 10th of January 2024. Three directors' term ended and two new directors were appointed after two meetings were already held.

Name of member	Total meetings	Meetings attended
New composition		
Mr D Maimela (Chairperson)	3	3
Mr T Fakude	3	2
Ms C Maluleke	3	3
Mr S Mbele	3	1
Dr B Mabizela	3	3
Ms N Mashologu	1	1
Dr E Ndwandwe	1	1
Outgoing		
Mr B Mboniswa	2	1
Dr R Mamphiswana	2	2
Dr S Vilakazi	2	2

14. Internal audit

Gauteng Growth and Development Agency SOC Ltd has co-sourced its internal audit function and complies with the Public Finance Management Act 1, 1999 (PFMA).

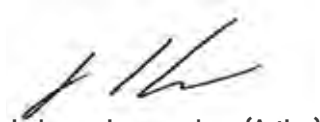
15. Auditors

The Auditor-General of South Africa will continue in office in accordance with Public Audit Act No. 25 of 2004 and Section 90 of the Companies Act 71 of 2008.

Company Secretary's Certification

Declaration by the Company Secretary in respect of Section 88(2)(e) of the Companies Act

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the company has lodged with the Commissioner all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up-to-date.



Jacky van Loggerenberg (Acting)
Company Secretary

Statement of Financial Position as at 31 March 2024

	Note(s)	Group		Controlling entity	
		2024 R'000	2023 Restated* R'000	2024 R'000	2023 Restated* R'000
Assets					
Current Assets					
Cash and cash equivalents	3	1 053 401	1 192 015	506 844	583 764
Receivables from exchange transactions	4	40 377	30 257	5 841	623
Receivables from non-exchange transactions	5	480	480	–	–
Inventories	6	93	184	–	–
Other financial assets	7	12 368	11 509	–	–
Prepayments	8	9 206	11 307	2 134	1 797
Deposits paid	9	4 202	3 767	616	616
Current tax receivable	10	7 130	11 447	3 622	6 456
VAT receivable	11	19 377	23 548	–	–
Operating lease asset	13	3 778	3 228	24	4
		1 150 412	1 287 742	519 081	593 260
Non-Current Assets					
Investment property	14	1 331 999	1 213 011	–	–
Property, plant and equipment	15	811 725	695 091	11 634	8 430
Intangible assets	16	5 457	5 347	3 367	3 086
Heritage assets	17	188 685	188 685	–	–
Investments in controlled entities	18	–	–	259 084	259 084
Deferred tax	19	48 149	46 926	557	2 512
Prepayments	8	220	421	–	–
Operating lease asset	13	90 204	79 206	–	24
		2 476 439	2 228 687	274 642	273 136
Total Assets		3 626 851	3 516 429	793 723	866 396
Liabilities					
Current Liabilities					
Current tax payable	10	1 134	1 219	–	–
Finance lease obligation	21	2 701	12	494	–
Operating lease liability	13	1 080	179	1 080	179
Payables from exchange transactions	20	66 577	91 710	35 115	22 115
VAT payable	12	1 029	1 494	–	–
Provisions	23	45 674	39 620	10 222	13 135
Unutilised conditional government	22	712 500	935 006	365 608	476 547
Deposits received	24	14 700	12 798	–	–
		845 395	1 082 038	412 519	511 976

* See note 47.

Statement of Financial Position (continued) as at 31 March 2024

	Note(s)	Group		Controlling entity	
		2024 R'000	2023 Restated* R'000	2024 R'000	2023 Restated* R'000
Non-Current Liabilities					
Finance lease obligation	21	3 129	–	581	–
Operating lease liability	13	215 207	193 856	946	2 026
Deferred tax	19	18 255	20 280	–	–
Provisions	23	2 601	11 870	–	–
		239 192	226 006	1 527	2 026
Total Liabilities		1 084 587	1 308 044	414 046	514 002
Net Assets		2 542 264	2 208 385	379 677	352 394
Share capital	25	–	–	–	–
Accumulated surplus		2 512 350	2 179 983	379 677	352 394
		2 512 350	2 179 983	379 677	352 394
Non-controlling interest		29 914	28 402	–	–
Total Net Assets		2 542 264	2 208 385	379 677	352 394

* See note 47.

Statement of Financial Performance for the year ended 31 March 2024

		Group		Controlling entity	
	Note(s)	2024 R'000	2023 Restated* R'000	2024 R'000	2023 Restated* R'000
Revenue from exchange transactions	26	302 764	266 053	–	–
Revenue from non-exchange transactions	27	888 990	737 684	734 606	612 427
Other income	28	19 167	3 836	1 284	692
Grants transferred	29	–	–	(424 158)	(411 535)
Administrative expenses		(49 350)	(41 633)	(22 781)	(19 609)
Operating expenses		(521 687)	(393 120)	(151 661)	(69 436)
Employee costs	30	(347 684)	(323 304)	(138 849)	(124 779)
Operating surplus (deficit)	31	292 200	249 516	(1 559)	(12 240)
Finance income	32	67 465	47 349	39 737	32 890
Finance costs	33	(2 155)	(1 295)	(140)	–
Surplus before taxation		357 510	295 570	38 038	20 650
Taxation	34	(23 631)	(10 313)	(10 755)	(5 826)
Surplus for the year		333 879	285 257	27 283	14 824
Attributable to:					
Net asset holders of the Company		332 367	281 500	27 283	14 824
Non-controlling interest		1 512	3 757	–	–
		333 879	285 257	27 283	14 824

* See note 47.

Statement of Changes in Net Assets for the year ended 31 March 2024

		Share capital R'000	Accumulated surplus R'000	Total attributable to owners of the Group/ controlling entity R'000	Non-controlling interest R'000	Total net assets R'000
Group						
Opening balance as previously reported Adjustments		–	1 897 286	1 897 286	24 645	1 921 931
Prior year adjustments 47		–	1 197	1 197	–	1 197
Balance at 01 April 2022 as restated*		–	1 898 483	1 898 483	24 645	1 923 128
Restated Surplus for the year		–	281 500	281 500	3 757	285 257
Total changes		–	281 500	281 500	3 757	285 257
Restated* Balance at 01 April 2023		–	2 179 983	2 179 983	28 402	2 208 385
Surplus for the year		–	332 367	332 367	1 512	333 879
Total changes		–	332 367	332 367	1 512	333 879
Balance at 31 March 2024		–	2 512 350	2 512 350	29 914	2 542 264
Note(s)	25					
Controlling entity						
Opening balance as previously reported Adjustments		–	336 866	336 866	–	336 866
Correction of errors		–	704	704	–	704
Balance at 01 April 2022 as restated*		–	337 570	337 570	–	337 570
Surplus for the year		–	14 824	14 824	–	14 824
Total changes		–	14 824	14 824	–	14 824
Restated* Balance at 01 April 2023		–	352 394	352 394	–	352 394
Surplus for the year		–	27 283	27 283	–	27 283
Total changes		–	27 283	27 283	–	27 283
Balance at 31 March 2024		–	379 677	379 677	–	379 677
Note(s)	25					

* See note 47.

Cash Flow Statement for the year ended 31 March 2024

	Note(s)	Group		Controlling entity	
		2024 R'000	2023 Restated* R'000	2024 R'000	2023 Restated* '000
Cash flows from operating activities					
Receipts					
SARS – VAT refund		31 233	6 694	–	–
Receipts from customers		301 356	264 858	–	–
Government grants – MTEF		617 682	585 355	617 682	585 355
Interest income		66 220	45 630	39 737	31 827
Finance income earned on the dtic					
Funding		1 617	956	1 618	956
Conditional grants – non-MTEF		41 531	247 236	4 848	14 500
Other income		16 983	17 654	2 796	2 019
Receipts from subsidiaries		–	–	18 848	20 497
SARS – income tax refund		10 477	1 131	6 456	1 131
Insurance proceeds and access cards		89	–	–	–
		1 087 188	1 169 514	691 985	656 285
Payments					
Employee costs		(356 226)	(329 620)	(146 957)	(129 805)
Payments to suppliers		(613 051)	(423 929)	(283 974)	(189 468)
Finance costs		(452)	–	(140)	–
SARS VAT payments		(13 625)	(17 775)	–	–
Taxation	37	(31 795)	(19 584)	(12 422)	(12 016)
Government grants transferred to subsidiaries		–	–	(320 377)	(327 500)
Surrender of funds to Treasury		(480)	–	(480)	–
		(1 015 629)	(790 908)	(764 350)	(658 789)
Net cash flows from operating activities	36	71 559	378 606	(72 365)	(2 504)
Cash flows from investing activities					
Acquisition of property, plant and equipment	15	(19 544)	(19 560)	(3 852)	(1 079)
Acquisition of investment property	14	(187 954)	(190 323)	–	–
Acquisition of intangible assets	16	(635)	(478)	(283)	(160)
Purchase of heritage assets	17	–	(96)	–	–
Net cash flows from investing activities		(208 133)	(210 457)	(4 135)	(1 239)
Cash flows from financing activities					
Finance lease payments		(2 040)	(83)	(420)	–
Net increase/(decrease) in cash and cash equivalents		(138 614)	168 066	(76 920)	(3 743)
Cash and cash equivalents at the beginning of the year		1 192 015	1 023 949	583 764	587 507
Cash and cash equivalents at the end of the year	3	1 053 401	1 192 015	506 844	583 764

* See note 47.

Accounting Policies

1. Presentation of Group Annual Financial Statements

The Group Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999) and Companies Act of 2008.

Basis of preparation

These Group Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The significant accounting policies, which have been consistently applied in the preparation of these Group Annual Financial Statements, are disclosed below.

Basis of measurement

These Group Annual Financial Statements are presented in South African Rands which is the Group's functional currency. All financial information presented has been rounded to the nearest thousand.

1.1 Going concern assumption

These Group Annual Financial Statements have been prepared based on the expectation that the Group will continue to operate as a going concern for at least the next 12 months.

1.2 Materiality

Information is material if its omission or misstatement could influence the discharge of accountability by the Group, or the decisions that users make on the basis of the Group annual financial statements prepared for that reporting period. Materiality depends on both the nature and amount of the item judged in the particular circumstances of the group.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.3 Consolidation

Basis of consolidation

The Group Annual Financial Statements of subsidiaries are included in the consolidated Group annual financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

The Group Annual Financial Statements of the Group and its subsidiaries are prepared at the same reporting date.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated Group Annual Financial Statements.

1.4 Significant judgments and sources of estimation uncertainty

In preparing the group annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the group annual financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the group annual financial statements. Significant judgments include:

Accounting Policies (continued)

1.4 Significant judgments and sources of estimation uncertainty (continued)

Recoverability of receivables from exchange and non-exchange, loans and/or other receivables

The Group assesses its receivables for impairment at each reporting date individually. In determining whether an impairment loss should be recorded in the Statement of Financial Performance, the Group makes judgments as to whether there is observable data, for example the assessment of debtor collectability indicating a measurable decrease in the estimated future cash flows from the receivables. An impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Useful lives and residual values of property, plant, equipment and intangible assets

The Group's management determines the estimated useful lives and residual values of property, plant, equipment and intangible assets. These assessments are made when there are indicators that the useful lives may have changed from the previous period.

This estimate involves a matter of judgment based on the experience of the Group with similar assets. The Group considers all facts and circumstances in estimating the useful lives of assets, which include the consideration of financial, technical and other factors. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and decrease the depreciation charge where useful lives are more than previously estimated useful lives.

Impairment testing of non-financial assets

Value in use of cash-generating assets

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, including supply and demand, together with economic factors such as interest.

Value in use of non-cash generating assets

The Group reviews and tests the carrying value of non-cash-generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. The recoverable service amounts of non-cash-generating assets have been determined based on the higher of value in use calculations and fair values less costs to sell.

If there are indications that impairment may have occurred, the remaining service potential of the asset is determined for each group of assets. The Group selects the most appropriate approach to determine the remaining service potential. This is dependent on the availability of data and the nature of the impairment.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in the provisions note.

Effective interest rate

The Group used the prime interest rate to discount future cash flows unless stated otherwise.

Classification of sub-lease asset as Land

The Group entered into a contract where part of the land leased by the Group is sub-let to a tenant. This sub-lease qualifies for recognition as investment property with measurement on the fair-value model basis. However, as the Group's accounting policy for investment property is for measurement on the cost-model, the Group did not classify the asset as investment property, but as property, plant and equipment, in order to comply with GRAP 16 investment property.

Accounting Policies (continued)

1.5 Investment property

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Item	Useful life range
Property – land	indefinite
Property – buildings	20-50 years

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

The Group derecognises investment property on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

The Group separately discloses expenditure to repair and maintain investment property in the notes to the Group Annual Financial Statements.

The Group discloses relevant information relating to assets under construction or development, in the notes to the Group Annual Financial Statements: the cumulative expenditure recognised in the carrying value of investment property, the carrying value of investment property that is taking a significantly longer period of time to complete than expected, and the carrying value of investment property where construction or development has been halted.

1.6 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Accounting Policies (continued)

1.6 Property, plant and equipment (continued)

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Land	Indefinite
Buildings	20 – 50 years
Facilities equipment	3 – 20 years
Furniture and fixtures	3 – 25 years
Motor vehicles	5 – 15 years
Office equipment	3 – 15 years
IT equipment	3 – 15 years
Leasehold improvements	Per lease contract
Training equipment	3 – 20 years
Communication equipment	5 – 20 years
Infrastructure	3 – 25 years

The residual value, and the useful life and depreciation method of each asset are reviewed when at reporting date there is an indicator that a change is required. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Construction work in progress is not depreciated until it is completed and in the condition and location for use as intended by management. The Group discloses relevant information relating to assets under construction or development, in the notes to the Group Annual Financial Statements:

- the cumulative expenditure recognised in the carrying value of property, plant and equipment;
- the carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected; and
- the carrying value of property, plant and equipment where construction or development has been halted.

The Group separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 15)

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Land under operating lease, which is sub-leased, is recognised as an asset of the Group and subject to depreciation as Right of Land.

1.7 Intangible assets

Intangible assets are initially recognised at cost.

Should an intangible asset be acquired at no or nominal cost, the cost shall be its fair value as at the date of acquisition. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

Accounting Policies (continued)

1.7 Intangible assets (continued)

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life to its estimated residual value.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Average useful life
Computer software	3–10 years
Financial and risk management software	Indefinite

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

The Group derecognise intangible assets:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

1.8 Heritage assets

Heritage assets are measured at cost.

The cost of an item of heritage assets are the purchase price and other costs attributable bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Group.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition. After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

The Group does not recognise in the carrying amount of heritage assets the costs of the day-to-day servicing of such assets. Rather, these costs are recognised in surplus or deficit when incurred.

Costs of day-to-day servicing are primarily the cost of inspecting the heritage assets, cost of labour and consumables, and may include the cost of parts or repairs.

The Group separately discloses expenditure to repair and maintain heritage assets in the notes to the group annual financial statements.

The Group assess at each reporting date whether there is an indication that a heritage asset may be impaired. If any such indication exists, the group estimates the recoverable amount or the recoverable service amount of the heritage asset.

The Group derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

Accounting Policies (continued)

1.9 Investments in controlled entities

In the Company's separate Annual Financial Statements, investments in controlled entities are carried at cost less accumulated impairment.

1.10 Financial instruments

The Group has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Financial assets:	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Other financial assets	Financial asset measured at amortised cost
Deposits paid	Financial asset measured at amortised cost

The Group has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Financial assets:	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Deposits received	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost

The Group measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The Group measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

The Group assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

The Group derecognises financial assets using trade date accounting.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Accounting Policies (continued)

1.10 Financial instruments (continued)

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.11 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the group.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Tax

Current tax assets and liabilities

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

Accounting Policies (continued)

1.12 Tax (continued)

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable surplus will be available against which the unused tax losses can be utilised.

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting surplus nor taxable surplus or deficit. In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable surplus will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable company and the same taxation authority.

Value added tax

The Group has companies that are VAT Vendors in accordance with the VAT Act. Revenue, expenditure and the cost of assets is recorded net of VAT and the amount due to SARS is included as a asset or liability. The Group entities are registered on the accrual basis.

1.13 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the group assesses the classification of each element separately.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the group's incremental borrowing rate shall be used. Any initial direct costs of the group are added to the amount recognised as an asset.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases – lessor

Operating lease revenue is recognised as revenue on a straight-line basis in the Statement of Financial Performance over the lease term. The difference between the amounts recognised as revenue and the contractual receipts are recognised as an operating lease asset or liability. This operating lease asset or liability is not discounted.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Accounting Policies (continued)

1.13 Leases (continued)

Operating leases – lessee

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term (the negotiated period in the contract) on a straight-line basis.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. This operating lease asset or liability is not discounted.

1.14 Budget information

The Group does not present a comparison of their budget and actual amounts as required by GRAP 24.12 as the group is specifically excluded from the scope of GRAP 24 due to the group budgets not being made publicly available.

1.15 Commitments

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

1.16 Impairment of cash-generating assets

Designation

At initial recognition, the group designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of group's objective of using the asset.

The Group designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the group expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the group designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The group assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the group estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the group applies the appropriate discount rate to those future cash flows.

Accounting Policies (continued)

1.16 Impairment of cash-generating assets (continued)

Basis for estimates of future cash flows

In measuring value in use the group:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the Group expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the group recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Accounting Policies (continued)

1.16 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the group determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the group use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

1.17 Impairment of non-cash-generating assets

Designation

At initial recognition, the group designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating.

The designation is made on the basis of an group's objective of using the asset. The group designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the group expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the group designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

Accounting Policies (continued)

1.17 Impairment of non-cash-generating assets (continued)

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The group assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the group estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost of an asset is determined on an "optimised" basis. The rationale is that the Group would not replace the asset with a like asset if the asset to be replaced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the group recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.18 Share capital

Ordinary shares

Ordinary shares are classified as net assets in the separate group annual financial statements. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from net assets, net of any tax effects.

Accounting Policies (continued)

1.19 Employee benefits

Short-term employee benefits

Short-term employee benefits include items such as:

- salaries;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example cellphones and group life cover) for current employees.

When an employee has rendered service to the Group during a reporting period, the Company recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the group recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The group recognise the expected cost of bonus related payments when the group has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the group has no realistic alternative but to make the payments.

1.20 Provisions and contingencies

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the group settles the obligation.

The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 39.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgment. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Accounting Policies (continued)

1.21 Revenue from exchange transactions

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts.

Rental revenue

Rental income from investment property, rental of facilities and equipment is recognised in the Statement of Financial Performance on a straight-line basis over the term of the lease.

Rendering of services

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by reference to reviews of work performed.

Admission fees

Admission fees and sales have been classified as revenue from the sale of goods. Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b) the entity does not retain:
 - effective control over the goods sold; or
 - continuing managerial involvement to the degree usually associated with ownership;
- c) the amount of revenue can be measured reliably; and
- d) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Project income

Project income relates to project management fees charged at arm's length on site development.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied

- The Company has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.22 Revenue from non-exchange transactions

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the Group.

Government grants, sponsorships and donations

The group recognises grants, sponsorships and donations as revenue from non-exchange transactions.

Services in-kind

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the group disclose the nature and type of services in-kind received during the reporting period.

Accounting Policies (continued)

1.23 Finance income

Finance income comprises interest income on funds invested, receivables from exchange transactions and interest earned from SARS. Interest income is recognised as it accrues in the Statement of Financial Performance.

1.24 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.25 Irregular, fruitless and wasteful expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation. In terms of section 53(4) of the PFMA, where the Company overspends on its respective budget, such overspending is recognised as irregular expenditure.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, the corresponding revenue and debtor is also recognised when the expense is incurred.

Any irregular, fruitless and wasteful expenditure is recognised in the period in which it is incurred and details thereof disclosed in the note. Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

1.26 Segment information

Reportable segments are the actual segments which are reported on in the segment report.

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the group annual financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

1.27 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Management are those persons responsible for planning, directing and controlling the activities of the group, including those charged with the governance of the group in accordance with legislation, in instances where they are required to perform such functions.

The group is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the group to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the group is exempt from the disclosures in accordance with the above, the group discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its group annual financial statements.

Accounting Policies (continued)

1.28 Events after reporting date

The group will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The group will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.29 Finance costs

The finance costs relates to interest on finance lease and discounting of receivable. The finance charge on finance lease is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

1.30 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent.

When the Company is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an company is a principal or an agent requires the company to assess whether the transactions it undertakes with third parties are for the benefit of another company or for its own benefit.

Recognition

The Group, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The Group, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The Group recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.31 Accumulated surplus (deficit)

The accumulated surplus/(deficit) represents the net difference between the total assets and the total liabilities of the Group. Any surpluses and deficits realised during a specific reporting period are credited/debited against accumulated surplus/deficit). Prior year adjustments, relating to income and expenditure, are credited/debited against accumulated surplus/(deficit) when retrospective adjustments are made.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations.

• IGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	The impact of the is not material.
• GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	The impact of the is not material.
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	The impact of the is not material.
• Financial and risk management software	01 April 2023	The impact of the is not material.
• GRAP 25 (amended): Employee Benefits (replacement of 2009 version)	01 April 2023	The impact of the is not material.
• IGRAP 7 (amended): The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (replacement of 2010 version)	01 April 2023	The impact of the is not material.

2.2 Standards and interpretations issued, but not yet effective

The Group has not applied the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 01 April 2024 or later periods:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

2.3 Standards and interpretations not yet effective or relevant

No standards and interpretations have been published and are mandatory for the Company's accounting periods beginning on or after 01 April 2024 or later periods and not relevant to its operations.

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 103 (as revised): Heritage Assets	• No effective date	• Unlikely there will be a material impact

3. Cash and cash equivalents

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Cash and cash equivalents consist of:				
Cash on hand	59	89	5	8
Current accounts	364 146	529 951	39 563	88 906
Call accounts	689 196	661 975	467 276	494 850
	1 053 401	1 192 015	506 844	583 764

Cash and cash equivalents earn interest at variable rates based on daily bank deposits. The Group does not have any restriction on realisation or utilisation on cash balances. Included in the bank balance is an amount of R217 million (2023: R217 million) ring fenced to be paid to the Department of Trade, Industry and Competition (dtic). The group does not have access to overdraft facilities.

The cash and cash equivalents balance includes amounts that are not available for use by the group pending Treasury's approval for retentions.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

4. Receivables from exchange transactions

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Trade receivables	54 272	46 388	-	-
Property trust account	170	-	-	-
Accrued Income	-	544	-	-
Other receivables	7 653	11 603	5 841	623
Less: Impairment of trade and other receivables	(21 718)	(28 278)	-	-
	40 377	30 257	5 841	623
Ageing of trade receivables				
The ageing of amounts are as follows:				
Current	24 225	12 820	-	-
31-60 days	5 823	5 442	-	-
61-90 days	1 833	1 184	-	-
Older than 90 days	22 391	26 942	-	-
	54 272	46 388	-	-
Reconciliation of provision for impairment of trade and other receivables				
Opening balance	(28 278)	(21 240)	-	-
Provision for impairment	(4 355)	(14 836)	-	-
Amounts written off as uncollectible	-	418	-	-
Unused amounts reversed	10 915	7 380	-	-
	(21 718)	(28 278)	-	-

5. Receivables from non-exchange transactions

Non-MTEF grant recovery	480	480	-	-
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An amount of R0,48 million receivable from non-exchange transaction relates to the Start Support Programme grant that was awarded to the beneficiary during the prior financial year. However, the beneficiary was in breach of the grant contract, and the funds need to be recovered.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

6. Inventories

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Inventories	93	187	–	–
	93	187	–	–
Inventories (write-downs)	–	(3)	–	–
	93	184	–	–
Inventory per category				
Inventory kept for sale	93	184	–	–
Inventory Reconciliation				
Opening balance	184	–	–	–
Purchases	73	190	–	–
Sold during the year	(164)	(3)	–	–
Write-off	–	(3)	–	–
	93	184	–	–

The inventory consists of stock items kept for the purpose of selling to the public and the selling price less cost to sell (Net Realisable Value) is anticipated to exceed the carrying value. ConHill has not pledged any of its inventory at hand as security or guarantee on any debts at year end.

7. Other financial assets

At amortised cost				
Guaranteed trust fund	12 368	11 509	–	–
Current assets				
At amortised cost	12 368	11 509	–	–

Other financial assets – Guaranteed trust fund

The effective interest rate on the fund is 5,14% p.a (2023:4,4%) p.a. The funds are held in the trust as an interim temporary guarantee towards the upgrade of the Innovation Hub external bulk services as required by the City of Tshwane. Funds are withdrawn as and when payments for external bulk services are incurred in line with the City of Tshwane service level agreement. Refer note 23 for expenditure provision details.

Accounting Policies (continued)

8. Prepayments

GGDA prepayments consist mainly of licenses, insurance and Business Intelligence subscriptions.

AIDC prepayment consists mainly of insurance and software licenses.

TIHMC share the electricity bill with its tenant in terms of which TIHMC buys bulk prepaid electricity from City of Tshwane and internally bills its tenant as per their consumption.

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Prepayments	9 206	11 307	2 134	1 797
Prepayments – Non-current Portion	220	421	–	–
	9 426	11 728	2 134	1 797
GGDA Holdings	2 134	1 797	2 134	1 797
AIDC	4 662	6 208	–	–
CONHILL	345	344	–	–
GIDZ	1 008	967	–	–
TIHMC	1 277	2 412	–	–
	9 426	11 728	2 134	1 797

9. Deposits paid

Deposits paid are mainly rental deposits held by leasing agent and deposits paid for electricity.

Deposits paid	4 202	3 767	616	616
GGDA Holdings	616	616	616	616
AIDC	1 009	1 030	–	–
GIDZ	2 534	2 088	–	–
TIHMC	43	33	–	–
	4 202	3 767	616	616

10. Current tax receivable/(payable)

Current tax receivable/(payable) represents amounts receivable/payable from/to South African Revenue Services.

Current tax receivable	7 130	11 447	3 622	6 456
Current tax payable	(1 134)	(1 219)	–	–
	5 996	10 228	3 622	6 456
GGDA Holdings	3 622	6 456	3 622	6 456
AIDC	(1 134)	(1 219)	–	–
GIDZ	2 613	2 299	–	–
TIHMC	895	2 692	–	–
	5 996	10 228	3 622	6 456

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

11. VAT receivable

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
South African Revenue services	19 377	23 548	–	–
GIDZ	19 377	23 548	–	–

12. VAT payable

South African Revenue Services	1 029	1 494	–	–
AIDC	846	333	–	–
CONHILL	183	1 161	–	–
	1 029	1 494	–	–

13. Operating lease asset/(liability)

Non-current assets	90 204	79 206	–	24
Current assets	3 778	3 228	24	4
Non-current liabilities	(215 207)	(193 856)	(946)	(2 026)
Current liabilities	(1 080)	(179)	(1 080)	(179)
Minimum lease commitments – as lessee:				
– within one year	22 085	21 346	15 440	15 193
– in second to fifth year	41 181	54 225	8 842	24 282
– later than five years	1 204 317	1 213 358	–	–
	1 267 583	1 288 929	24 282	39 475

The above represents the lease rentals for operating leases of InvestSA offices, Vaal SEZ, 124 Main street and the GIDZ ACSA lease which is amortised on a straight line basis over the period of the lease.

Minimum lease payments due – as lessor:

– within one year	(114 061)	(116 427)	(339)	(381)
– in second to fifth year	(250 343)	(261 823)	–	(339)
– later than five years	(359 094)	(369 499)	–	–
	(723 498)	(747 749)	(339)	(720)

The above future minimum lease rentals represent rental payable under non-cancellable operating leases in the aggregate and for each period.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

14. Investment property

Group	2024			2023		
	Cost R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000	Cost R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000
Investment property	1 772 114	(440 115)	1 331 999	1 610 137	(397 126)	1 213 011

Reconciliation of investment property – Group – 31 March 2024

	Opening balance	Additions	Transfers	Impairments	Depreciation	Total
Investment property	1 213 011	202 085	(39 976)	(5 025)	(38 096)	1 331 999

Reconciliation of investment property – Group – 31 March 2023

	Opening balance	Additions	Additions through grant	Depreciation	Total
Investment property	1 026 639	190 324	25 539	(29 491)	1 213 011

Investment property in the process of being constructed or developed

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Cumulative expenditure recognised in the carrying value of Investment property				
Opening balance	279 278	65 260	–	–
Additions	198 712	214 018	–	–
Transfers to completed investment property	(334 381)	–	–	–
	143 609	279 278	–	–
Carrying value of Investment property that is taking a significantly longer period of time to complete than expected				
Visitor Centre Building – ConHill	63 177	49 045	–	–
JMP Southern Precinct Top Structures Construction	80 432	230 233	–	–
	143 609	279 278	–	–
Details of Group entity carrying values				
AIDC	364 530	376 230	–	–
CONHILL	136 108	130 538	–	–
GIDZ	656 823	529 810	–	–
TIHMC	174 538	176 433	–	–
	1 331 999	1 213 011	–	–

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

14. Investment property (continued)

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period which varies between three and 12 years. Subsequent renewals are negotiated with the lessee. No contingent rent is charged.

The entity subsequently accounts for investment property on the cost model. The carrying amount of the investment property is the cost less the accumulated depreciation and any impairment losses.

None of the above investment properties have been pledged as security.

In terms of the PFMA, investment properties can only be sold with the approval of the Executive Authority.

Amounts recognised in surplus or deficit

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Rental revenue from Investment property	131 257	119 988	–	–
From Investment property that generated rental revenue				
Direct operating expenses (excluding repairs and maintenance)	(81 202)	(64 984)	–	–
Direct operating expenses from non-rental generating property	(9 375)	(6 554)	–	–
	(90 577)	(71 538)	–	–
Expenditure incurred to repair and maintain Investment property				
Repairs and maintenance expenditure	25 746	12 303	–	–

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

15. Property, plant and equipment

Group	2024			2023		
	Cost R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000	Cost R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000
Land	5 168	–	5 168	5 168	–	5 168
Buildings	541 435	(93 871)	447 564	448 529	(87 109)	361 420
Furniture and fixtures	37 656	(21 687)	15 969	35 130	(20 115)	15 015
Motor vehicles	3 651	(2 255)	1 396	3 819	(2 091)	1 728
Office equipment	22 383	(15 197)	7 186	21 403	(13 790)	7 613
IT equipment	66 001	(33 094)	32 907	51 856	(28 695)	23 161
Leasehold improvements	355	(166)	189	–	–	–
Infrastructure	356 714	(110 961)	245 753	321 877	(94 558)	227 319
Facilities equipment	15 785	(4 901)	10 884	8 516	(3 870)	4 646
Training equipment	80 164	(36 536)	43 628	79 058	(31 220)	47 838
Communication equipment	2 677	(1 596)	1 081	2 681	(1 498)	1 183
Total	1 131 989	(320 264)	811 725	978 037	(282 946)	695 091

Controlling entity	2024			2023		
	Cost R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000	Cost R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000
Furniture and fixtures	7 867	(4 121)	3 746	6 777	(3 841)	2 936
Motor vehicles	420	(104)	316	420	(62)	358
IT equipment	10 291	(2 908)	7 383	7 948	(2 812)	5 136
Leasehold improvements	355	(166)	189	–	–	–
Total	18 933	(7 299)	11 634	15 145	(6 715)	8 430

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

15. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment – Group – 31 March 2024

	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Depreciation R'000	Impairment loss R'000	Total R'000
Land	5 168	–	–	–	–	–	5 168
Buildings	361 420	92 905	–	–	(6 761)	–	447 564
Furniture and fixtures	15 015	3 229	(151)	–	(2 124)	–	15 969
Motor vehicles	1 728	–	(71)	–	(261)	–	1 396
Office equipment	7 613	1 276	(69)	–	(1 634)	–	7 186
IT equipment	23 161	15 679	(936)	1 884	(6 881)	–	32 907
Leasehold improvements	–	355	–	–	(166)	–	189
Infrastructure	227 319	1 606	–	33 231	(14 885)	(1 518)	245 753
Facilities equipment	4 646	2 439	(14)	4 861	(1 048)	–	10 884
Training equipment	47 838	1 110	(1)	–	(5 319)	–	43 628
Communication equipment	1 183	–	–	–	(102)	–	1 081
	695 091	118 599	(1 242)	39 976	(39 181)	(1 518)	811 725

Reconciliation of property, plant and equipment – Group – 31 March 2023

	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Depreciation R'000	Total R'000
Land	5 168	–	–	–	–	5 168
Buildings	290 993	77 171	–	–	(6 744)	361 420
Furniture and fixtures	16 273	965	(106)	–	(2 117)	15 015
Motor vehicles	2 043	–	–	–	(315)	1 728
Office equipment	8 430	765	(5)	–	(1 577)	7 613
IT equipment	23 447	5 334	(460)	–	(5 160)	23 161
Infrastructure	231 398	4 976	–	4 799	(13 854)	227 319
Facilities equipment	3 554	1 687	–	–	(595)	4 646
Training equipment	52 042	1 034	(6)	–	(5 232)	47 838
Communication equipment	1 294	–	–	–	(111)	1 183
	634 642	91 932	(577)	4 799	(35 705)	695 091

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

15. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment – Controlling entity – 31 March 2024

	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Furniture and fixtures	2 936	1 208	(45)	(353)	3 746
Motor vehicles	358	–	–	(42)	316
IT equipment	5 136	3 785	(404)	(1 134)	7 383
Leasehold improvements	–	355	–	(166)	189
	8 430	5 348	(449)	(1 695)	11 634

Reconciliation of property, plant and equipment – Controlling entity – 31 March 2023

	Opening balance R'000	Additions R'000	Disposals R'000	Transfers received R'000	Depreciation R'000	Total R'000
Furniture and fixtures	3 249	–	(3)	–	(310)	2 936
Motor vehicles	419	–	–	(16)	(45)	358
IT equipment	4 914	1 079	(308)	–	(549)	5 136
	8 582	1 079	(311)	(16)	(904)	8 430

Assets subject to finance lease (carrying amount)

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
IT equipment	5 829	12	1 020	–

Reconciliation of Work-in-Progress – Group – 31 March 2024

	Included within Infrastructure R'000	Included within Buildings R'000	Total R'000
Opening balance	15 695	134 754	150 449
Additions/capital expenditure	413	89 531	89 944
Impairment	(190)	–	(190)
	15 918	224 285	240 203

Reconciliation of Work-in-Progress – Group – 31 March 2023

	Included within Infrastructure R'000	Included within Buildings R'000	Total R'000
Opening balance	12 455	57 583	70 038
Additions/capital expenditure	9 474	77 171	86 645
Impairment	(6 234)	–	(6 234)
	15 695	134 754	150 449

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

15. Property, plant and equipment (continued)

Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
BioPark building – TIHMC	224 285	134 754	–	–
We are the People Park – ConHill	11 073	11 073	–	–
	235 358	145 827	–	–

Biopark building – TIHMC

The construction delays were due to the following factors:

- Procurement of selected sub-contractors for the provisional sum items;
- Late issuing of construction drawings by the PRT;
- Depletion of professional fees for the PRT; and
- The revised practical completion date is September 2024.

We are the People Park – Conhill

The construction delays were due to the supplier experiencing cashflow challenges, therefore, the project was put on hold. The tender is now back on the market and SCM is in the process to appoint.

Expenditure incurred to repair and maintain property, plant and equipment

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance				
Buildings	1 799	3 970	–	–
Motor vehicles	32	12	–	–
Office equipment	575	370	–	–
IT equipment	42	25	–	–
Other property, plant and equipment	39	–	–	–
	2 487	4 377	–	–

The Group does not have any restrictions or commitments on property, plant and equipment.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

16. Intangible assets

Group	2024			2023		
	Cost R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000	Cost R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000
Computer software	8 389	(2 932)	5 457	7 752	(2 405)	5 347

Controlling entity	2024			2023		
	Cost R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000	Cost R'000	Accumulated Carrying value amortisation and accumulated impairment R'000	
Computer software	3 380	(13)	3 367	3 097	(11)	3 086

Reconciliation of intangible assets – Group – 31 March 2024

	Opening balance	Additions	Amortisation	Total
Computer software	5 347	635	(525)	5 457

Reconciliation of intangible assets – Group – 31 March 2023

	Opening balance	Additions	Amortisation	Total
Computer software	5 314	478	(445)	5 347

Reconciliation of intangible assets – Controlling entity – 31 March 2024

	Opening balance	Additions	Amortisation	Total
Computer software	3 086	283	(2)	3 367

Reconciliation of intangible assets – Controlling entity – 31 March 2023

	Opening balance	Additions	Amortisation	Total
Computer software	2 928	160	(2)	3 086

The Group does not have any restrictions or commitments on intangible assets.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

16. Intangible assets (continued)

Intangible assets with indefinite useful lives

The following classes of intangible assets are not amortised as they are regarded as having indefinite useful lives:

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Cost and carrying value of software:				
Financial and risk management system	3 392	3 110	3 344	3 062

The financial and risk management system is expected to be available for use over an indefinite period. The company expects to derive economic benefits from the system beyond the current reporting period. The useful lives of the intangible assets remain unchanged from the previous year.

17. Heritage assets

Group	2024			2023		
	Cost R'000	Accumulated impairment losses R'000	Carrying value R'000	Cost R'000	Accumulated impairment losses R'000	Carrying value R'000
Art Collections, antiquities and exhibits	11 098	–	11 098	11 098	–	11 098
Historical buildings	177 587	–	177 587	177 587	–	177 587
Total	188 685	–	188 685	188 685	–	188 685

Reconciliation of heritage assets Group – 31 March 2024

	Opening balance	Total
Art Collections, antiquities and exhibits	11 098	11 098
Historical buildings	177 587	177 587
Investment property	188 685	188 685

Reconciliation of heritage assets Group – 31 March 2023

	Opening balance	Additions	Total
Art Collections, antiquities and exhibits	11 002	96	11 098
Historical buildings	177 587	–	177 587
	188 589	96	188 685

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

17. Heritage assets (continued)

Ancillary use of Heritage Asset

The financial statements shall disclose information about the alternative use and value of heritage assets that are used by the entity for more than one purpose

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Revenue from venue hire	6 398	4 089	–	–
Rental for offices	6 772	3 490	–	–
Admission fees	4 247	2 682	–	–
Other	3 745	3 509	–	–

Heritage assets in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of Heritage assets

Opening balance	6 381	6 381	–	–
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The heritage asset wip consists of exhibition procured for new visitors centre building still under construction by the service provider. The delay in completing the manufacturing and installation of these exhibitions is due to delays on construction of Visitors Centre Building.

Expenditure incurred to repair and maintain heritage assets

Expenditure incurred to repair and maintain heritage assets included in Statement of Financial Performance

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Artefacts	569	93	–	–
Historic buildings	3 466	9 409	–	–
	4 035	9 502	–	–

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

18. Investments in controlled entities

Name of company	% holding 2024	% holding 2023	Carrying amount 2024	Carrying amount 2023
Supplier Park Development Company	100%	100%	27	27
The Innovation Hub Management Company*	100%	100%	–	–
Gauteng IDZ Development Company*	100%	100%	–	–
Constitution Hill Development Company	100%	87%	384 380	384 380
Total cost amount			384 407	384 407
Accumulated impairment of investment in controlled entities	–	–	(125 323)	(125 323)
Total carrying amount			259 084	259 084

The net asset values of investments in subsidiaries is shown below:

The Innovation Hub Management Company	– R501m (2023: R415m)
Supplier Park Development Company	– R754m (2023: R727m)
Constitution Hill Development Company	– R345m (2023: R334m)
Gauteng IDZ Development Company	– R826m (2023: R644m)

The investment in Constitution Hill Development Company (ConHill) is made up of equity loans which have no repayment terms and are interest free. The primary factor that was considered when impairing the loan account to Conhill was the accumulated loss posted by Conhill. The only impaired investment is the Conhill loan. The minority interest in Conhill relates to the Johannesburg Development Agency who own 13% shares in Conhill.

* The investment in TIHMC and the GIDZ is made up of 100 shares valued at R1, thus the amount is rounded to zero as the financials are rounded to R'000.

Reconciliation of provision for impairment of investments in controlled entities

	Controlling entity	
	2024 R'000	2023 R'000
Balance at the beginning of the year	(125 323)	(125 323)
Adjustments	–	–
Balance at the end of the year	(125 323)	(125 323)

Refer to note 41 for related-party transactions and balances.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

19. Deferred tax

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Deferred tax asset				
Provisions	15 249	15 331	2 760	3 546
Amounts received in advance	98 428	128 667	98 428	128 667
Assessed loss	60 939	40 902	-	-
Straight lining of leases	255	858	255	858
Doubtful debt allowances	-	178	-	-
Finance lease	373	-	290	-
Lease liability	57 851	51 794	-	-
Total gross deferred tax asset	233 095	237 730	101 733	133 071
Deferred tax liability				
Property, plant and equipment	(40 522)	(36 150)	(1 694)	(1 249)
Investment property	(7 547)	(4 618)	-	-
Intangible assets	(759)	(482)	(759)	(482)
Prepayments	(2 040)	(1 882)	(295)	(161)
Lease asset	(21 605)	(17 088)	-	-
Straight lining of leases	(4 254)	(4 950)	-	-
Doubtful debt allowances	(2 222)	(1 702)	-	-
Finance lease	538	-	-	-
Section 24 C allowance	(124 790)	(144 173)	(98 428)	(128 667)
Other	-	(39)	-	-
Total gross deferred tax liability	(203 201)	(211 084)	(101 176)	(130 559)

Entity	2024	2024	2024	2023	2023	2023
	Deferred tax asset	Deferred tax Liability	Net Deferred Tax asset/(liability)	Deferred tax asset	Deferred tax Liability	Net Deferred Tax asset/(liability)
GGDA Holdings	101 733	(101 176)	557	133 071	(130 559)	2 512
AIDC	8 243	(26 498)	(18 255)	6 734	(27 014)	(20 280)
GIDZ	114 268	(74 566)	39 702	88 224	(53 146)	35 078
TIHMC	8 851	(961)	7 890	9 701	(365)	9 336
	233 095	(203 201)	29 894	237 730	(211 084)	26 646

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

19. Deferred tax (continued)

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Net deferred tax asset	48 149	46 926	557	2 512
Net deferred tax liability	(18 255)	(20 280)	–	–
Reconciliation of deferred tax asset/(liability)				
At beginning of year	26 646	22 334	2 512	2 778
Increases (decrease) in tax loss available for set	20 225	3 092	–	–
Taxable/(deductible) temporary difference movement	(17 556)	(339)	(1 955)	(339)
Other movements -originating temporary differences	579	888	–	–
Prior year over/(under) provision	–	586	–	73
Adjustment due to rate change	–	85	–	–
Balance at the end of year	29 894	26 646	557	2 512

20. Payables from exchange transactions

Trade payables	12 180	53 052	1 329	1 219
Payments received in advanced – contract in process	7 478	8 985	–	–
Other payables	446	2 152	–	–
Accrued expenses	46 473	27 521	33 786	20 896
	66 577	91 710	35 115	22 115

The ageing of all trade and other payables is current (within 30 days).

21. Finance lease obligation

Minimum lease payments due

– within one year	3 219	12	590	–
– in second to fifth year	3 332	–	619	–
	6 551	12	1 209	–
less: future finance charges	(721)	–	(134)	–
Present value of minimum lease payments	5 830	12	1 075	–

Present value of minimum lease payments due

– within one year	2 701	12	494	–
– in second to fifth year	3 129	–	581	–
	5 830	12	1 075	–
Non-current liabilities	3 129	–	581	–
Current liabilities	2 701	12	494	–
	5 830	12	1 075	–

The group holds certain IT equipment under finance lease obligations.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

22. Unutilised conditional government grant

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Reconciliation of unutilised government grant				
Balance at the beginning of the year	935 006	841 373	476 547	488 163
Surrender of funds to Treasury	(480)	–	(480)	–
Receipts – Grant	641 942	580 374	617 682	585 355
The dtic receipts	6 847	238 441	4 848	14 500
Conditional grants received	2 400	2 334	–	–
Transfers to subsidiaries	–	–	(424 157)	(411 534)
Operating and capital expenditures	(862 932)	(715 279)	(310 449)	(200 893)
Capitalisation of the dtic interest	13 921	8 624	1 617	956
Strategic project expenses	(24 204)	(20 861)	–	–
	712 500	935 006	365 608	476 547
Current liabilities	712 500	935 006	365 608	476 547

Unutilised government grants represent the amount of grant funding that was received for specific GGDA projects and/or operational expenditure in relation to projects, which had not been utilised (i.e. transferred/deferred/expensed/committed) at year end.

At group level unutilised grants comprise MTEF grants of R473 million (2023: R564 million), and Non-MTEF grants of R239 million (2023: R371 million).

Controlling entity

Included in unutilised grants are third-party funds relating to the Special Economic Zone (SEZ) and the Department of Trade and Industry (DTI) for conditional grants:

	Controlling entity	
	2024 R'000	2023 R'000
Unutilised grants MTEF		
Balance at the beginning of the year	445 261	468 002
Receipts – Grant	617 682	585 355
Surrender of funds to Treasury	(480)	–
Transfers to subsidiaries	(424 157)	(411 534)
Operating and capital expenditures	(305 246)	(196 562)
	333 060	445 261
Unutilised grants MTEF		
Balance at the beginning of the year	31 286	20 161
Receipts – Grant	4 848	14 500
Capitalisation of interest	1 617	956
Operating and capital expenditures	(5 203)	(411 534)
Income recognition during the year	–	–
	32 548	31 286
Total unutilised government grant	365 608	476 547

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

23. Provisions

Reconciliation of provisions – Group – 31 March 2024

	Opening balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year R'000	Change in discount factor R'000	Total R'000
Bonus	31 591	24 849	(21 870)	(8 120)	–	26 450
Leave pay	8 029	5 236	(4 257)	(329)	–	8 679
External bulk infrastructure – road	11 870	–	–	–	1 276	13 146
	51 490	30 085	(26 127)	(8 449)	1 276	48 275

Reconciliation of provisions – Group – 31 March 2023

	Opening balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year R'000	Change in discount factor R'000	Total R'000
Bonus	39 421	25 210	(28 982)	(4 058)	–	31 591
Leave pay	7 368	5 135	(4 034)	(440)	–	8 029
External bulk infrastructure – road	11 429	–	–	–	441	11 870
	58 218	30 345	(33 016)	(4 498)	441	51 490

Reconciliation of provisions – Controlling entity – 31 March 2024

	Opening balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year R'000	Total R'000
Bonus	9 750	6 569	(6 905)	(2 845)	6 569
Leave pay	3 385	3 653	(3 385)	–	3 653
	13 135	10 222	(10 290)	(2 845)	10 222

Reconciliation of provisions – Controlling entity – 31 March 2023

	Opening balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year R'000	Total R'000
Bonus	11 068	9 750	(8 382)	(2 686)	9 750
Leave pay	2 897	3 385	(2 897)	–	3 385
	13 965	13 135	(11 279)	(2 686)	13 135

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

23. Provisions (continued)

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Non-current liabilities	2 601	11 870	–	–
Current liabilities	45 674	39 620	10 222	13 135
	48 275	51 490	10 222	13 135

The bonus and leave provision represent management's best estimate of the company liability.

For the performance bonuses, the provision raised estimates the amount of the provision based on the anticipated performance of employees. This anticipated performance is based on experience with the employees of the Company, taking into account performance trends in the prior periods. The amount of the performance bonus is determined with reference to the salary scales as at the end of the financial year.

For the provision for leave pay, the amount is based on accumulated leave day balances at the end of the financial year after taking into account the forfeited leave days as per the approved GGDA Group policies.

External bulk infrastructure – road (TIHMC)

Provision for external bulk infrastructure cost is for the residual obligation in terms of site development for road works as required by the City of Tshwane. TIHMC was granted 121 000m² of development rights (bulk gross floor area) however, the current Service Level Agreement has placed a cap or limitation on the TIHMC bulk uptake to 40 000 sqm. TIHMC may not exercise its total development rights (allowable bulk) of 121 000m² until it has discharged its residual obligations in terms of such agreement. It is therefore required from the entity to construct the agreed upon external road infrastructure in line with the Service Level Agreement to be able to utilise the full development rights. Provision has been made for this cost based on the estimated present value of future cash flows arising from the road construction cost expected as at 31 March 2024. The discount rate used for the present value calculation was based on prime rate.

24. Deposits received

Deposits received	14 700	12 798	–	–
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Deposit received as at 31 March 2024, relates to the deposit charged on all tenants accounts' upon signature of the lease. The deposit is required as a security to cover amongst others, possible damages to rental property, non payment of rental, earlier termination of lease, etc. The deposit is refundable on expiry of the lease term and vacation of occupied space by tenant.

AIDC	7 994	6 744	–	–
CONHILL	362	254	–	–
GIDZ	1 727	1 727	–	–
TIHMC	4 617	4 073	–	–
	14 700	12 798	–	–

25. Share capital

Authorised

4 000 Ordinary shares of R1 each

Issued

100 Ordinary shares issued at R1 each*

	–	–	–	–

* The 100 ordinary shares issued relate to shares issued to the Gauteng Department of Economic Development.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

26. Revenue from exchange transactions

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Rental income	138 336	123 447	–	–
Rental of facilities and equipment	11 489	6 980	–	–
Project income	18 832	11 100	–	–
Rendering of services	129 686	121 830	–	–
Admission fees	4 247	2 682	–	–
Sale of goods	174	14	–	–
	302 764	266 053	–	–

27. Revenue from non-exchange transactions

Grants for operating expenditure	521 644	407 751	304 819	199 654
Grants for capital expenditure	308 919	292 532	5 630	1 239
Transfers to subsidiaries	–	–	424 157	411 534
Grants for projects	58 427	37 401	–	–
	888 990	737 684	734 606	612 427

28. Other income

Debt impairment recovered	7 753	–	–	–
Sundry income	11 414	3 836	1 284	692
	19 167	3 836	1 284	692
GGDA Holdings	1 284	692	1 284	692
AIDC	8 765	1 397	–	–
CONHILL	8 322	365	–	–
GIDZ	78	3	–	–
TIHMC	718	1 379	–	–
	19 167	3 836	1 284	692

29. Grants transferred

Supplier Park Development Company SOC Ltd	–	–	75 690	74 281
The Innovation Hub Management Company SOC Ltd	–	–	182 951	165 110
Constitution Hill Development Company SOC Ltd	–	–	55 388	74 394
Gauteng IDZ Development Company SOC Ltd	–	–	110 129	97 750
	–	–	424 158	411 535

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

30. Employee related costs

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Salaries and pension	307 882	280 872	124 649	107 670
Bonus	16 728	21 037	3 724	6 947
Medical aid – company contributions	562	578	–	–
UIF	868	814	259	238
WCA	335	366	–	–
SDL	3 030	2 857	1 195	1 070
Salaries – Leave Accrual	1 755	1 291	268	488
Staff travel claims	2 274	1 321	865	431
Staff Uniforms	356	560	–	–
Staff Welfare	1 009	1 657	692	1 449
Staff Recruitment	3 148	3 306	1 793	2 880
Staff training	4 730	4 344	2 477	1 211
Life Insurance	5 007	4 301	2 927	2 395
	347 684	323 304	138 849	124 779

31. Operating surplus (deficit)

Operating surplus (deficit) for the year is stated after accounting for the following:

Operating lease charges				
Premises				
• Contractual amounts	20 462	20 263	20 462	20 263
Equipment				
• Contractual amounts	40	(8)	–	–
	20 502	20 255	20 462	20 263
Loss on disposal of property, plant and equipment	(788)	(522)	(449)	(311)
Impairment on property, plant and equipment	1 793	57	–	–
Reversal of impairment on investment property	(5 025)	–	–	–
Impairment on trade and other receivables	1 196	4 626	–	–
Amortisation on intangible assets	525	445	2	2
Depreciation on property, plant and equipment*	39 181	35 705	1 695	904
Depreciation on investment property*	37 785	29 489	–	–
Employee costs	347 684	323 304	138 849	124 779

* Restated refer to note 47.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

32. Finance income

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Cash and Cash equivalents	64 941	44 674	39 499	31 826
Interest charged on trade and other receivables	1 374	1 021	–	–
Interest received – other	1 150	1 654	238	1 064
	67 465	47 349	39 737	32 890

33. Finance costs

Finance leases	760	9	140	–
Other interest paid	1 395	1 286	–	–
	2 155	1 295	140	–

34. Taxation

Major components of the tax expense

Current

Local income tax – current period	26 825	14 625	8 800	5 560
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Deferred

Originating and reversing temporary differences	(3 194)	(3 641)	1 955	339
Prior year under/(over) provision arising from temporary differences	–	(671)	–	(73)
	(3 194)	(4 312)	1 955	266
	23 631	10 313	10 755	5 826

Reconciliation of the tax expense

Reconciliation between accounting surplus and tax expense.

Accounting surplus	357 664	295 721	38 038	20 650
Tax at the applicable tax rate of 27% (2023: 27%)	96 565	79 844	10 272	5 576

Tax effect of adjustments on taxable income

Deferred tax effect on temporary differences	(54 735)	(53 141)	–	(73)
Non-deductible expenses	1 888	323	483	323
Non-taxable income	(24 164)	(15 794)	–	–
Prior year over/(under)provision	(515)	–	–	–
Utilisation of assessed loss	(582)	(6 126)	–	–
Permanent differences	4 798	4 860	–	–
Unwinding of provision	376	347	–	–
	23 631	10 313	10 755	5 826

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

35. Auditors' remuneration

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
External audit	7 404	7 673	2 683	3 187
Internal audit	5 349	8 596	4 020	7 980
	12 753	16 269	6 703	11 167

36. Cash generated from (used in) operations

Surplus	333 879	285 253	27 283	14 824
Adjustments for:	77 802	65 641	1 697	906
Depreciation and amortisation				
Loss on disposal of assets	1 063	578	449	311
Finance costs	1 703	(1 282)	-	-
Impairment loss	9 769	2 874	-	-
Bad debts written off	1 636	244	-	-
Movements in operating lease assets and accruals	10 704	8 129	(175)	587
Movements in provisions	(4 610)	(5 443)	(2 913)	(830)
Movement in tax receivable and payable	4 234	(4 076)	2 834	(5 355)
Annual charge for deferred tax	(3 249)	(4 312)	1 955	266
Other non-cash items – finance lease obligation, deemed grant	(103 663)	(84 032)	-	-
Asset donation	-	-	-	17
Changes in working capital:				
Receivables from exchange transactions	(21 435)	33 486	(5 218)	19 822
Receivables from non-exchange transactions	-	(480)	-	-
Prepayments	2 302	(5 680)	(337)	(545)
Other financial assets	(859)	(563)	-	-
Payables from exchange transactions	(31 436)	20 120	12 999	(2 166)
VAT	3 706	(24 392)	-	-
Unspent conditional grants and receipts	(211 545)	109 625	(110 939)	(11 616)
Payables from non-exchange transactions	-	(18 675)	-	(18 675)
Deposits Paid	(435)	(101)	-	(50)
Deposits received	1 902	1 876	-	-
Inventories	91	(184)	-	-
	71 559	378 606	(72 365)	(2 504)

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

37. Tax paid

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Balance at beginning of the year	10 228	6 152	6 456	1 101
Current tax for the year recognised in surplus or deficit	(26 879)	(14 407)	(8 800)	(5 560)
Refund from SARS	(9 922)	(1 131)	(6 694)	(1 131)
SARS interest and penalties	774	30	238	30
Balance at end of the year	(5 996)	(10 228)	(3 622)	(6 456)
	(31 795)	(19 584)	(12 422)	(12 016)

38. Commitments

Authorised capital expenditure

Already contracted for but not provided for

Property, plant and equipment	66 755	23 369	–	–
Investment property	139 952	333 749	–	–
Heritage assets	5 981	5 981	–	–
	212 688	363 099	–	–

Total capital commitments

Already contracted for but not provided for	212 688	363 099	–	–
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Authorised operational expenditure

Already contracted for but not provided for

Operational and other commitments	176 127	160 039	71 637	42 001
Contracts	100 935	421 551	96 115	408 609
	277 062	581 590	167 752	450 610

Total operational commitments

Already contracted for but not provided for	277 062	581 590	167 752	450 610
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Total commitments

Total commitments

Authorised capital expenditure	212 688	363 099	–	–
Authorised operational expenditure	277 062	581 590	167 752	450 610
	489 750	944 689	167 752	450 610

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

39. Contingencies

Contingent liabilities

GGDA

GGDA has a contractual dispute with a professional engineering firm that claims an amount of R5,8 million (excluding VAT). It relates to a project that was terminated due to non-performance, while the firm believes termination is unlawful.

The matter is pending an arbitration hearing and will be finalised in the 2025 financial year.

GGDA has also a contractual dispute with a same professional engineering firm as mentioned above for different project, the claim amount is R15,1 million. It relates to a project that was terminated due to non-performance, while the firm believes termination is unlawful. The matter is pending a high court hearing and will be finalised in the 2025 financial year.

GIDZ

The contractor that has terminated their construction early, has put in a counter claim against GIDZ, of R52,5 million, which GIDZ disputes as invalid. This will be adjudicated during a dispute resolution and legal process, which the parties are engaged in.

AIDC

Construction contractor

AIDC has contractual dispute with a construction contractor. The dispute is with regards to construction works for alleged additional work rendered and not paid by AIDC. The claim against AIDC is R1,5 million.

Consulting services

AIDC has contractual dispute emanating from the SLA for the investment transaction advisory services. The transaction advisory services related to the ASP phase 3 and 5 expansion project. State institute funders terminated the processing, after it had been provisionally confirmed for processing. AIDC informed the Service Provider of the unsuccessful transaction and terminated the SLA. The parties subsequently engaged in discussions to settle the matter amicably to no avail. The claim against AIDC amounts to R7 million.

Labour matters

AIDC has one (1) labour matter at labour court. As per legal expert's assessment the estimated amount of potential liability will be 6 months salary of the plaintiff amounting to R470k.

TIHMC

TIHMC management is currently not aware of any pending litigation.

Contingent assets

GGDA

GGDA instituted legal proceedings against a professional engineering firm for the losses incurred during the construction of a building overseen by the firm. GGDA terminated the agreement as a result of the losses.

The matter is currently pending arbitration and will be finalised within the 2025 financial year. A minimum amount of R11,4 million from the firm is estimated to flow to GGDA upon award.

GIDZ

GIDZ has a contingent asset of R37 million with regards to an amount that is owed to them by a construction company, who terminated their construction early, and who has also simultaneously returned security material which was on site, to their own supplier. In addition, GIDZ has damage claims against the same contractor, of a further R13,5 million. GIDZ is following a legal process to recover the money.

TIHMC

Based on the ongoing Internal Audit Investigation in respect of the fruitless and wasteful expenditure referred to in Noted 40, possible recovery proceedings may have to be commenced against the employees concerned to recover an amount of R 65k - it is probable that the proceedings may result in the recovery of the full amount but this recovery is based on the outcome of the investigation.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

40. Irregular expenditure and fruitless and wasteful expenditure

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Irregular expenditure	589	1 670	–	1 143
Fruitless and wasteful expenditure	65	240	–	–
Closing balance	654	1 910	–	1 143

Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	R'000
Noncompliance to the preferential procurement policy framework	Matter reported for Investigation	334
Noncompliance to the preferential procurement policy framework	Process to take place	255
		589

TIHMC

Banqueting Services.

During the financial year 2023/24 management identified non compliance to the preferential procurement policy framework act. The purchase order amount was exceeded without prior approval by the Accounting Officer.

Emergency Diesel Procurement.

During the financial year, the auditors identified non compliance with the preferential procurement policy framework act on the emergency procurement of diesel supplied for power disruption in the park. Management's view was to procure this services in case of emergency and only utilise the purchase order for emergency purposes. However, the auditor's view and conclusion was that emergency purchase order cannot be utilised multiple times which led to all transactions after the first transaction of the purchase order amounting to R255k be regarded as irregular expenditure.

Details of irregular expenditure – prior year

Incident	Disciplinary steps taken/criminal proceedings	R'000
Voice contract extension	Investigation completed. The identified official left the organisation, and therefore consequence management could not be taken	128
SCM regulations and processes not followed – Legal expenses	Disciplinary steps note yet taken pending assessment	1 143
SCM regulations and process not followed – PRT services	The case is still under investigation	380
Picture used on GIDZ website without owner rights	Disciplinary steps note yet taken pending assessment	19
		1 670

GGDA

Legal service provider was contracted without following a competitive bidding process. This transaction was non-compliant to the Treasury regulations and procurement regulations. Disciplinary steps are yet to be taken pending investigation. An amount of R1,1 million is considered to be irregular.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

40. Irregular expenditure and Fruitless and wasteful expenditure (continued)

CONHILL

The transgression occurred when the project manager instructed the Professional Resource Team (PRT) to perform services that were not initially contracted for. These deviation occurred without obtaining appropriate approval from Gauteng Provincial Treasury as the scope variation exceeded the 20% on initial contract value. The affected official is no longer employed by ConHill.

GIDZ

Gauteng IDZ was informed by a third party that the ring manufacturing image reflected on the web site was not open for public use without payment. Following this, engagements were held with the third party company, acting on behalf of the Image Owners. The engagements, which were undertaken with the support of GGDA Legal confirmed that there was a basis for the third party's request. In lieu of this, It became apparent that the GIDZ must consider payment for utilization of the image. A settlement agreement amounted to R19 thousand inclusive of bank fees and VAT.

TIHMC

TIHMC identified non compliance with the PFMA and Treasury regulations on the extension of Voice telecommunications (system and support services). The transgression occurred in the extension of ICT services which exceeded the allowable deviation of 15% as per the above-mentioned regulation. The above non-compliance started in 2017 amounting to R1,72 million. The amount disclosed in the prior year relates to the same noncompliance. An additional amount of R128 thousand is considered to be irregular.

Details of fruitless and wasteful expenditure – Current year:

TIHMC

During the financial year 2023/24 management identified the non compliance to the Treasury Regulation. The booking for the international travel was confirmed with the travel agency and due to unforeseen circumstances ,the international travel did not take place and that left TIHMC with the outstanding amount still to be paid amounting to R65 thousand.

Details of fruitless and wasteful expenditure – Prior year:

AIDC

Overpayment of salaries

It was discovered that employees who were employed between January 2021 to September 2022 were overpaid on their salaries as a result of system configuration error, internal investigation confirmed that the system configuration resulted in this over payment. The amount of the amount of the error is R409 thousand, as of the 31 March 2023 an amount of R267 thousand has been recovered and balance of R142 thousand.

GGDA

South African Revenue Services (SARS)

SARS charged GIDZ an amount of R14 thousand for four days delay in effecting VAT payment for the month of February 2023. SARS currently owe GIDZ net VAT Input of R13 thousand, however, it was made clear that it is not SARS principle to offset net VAT from one month to another.

TIHMC

South African Revenue Services (SARS)

During the submission of EMP201, SARS noticed a discrepancy on the declaration, resulting in a lower TIHMC amount declared. The difference in declared amount resulted in interest and penalties amounting to R152,45.

City of Tshwane

The R2033,26 refers to the interest accrued on the same invoice disclosed in the prior years by the City of Tshwane.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

41. Related parties

Relationships

Provincial Government	Gauteng Provincial Government
Ultimate controlling entity	Gauteng Department of Economic Development The Innovation Hub Management Company Supplier Park Development Company Constitution Hill Development Company Gauteng IDZ Development Company
Gauteng Department of Economic Development Agencies	Gauteng Growth and Development Agency Gauteng Gambling Board Gauteng Tourism Authority Gauteng Enterprise Propeller Gauteng Liquor Board Cradle of Human Kind Dinokeng
Shared management team	AIDC Development Centre ESDA Non Profit Company
Executive management and non-executive directors	Refer to note 42

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Related party balances				
Amounts included in Payables from exchange transactions regarding related parties				
Constitution Hill Development Company SOC Limited	–	–	65	–
Gauteng Department of Economic Development	–	100	–	100
Gauteng Office of the Premier	–	157	–	–
Amounts included in receivables from exchange transactions regarding related parties				
G-Fleet Management	176	–	–	–
Supplier Park Development Company SOC Limited	–	–	568	–
Constitution Hill Development Company SOC Limited	–	–	3 616	–
Gauteng IDZ Development Company SOC Limited	–	–	145	–
The Innovation Hub Management Company SOC Limited	–	–	1 488	–
Gauteng Department of Sports Arts and Culture	–	264	–	–
Gauteng Department of Economic Development	–	370	–	370
Gauteng Tourism Authority	–	171	–	171

Investments in controlled entities

Refer to note 18 which details investments in controlled entities which are held at cost less any impairments.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

41. Related parties (continued)

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Related party transactions				
Grants received/returned from related parties				
Gauteng Department of Economic Development	617 682	585 355	617 682	585 355
Grants paid to related parties				
Supplier Park Development Company SOC Limited	–	–	75 690	74 281
Constitution Hill Development Company SOC Limited	–	–	55 388	74 394
Gauteng IDZ Development Company SOC Limited	–	–	110 129	97 750
The Innovation Hub Management Company SOC Limited	–	–	182 951	165 110
Rent and other expenses paid to related parties				
Gauteng Office of the Premier	–	–	–	–
Gauteng Department of Social Development & Agriculture	912	–	–	–
Constitution Hill Development Company SOC Limited	–	–	147	84
The Innovation Hub Management Company SOC Limited	–	–	67	–
Gauteng Department of Economic Development	25 666	26 253	25 666	26 253
G-Fleet Management	1 012	–	–	–
Donations to/(from) related parties				
Constitution Hill Development Company SOC Limited	–	–	–	17
Rendering of services to related parties				
Gauteng Department of Sports Arts and Culture	–	280	–	–

* Included in the related party transactions for these entities is a transaction relating to services-in-kind in terms of GRAP 23 for infrastructure projects carried out on their behalf. This is not significant in relation to the entities operations and the services fail to satisfy the criteria recognition of revenue from non-exchange transactions as they cannot be measured reliably and thus no value has been attached to the transactions.

The GGDA Holdings in addition makes payments on behalf of its subsidiaries and related entities for the following expenses namely insurance, board fees, salaries, internal audit fees and ICT expenses, these costs are then invoiced to the subsidiaries and related entities to recoup the payment made on their behalf.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

42. Executive management and directors emoluments

Executive

2024

	Remuneration R'000	Other benefits R'000	Total R'000
Mr S Zamxaka (Acting Group CEO)	860	30	890
Mr J Chand (Group COO) – contract ended	2 071	568	2 639
Mr M Baatjies (Group CFO)	2 524	358	2 882
Mr S Marala	2 497	636	3 133
Mr M Mathema	2 221	509	2 730
Mr I Mogorosi	1 862	243	2 105
Mr S Molalabangwe	2 074	73	2 147
Mr A Motlhale	2 360	93	2 453
Advocate P Holl – resigned	1 579	52	1 631
Ms F Kubheka	2 177	125	2 302
	20 225	2 687	22 912

2023

Mr S Zamxaka (Acting Group CEO) – appointed 28 March 2023	12	–	12
Mr S Hamilton (Acting Group CEO) – resigned	838	56	894
Ms M Tshabalala (Group CEO) -resigned	624	192	816
Mr J Chand (Group COO)	2 508	106	2 614
Mr M Baatjies (Group CFO)	2 381	108	2 489
Mr S Marala	2 350	172	2 522
Mr M Mathema	2 285	74	2 359
Mr I Mogorosi	1 757	61	1 818
Mr S Molalabangwe	1 957	75	2 032
Mr A Motlhale	2 227	107	2 334
Ms Z Mtshali (Acting	440	71	511
Advocate P Holl	1 282	43	1 325
Ms F Kubheka	827	40	867
	19 488	1 105	20 593

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

42. Executive management and directors emoluments (continued)

Non-executive

2024

	Fees R'000	Total R'000
Board of Directors		
Advocate K Maja (Chairperson)	246	246
Mr K Matabane (Deputy Chairperson)	159	159
Ms T Godongwana	222	222
Ms T Kutumela	32	32
Ms R Letwaba	231	231
Mr D Maimela	234	234
Dr S Vilakazi	306	306
Mr T Fakude	205	205
Advocate L Mokgatle	201	201
Mr K Sukdev	242	242
Ms D Tsotetsi	111	111
Ms M Van Eck	96	96
Dr E Ndwandwe	100	100
Board Subcommittee Members*		
Dr B Mabizela	39	39
Dr C Morema	40	40
Dr L Konar	40	40
Dr N Skeepers	50	50
Dr R Mamphiswana	34	34
Mr B Gantile	47	47
Mr B Mboniswa	23	23
Mr G More	24	24
Mr M Sebothoma	24	24
Mr P Nyandu	16	16
Mr P Mofokeng	24	24
Mr R Moeng	24	24
Mr R Maboja	29	29
Mr S Mbele	21	21
Mr X Zulu	40	40
Ms C Maluleka	39	39
Ms J Phiri	42	42
Ms N Thanjekwayo	32	32
Ms N Mashologu	47	47
Mr A Latchu	8	8
	3 028	3 028

* These subcommittee members do not form part of the Board of Directors.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

42. Executive management and directors emoluments (continued)

2023

	Fees R'000	Total R'000
Board of Directors		
Dr S Vilakazi (Chairperson)	453	453
Mr T Fakude (Deputy Chairperson)	214	214
Ms T Godongwana	177	177
Ms T Kutumela	252	252
Ms R Letwaba	241	241
Mr E Magerman	243	243
Mr D Maimela	240	240
Advocate K Maja	170	170
Ms M Maroga	121	121
Mr K Matabane	199	199
Advocate L Mokgatle	234	234
Mr K Sukdev	221	221
Board Subcommittee Members*		
Dr B Mabizela	24	24
Dr C Morema	18	18
Dr D Konar	18	18
Dr N Skeepers	18	18
Dr R Mamphiswana	32	32
Mr B Gantile	24	24
Mr B Mboniswa	32	32
Mr G More	29	29
Mr M Sebothoma	21	21
Mr P Nyandu	29	29
Mr P Mofokeng	29	29
Mr R Maboe	29	29
Mr R Moeng	29	29
Mr S Mbele	32	32
Mr X Zulu	13	13
Ms C Maluleka	32	32
Ms J Phiri	29	29
Ms N Thanjekwayo	18	18
Ms N Mashologu	18	18
Ms P Mangoma	8	8
Mr A Latchu	8	8
Mr T Ditshwane	8	8
Mr G Yende	8	8
	3 271	3 271

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

42. Executive management and directors emoluments (continued)

Members of audit and risk committee

2024

	Fees R'000	Total R'000
Mr K Sukdev (Chairperson)	154	154
Mr K Matabane	26	26
Ms N Thanjekwayo	26	26
Mr T Ditshwane	127	127
Ms P Mangoma	127	127
Dr L Konar	26	26
Meloney van Eck	27	27
Outgoing committee members		
Mr T Fakude	86	86
Advocate L Mokgatle	72	72
Mr A Latchu	93	93
Mr G Yende	75	75
Ms T Godongwana	89	89
	928	928

* These subcommittee members do not form part of the Board of Directors.

Members of audit and risk committee

2023

	Fees R'000	Total R'000
Mr K Sukdev (Chairperson)	182	182
Mr T Fakude	140	140
Mr E Magerman	148	148
Advocate K Maja	143	143
Advocate L Mokgatle	133	133
Mr A Latchu	95	95
Mr G Yende	103	103
Mr T Ditshwane	103	103
Ms P Mangoma	103	103
Ms T Godongwana	72	72
	1 222	1 222

43. Comparative figures

Certain comparative figures have been reclassified. Refer to note 47 for prior year and reclassification adjustments.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

44. Financial instruments and risk management

Categories of financial instruments

Total Financial Assets – Group

	At amortised cost 2024 R'000	Total 2024 R'000	At amortised cost 2023 R'000	Total 2023 R'000
Cash and cash equivalents	1 053 401	1 053 401	1 192 015	1 192 015
Receivables from exchange transactions	40 377	40 377	30 257	30 257
Other financial assets	12 368	12 368	11 509	11 509
Deposits paid	4 202	4 202	3 767	3 767
	1 110 348	1 110 348	1 237 548	1 237 548

Total Financial Liabilities – Group

	At amortised cost 2024 R'000	Total 2024 R'000	At amortised cost 2023 R'000	Total 2023 R'000
Payables from exchange transactions	66 577	66 577	91 710	91 710
Deposits received	14 700	14 700	12 798	12 798
Finance lease obligation	5 830	5 830	12	12
	87 107	87 107	104 520	104 520

Total Financial Assets – Company

	At amortised cost 2024 R'000	Total 2024 R'000	At amortised cost 2023 R'000	Total 2023 R'000
Cash and cash equivalents	506 844	506 844	583 764	583 764
Receivables from exchange transactions	5 841	5 841	623	623
Deposits paid	616	616	616	616
	513 301	513 301	585 003	585 003

Total Financial Liabilities – Company

	At amortised cost 2024 R'000	Total 2024 R'000	At amortised cost 2023 R'000	Total 2023 R'000
Payables from exchange transactions	35 115	35 115	22 115	22 115
Finance lease obligation	1 075	1 075	–	–
	36 190	36 190	22 115	22 115

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

44. Financial instruments and risk management (continued)

Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

The group manages its capital to ensure that the company will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The group's overall strategy remains unchanged from the prior year.

The capital structure of the group consists of debt, cash and cash equivalents, and equity. Equity includes all Funds and Reserves of the company, presented in the Statement of Net Assets.

Financial risk management

The Board has overall responsibility for the establishment and oversight of the group's risk management framework. The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Due to the largely trading nature of activities and the way in which they are financed, the group is exposed to various financial risks noted below. However, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the Group in undertaking its activities.

The Group manages the financial risks relating to the operations through internal policies and procedures. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by the external auditors. The group does not enter into or trade financial instruments for speculative purposes. Further quantitative disclosures are included throughout these Annual Financial Statements.

Significant risks

The company has exposure to the following risks from its operations:

- Market risk;
- Interest rate risk;
- Credit risk; and
- Liquidity risk.

Risks and exposures are disclosed as follows:

Market risk

The group ensures that it reviews its cash management strategies to ensure interest income is maximised.

There has been no change to the group's exposure to market risks or the manner in which it manages and measures the risk.

Interest rate risk

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, other receivables, bank and cash balances.

In the case of deposits received and paid, no interest is accrued on such deposits, which limits the group's exposure. The net effect of deposits received and paid is insignificant to the group's operations.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

44. Financial instruments and risk management (continued)

Credit risk

The Group has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses its own trading records to assess its major customers. The Group's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, rental and lease debtors, other debtors, bank and cash balances.

Trade and Other Receivables are amounts owed by tenants and other organs of state are presented net of impairment losses. The group has a credit risk policy in place, but the exposure to credit risk is monitored on an ongoing basis. The group is compelled in terms of its constitutional mandate to collect all revenue due.

In the case of debtors whose accounts become in arrears, necessary actions are instituted against these debtors including a "restriction of services" However, as a last resort, accounts are "handed over for collection" as applicable in terms of Debt Management Policy.

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The Group's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The Group has no significant concentration of credit risk, with exposure spread over a large number of entities, and is not concentrated in any particular sector or geographical area.

The group establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

The maximum credit risk exposure in respect of the relevant financial instruments is as follows:

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Cash and cash equivalents	1 053 401	1 192 015	506 844	583 764
Receivables from exchange transactions	40 377	30 257	5 841	623
Other financial assets	12 368	11 509	–	–
Deposits paid	4 202	3 767	616	616
Maximum credit risk exposure	1 110 348	1 237 548	513 301	585 003

The major concentrations of credit risk that arise from the Company's trade and other receivables in relation to customer classification are as follows:

Exchange debtors:

– Rental	87%	84%	–%	–%
– Other services	2%	1%	–%	%
Other debtors	11%	15%	100%	100%
Total credit risk for trade and other receivables	100%	100%	100%	10 %

Credit quality of financial assets:

The credit quality of financial assets can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

44. Financial instruments and risk management (continued)

Credit risk (continued)

	Group		Controlling entity	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Receivables from Exchange Transactions				
Counterparties without external credit rating:				
B rating	20 745	8 796	–	–
C rating	13 344	8 520	–	–
Below C rating	4 174	11 421	–	–
Unrated	2 155	1 116	–	–
	40 418	29 853	–	–

Credit quality groupings:

- B rating – Good behaviour, minor risk
- C rating – Fair trade risk
- Below C rating – Poor trade risk

None of the financial assets that are fully performing have been renegotiated in the year under review. Financial assets that are neither past due nor impaired and either past due or impaired:

Financial assets neither past due nor impaired:

Exchange debtors				
– Rental	17 604	14 168	–	–
– Other services	7 866	3 726	–	–
Other debtors	3 629	1 292	2 403	610
Total Financial assets neither past due nor impaired	29 099	19 186	2 403	610

Financial assets past due, but not impaired:

Exchange debtors – Rental	8 646	5 220	–	–
– Other services	5 086	5 696	–	–
Other debtors	3 438	372	3 438	12
Total financial assets past due but not Impaired	17 170	11 288	3 438	12

Financial assets impaired:

Exchange debtors – Rental	16 670	22 089	–	–
– Other services	5 048	5 694	–	–
Other debtors	–	495	–	–
Total financial assets impaired	21 718	28 278	–	–

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

44. Financial instruments and risk management (continued)

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and negotiating access to additional funding with its shareholder. The Group continuously monitors forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Group

	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
At 31 March 2024				
Payables from exchange transactions	59 095	–	–	–
Deposits received	14 700	–	–	–
Finance lease obligation	2 701	3 129	–	–

	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
At 31 March 2023				
Payables from exchange transactions	82 725	–	–	–
Deposits received	12 797	–	–	–
Finance lease obligation	12	–	–	–

Controlling entity

	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
At 31 March 2024				
Payables from exchange transactions	35 115	–	–	–
Finance lease obligation	494	581	–	–

	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
At 31 March 2023				
Payables from exchange transactions	22 115	–	–	–

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

44. Financial instruments and risk management (continued)

The Group has access to funding to be provided by the Gauteng Provincial Government for the 2024/25 financial year in the amount of R639 million. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. The Company expects to maintain current debt to equity ratio.

45. Accounting by principals and agents

The AIDC was a party to a principal-agent arrangement which has since ended at the end of February 2023. Details of the arrangement are as follows:

The AIDC and City of Tshwane (COT) have formed strategic partnership aimed at assisting Tshwane based small medium and micro enterprises (SMME's). AIDC will assist COT in fleet management (repairs and maintenance). AIDC recognises income in a form of admin fees and 5% of labour costs for repairs of the vehicles.

The following was considered in determining that AIDC is an agent:

- AIDC does not have the power to determine the significant terms and conditions of the transactions with service providers.
- The resources that result from the fleet services with the auto sector providers are substantially utilised by the party considered as the principal not AIDC. The City utilises the fleet as part of its service delivery to the community.
- COT is the party exposed to variability in the results of the transaction with the auto sector providers. AIDC facilitates the transaction between City and service providers and charges a management fee for its services.

AIDC is to ensure repairs and maintenance of COT fleet is done in accordance with OEM service standards and monitor the reprocess. COT is responsible for the payment of full services fees (repair cost, admin fee and the 5% of labour). There are no changes to the terms and conditions during the current reporting period.

The purpose of the principal-agent relationship is to contribute to the economic growth and job creation while supporting the governments automotive related objectives. Significant risk associated with the agreement is principal not being able to service the city should the agent not administer the repairs and maintenance in an efficient manner. Part of the strategy to mitigate the risk is to maintain good relations with principal and suppliers by having regular meetings and visits to workshops. The benefits of the relationship is being part of economic growth, especially towards SMME's which leads to job creation.

Entity as agent

Resources held on behalf of the principal(s), but recognised in the entity's own financial statements. The remittance of resources during the period amounts to R627 thousand (2023: R10,1 million).

Revenue recognised

The revenue that the group recognised in the current financial year as compensation for the transactions carried out on behalf of the principal is R0 thousand (2023: R102 thousand).

Liabilities and corresponding rights of reimbursement recognised as assets

Liabilities incurred on behalf of the principal that have been recognised by the company are all for repairs and maintenance of COT's fleet and amounts to R0 thousand (2023: R321 thousand).

Corresponding rights of reimbursement that have been recognised as assets amounts to R730 thousand (2023: R1,4 million).

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

46. Segment information

General information

Identification of segments

The group is organised and reports to management on the basis of six major functional areas (Programmes): Gauteng Growth and Development Agency Holdings (GGDA), Supplier Park Development Company t/a Automotive Industry Development Centre (AIDC), The Innovation Hub Management company (TIHMC), Gauteng IDZ Development Company (IDZ), Constitution Hill (Conhill). Management uses these same programmes for determining strategic objectives.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Types of goods and/or services by segment

Automotive Sector

The Automotive Industry Development Centre (AIDC) is a project-driven organisation which focuses on excellence in technical project implementation and service delivery. The AIDC manages the Automotive Supplier Park, an automotive supplier logistics node in Rosslyn, Pretoria which provides a unique value proposition to suppliers of original equipment manufacturers (OEMs) in Gauteng.

The purpose of the AIDC is to develop the automotive manufacturing sector to globally competitive standards of excellence through a world-class value proposition which enables effective and sustainable socio-economic growth.

Innovation Sector

The Innovation Hub Management Company (TIHMC) manages The Innovation Hub, which is southern Africa's first Science and Technology Park. TIHMC serves as a catalyst for innovation and entrepreneurship. It is an important driver of the knowledge and green economies in Gauteng.

The purpose of TIHMC is to establish and manage an enabling environment and initiatives that support innovation, enterprise development and skills development in targeted sectors, in order to contribute towards the growth of Gauteng's economy, creation of decent jobs and poverty alleviation.

Industrial Development Zone

The Gauteng IDZ (GIDZ) Development Company was formed to develop and operate the Industrial Development Zone (IDZ) at OR Tambo International Airport (ORTIA).

Heritage Tourism Sector

Constitution Hill (ConHill) is a multi-million rand inner city regeneration project that has rejuvenated the site and uplifted the adjoining localities. The intention is to develop the available portions as iconic infrastructure in such a way that it is sensitive to the context, the architecture as well as the overall ambition of the stakeholders.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

46. Segment information (continued)

Segment surplus or deficit, assets and liabilities

Group – 31 March 2024

	Automotive Sector R'000	Innovation Sector R'000	Industrial Development Zone R'000	Heritage Tourism Sector R'000	Total R'000
Revenue					
Revenue from exchange transactions	88 535	196 277	236 380	57 349	578 541
Revenue from non-exchange transactions	187 102	27 644	66 506	21 726	302 978
Other income	8 765	718	78	8 322	17 883
Finance income	17 307	3 021	6 694	706	27 728
Total segment revenue	301 709	227 660	309 658	88 103	927 130
Expenditure					
Employee costs	97 656	63 787	26 199	21 193	208 835
Administrative expenses	8 433	12 829	2 039	3 268	26 569
Other operating expenses	152 515	61 228	104 307	52 035	370 085
Finance costs	272	1 563	40	140	2 015
Taxation	15 841	1 500	(4 624)	159	12 876
Total segment expenditure	274 717	140 907	127 961	76 795	620 380
Total segmental surplus/(deficit)	26 992	86 753	181 697	11 308	306 750
Assets					
Current Assets					
Receivables from exchange transactions	21 746	5 830	6 237	6 605	40 418
Receivables from non-exchange transactions	–	480	–	–	480
Cash and cash equivalents	205 248	10 614	311 323	19 372	546 557
Current tax receivable	–	895	2 613	–	3 508
VAT	–	–	19 377	–	19 377
Other financial assets	–	12 368	–	–	12 368
Prepayments	4 314	1 277	1 008	345	6 944
Deposits paid	1 009	43	2 534	–	3 586
Operating lease asset	2 914	546	–	294	3 754
Inventories	–	–	–	93	93
	235 231	32 053	343 092	26 709	637 085
Non-Current Assets					
Investment property	369 540	174 538	656 823	136 109	1 337 010
Property, plant and equipment	227 550	337 992	217 162	17 387	800 091
Intangible assets	685	1 356	–	318	2 359
Heritage assets	–	–	–	188 685	188 685
Deferred tax	–	7 890	39 702	–	47 592
Operating lease asset	12 154	142	77 904	4	90 204
Prepayments	220	–	–	–	220
	610 149	521 918	991 591	342 503	2 466 161
Total segment assets	845 380	553 971	1 334 683	369 212	3 103 246

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

46. Segment information (continued)

Group – 31 March 2024

	Automotive Sector R'000	Innovation Sector R'000	Industrial Development Zone R'000	Heritage Tourism Sector R'000	Total R'000
Equity and liabilities					
Current liabilities					
Finance lease obligation	917	657	139	494	2 207
Payables from exchange transactions	3 964	14 684	11 354	7 323	37 325
Provisions	13 821	16 339	2 794	2 498	35 452
Unutilised government grants	42 915	13 056	278 203	12 718	346 892
VAT payable	846	–	–	183	1 029
Deposits received	7 994	4 617	1 727	362	14 700
Current tax payable	1 134	–	–	–	1 134
	71 591	49 353	294 217	23 578	438 739
Non-Current Liabilities					
Finance lease obligation	1 077	720	170	581	2 548
Operating lease liability	–	–	214 261	–	214 261
Deferred tax	18 255	–	–	–	18 255
Provisions	–	2 601	–	–	2 601
	19 332	3 321	214 431	581	237 665
Equity					
Contribution from owners	27	–	–	424 980	425 007
Accumulated surplus	754 430	501 297	826 035	(79 927)	2 001 835
	754 457	501 297	826 035	345 053	2 426 842
Total segment equity and liabilities	845 380	553 971	1 334 683	369 212	3 103 246

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

46. Segment information (continued)

Group – 31 March 2023

	Automotive Sector R'000	Innovation Sector R'000	Industrial Development Zone R'000	Heritage Tourism Sector R'000	Total R'000
Revenue					
Revenue from exchange transactions	67 937	163 811	231 651	73 409	536 808
Revenue from non-exchange transactions	166 496	22 969	61 714	14 958	266 137
Other income	1 397	1 379	3	365	3 144
Finance income	9 483	1 542	2 860	574	14 459
Total segment revenue	245 313	189 701	296 228	89 306	820 548
Expenditure					
Employee costs	85 547	73 003	18 698	21 277	198 525
Administrative expenses	4 908	12 595	2 000	2 521	22 024
Other operating expenses	129 527	60 859	96 056	37 188	323 630
Finance costs	6	1 289	–	–	1 295
Taxation	11 697	(2 720)	(4 708)	218	4 487
Total segment expenditure	231 685	145 026	112 046	61 204	549 961
Total segmental surplus/(deficit)	13 628	44 675	184 182	28 102	270 587
Assets					
Current Assets					
Receivables from exchange transactions	24 388	1 047	3 600	599	29 634
Receivables from non-exchange transactions	–	480	–	–	480
Cash and cash equivalents	158 993	22 531	416 192	10 535	608 251
Vat receivable	–	–	23 548	–	23 548
Current tax receivable	–	2 692	2 299	–	4 991
Other financial assets	–	11 509	–	–	11 509
Prepayments	5 659	2 412	967	344	9 382
Deposits paid	1 030	33	2 088	–	3 151
Inventory	–	–	–	184	184
Operating lease asset	2 914	194	–	116	3 224
	192 984	40 898	448 694	11 778	694 354
Non-Current Assets					
Investment property	381 087	176 433	529 810	130 538	1 217 868
Property, plant and equipment	235 875	249 998	181 958	18 831	686 662
Intangible assets	819	1 393	–	318	2 530
Heritage assets	–	–	–	188 685	188 685
Deferred tax	–	9 336	35 078	–	44 414
Operating lease asset	15 050	550	63 288	294	79 182
Prepayments	421	–	–	–	421
	633 252	437 710	810 134	338 666	2 219 762
Total segment assets	826 236	478 608	1 258 828	350 444	2 914 116

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

46. Segment information (continued)

Group – 31 March 2023

	Automotive Sector R'000	Innovation Sector R'000	Industrial Development Zone R'000	Heritage Tourism Sector R'000	Total R'000
Equity and liabilities					
Current liabilities					
Finance lease obligation	–	12	–	–	12
Payables from exchange transactions	5 429	14 575	48 143	1 429	69 576
Provisions	10 701	9 553	3 321	2 910	26 485
Unutilised government grants	54 065	23 982	369 468	10 944	458 459
VAT payable	333	–	–	1 162	1 495
Current tax payable	1 219	–	–	–	1 219
Deposits received	6 744	4 073	1 727	254	12 798
	78 491	52 195	422 659	16 699	570 044
Non-Current Liabilities					
Operating lease liability	–	–	191 830	–	191 830
Deferred tax	20 280	–	–	–	20 280
Provisions	–	11 870	–	–	11 870
	20 280	11 870	191 830	–	223 980
Equity					
Contribution from owners	27	–	–	424 980	425 007
Accumulated surplus	727 438	414 453	644 338	(91 235)	1 695 085
	727 465	414 453	644 338	333 745	2 120 092
Total segment equity and liabilities	826 236	478 518	1 258 827	350 444	2 914 116

47. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2022

	Note	As previously reported	Correction of error	Restated
Accumulated surplus		(1 897 286)	(1 197)	(1 898 483)

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

47. Prior-year adjustments (continued)

Statement of financial position

Group – 31 March 2023

	Note	As previously reported	Correction of error	Restated
Operating Lease Asset		84 755	(2 321)	82 434
Receivables from exchange transactions		30 475	(218)	30 257
Investment Property		1 212 672	339	1 213 011
Property, Plant and Equipment		697 959	(2 868)	695 091
Deferred tax		46 328	598	46 926
Operating lease liability		(195 006)	971	(194 035)
Payables from exchange transactions		(88 115)	(3 594)	(91 709)
Unutilised conditional government		(938 371)	3 365	(935 006)
Finance Lease Liability – Current		(25)	13	(12)
Finance Lease Liability		(3 128)	3 128	–
Accumulated surplus		(2 180 542)	559	(2 179 983)
Non-controlling interest		(28 431)	29	(28 402)

Statement of financial performance

Group – 31 March 2023

Revenue from exchange transactions	268 688	(2 635)	266 053
Operating expenses	(393 275)	155	(393 120)
Taxation	(10 693)	380	(10 313)

Errors

The following prior period errors adjustments occurred:

GGDA

Operating lease straight lining

The restatement was mainly due to incorrect inclusion of operating expenses in the operating lease straight lining calculation.

The impact of restatement was as follows:

Decrease in operating lease liability by R971k.

Decrease in operating expenses by R267k.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

47. Prior-year adjustments (continued)

TIHMC

Rental income

During the 2022/23 financial year management accounted for revenue from rental contracts from the Biopark building. The rent was incurred in the previous financial years 2021/22. The amount was corrected on the financial statements affecting the revenue and in 2021/22, however the revenue reduction in 2022/23 was not adjusted on financial statements which necessitated that the amount be reflected in the respective years, resulting in a prior period error.

Payable from exchange transactions and Unutilised Conditional Grant

During the 2023/24 management accounted non exchange unutilised grant for the PDL project receipts, expenditure was incurred in the previous financial year as well as the receipt. The amount was corrected on the Financial statement affecting the payable from exchange transactions and unutilised conditional grant.

The impact of restatement was as follows:

Decrease in unutilised conditional grant by R3,5m.

Increase in payable from exchange transactions by R3,5m.

GIDZ

Investment Property

The current year additions included the investment property that was incurred in June 2019 due to the contractor submitting the invoice to a wrong Project Manager. The payment certificate was also approved by the principal agent during 2019. The matter was brought to the GIDZ Management during the final account discussions with the contractor and settlement was agreed upon during the discussion. GIDZ paid the invoice in the current year and recognised the asset in the current year. A correction was made in the current year's addition of investment property to account for the transaction as prior period error which also affect the operating expense line-item depreciation, taxation, deferred tax and accumulated surplus. There was a fixed assets clean-up process undertaken after the prior year audit for JMP Super block which resulted in the prior period error being recognised. There was an error in the acquisition date and which differed from the certificate of practical completion on a number of the unbundled line items in the fixed assets register. A correction was made to adjust the acquisition date to the correct date.

Payables from exchange transactions

Due to the above, a payable from exchange transaction was recognised to account for the addition that was incurred in 2019 and paid in the current year.

Finance Lease Obligation/Right of use

The Company recognised a Right of Land Use asset and Finance Lease liability in the 2019/20 financial year based on a technical accounting opinion from a professional service provider. The transaction was related to sub-leasing of land. The portion of land that was leased was recognised as both the finance lease and the operating lease. A correction was made to derecognise the finance lease as the agreement between client and GIDZ does not meet the definition of a finance lease as per GRAP 13 which affected the finance cost, taxation, deferred tax and accumulated surplus line item.

Operating Lease Asset

The straight lining calculation for operating leases included parking fees with CPI linked escalations which is not in line with GRAP 13 of leases. Therefore, a correction was made in the straight lining calculation to correct the error which affected the revenue line item.

The impact of restatement was as follows: Increase in investment property by R338 000.

- Decrease in property, plant and equipment by R2,9 million. Decrease in operating lease asset by R2,3 million.
- Decrease in finance lease liability by R3,1 million.
- Decrease in revenue from exchange transactions by R2,3 million Increase in operating expenses by R114 000.
- Decrease in finance cost by R315 000.

Notes to the Group Annual Financial Statements for the year ended 31 March 2024

47. Prior-year adjustments (continued)

CONHILL

Sundry debtor raised on taxation

The restatement was mainly due to the recalculation of tax computation concluded after completion of annual financial statement for the year ended 31 March 2023.

The impact of restatement was as follows:

- Decrease in receivables from exchange transactions by R218 000.
- Increase in taxation by R218 000.

48. Events after the reporting date GGDA Holding

After year end, GGDA entered into a separation agreement with former Group CEO, Ms Mosa Tshabalala. The separation agreement was finalised on 23 April 2024. The decision is being challenged by the Head of Department of the Gauteng Department of Economic Development.

Detailed Income statement

	Note(s)	2024 R'000	2023 Restated* R'000	2024 R'000	2023 Restated* R'000
Revenue					
Rendering of services		129 686	121 830	–	–
Rental income		138 336	123 447	–	–
Rental of facilities and equipment		11 489	6 980	–	–
Project income		18 832	11 100	–	–
Admission fees		4 247	2 682	–	–
Sale of goods		174	14	–	–
Grants for operating expenditure		516 870	407 751	304 819	199 654
Grants for capital expenditure		147 232	292 532	5 630	1 239
Transfers to subsidiaries		–	–	424 157	411 534
Grants for projects		224 888	37 401	–	–
Recoveries		7 753	–	–	–
Sundry income		11 414	3 836	1 284	692
Interest received		67 465	47 349	39 737	32 890
Total revenue from exchange and non-exchange transactions		1 278 386	1 054 922	775 627	646 009
Expenditure					
Employee related costs	30	(347 684)	(323 304)	(138 849)	(124 779)
Administrative expenses		(49 350)	(41 633)	(22 781)	(19 609)
Depreciation and amortisation		(77 491)	(65 639)	(1 697)	(906)
Impairment loss		(6 818)	(57)	–	–
Finance costs	33	(2 155)	(1 295)	(140)	–
Lease rentals on operating lease		(20 502)	(20 255)	(20 462)	(20 263)
Debt Impairment		(1 196)	(4 626)	–	–
Repairs and maintenance		(12 534)	(15 622)	(356)	(17)
Bad debts written off		(1 636)	(3 080)	–	–
Projects		(128 923)	(53 137)	(86 055)	(25 167)
Grants transferred	29	–	–	(424 158)	(411 535)
Loss on disposal of assets		(788)	(522)	(449)	(311)
Other operating expenses		(271 799)	(230 182)	(42 642)	(22 772)
		(920 876)	(759 352)	(737 589)	(625 359)
Surplus before taxation		357 510	295 570	38 038	20 650
Taxation	34	23 631	10 313	10 755	5 826
Surplus for the year		333 879	285 257	27 283	14 824
Attributable to:					
Owners of the controlling entity		332 367	281 500	27 283	14 824
Non-controlling interest		1 512	3 757	–	–
		333 879	285 257	27 283	14 824

* See Note 47

The supplementary information presented does not form part of the group annual financial statements and is unaudited

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Gauteng Growth and Development Agency
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124 Main Street, Marshalltown,
Johannesburg, South Africa



(011) 085 2400



www.ggda.co.za

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