



ECONOMIC DEVELOPMENT DEPARTMENT

ANNUAL REPORT

2019/2020



**economic
development**

Economic Development Department
REPUBLIC OF SOUTH AFRICA



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ECONOMIC DEVELOPMENT DEPARTMENT

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PART A: GENERAL INFORMATION

1. GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS / ACRONYMS

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

3. 2019/20 ECONOMY HIGHLIGHTS

For the period 1 April 2019 to 31 March 2020 (unless otherwise stated), the following key economic indicators applied:

	2019/20	2018/19
Employment Change	91 000 more	86 000 less
Total employment, March 2020 end of financial year	16 383 000	16 291 000
Change in women's jobs	42 000 more	30 000 less
Jobs held by women, March 2020 end of financial year	7 234 000	7 192 000
Change in youth jobs	104 000 less	
Youth jobs, March 2020 end of financial year	5 891 000	5 995 000
GDP growth	0.2%	
Size of economy (Nominal GDP)	R5.1 trillion	R4.9 trillion
Inward Foreign Direct Investment	R84.8 billion	R73.8 billion
Total Infrastructure Spending (calendar year)	R239 billion	R243 billion

4. EDD AND AGENCY HIGHLIGHTS FOR 2019/20

PICC monitored infrastructure projects, March 2020	400
Jobs on PICC projects, March 2020	83 307
IDC funding approvals, 2019/20	R11.8 billion
IDC funding disbursements, 2019/20	R11.7 billion
IDC funding approvals for Black-empowered companies, 2019/20	R5.2 billion
IDC funding approvals to Black Industrialists, 2019/20	R3.1 billion
IDC funding approvals to women-empowered companies, 2019/20	R2.2 billion
IDC funding to youth-empowered enterprises	R0.9 billion
Jobs supported through IDC funding (created and saved), 2019/20	12 271
Penalties imposed by the Competition Authorities, 2019/20	R86.9 million
Mergers with employment and other public-interest conditions imposed by Competition Commission, 2019/20	30
ITAC tariff increases, 2019/20	8
ITAC rebates	8
EDD staff number, March 2020	97
Budget spent: EDD, Competition Commission, Competition Tribunal, and ITAC	R966 million
Annual KPIs achieved	105%



Mr Ebrahim Patel

Minister of Trade, Industry
and Competition

5. FOREWORD BY THE MINISTER

This Annual Report presents the performance of the Economic Development Department (EDD) for the financial year 2019/2020 and may be read together with the Annual Report of the Department of Trade & Industry (**the dti**).

This is the final Annual Report which will be tabled for the EDD, as effective 1 April 2020, the Department has been merged with the former Department of Trade and Industry (**the dti**), to create the Department of Trade, Industry and Competition (**the dtic**).

While the EDD reports separately to **the dti** for the 2019/20 financial year, much of the work of the EDD began to be integrated and aligned with that of **the dti** following the decision to merge the two departments after the national elections in

May 2019. As a result, there was considerable collaboration between officials in undertaking their work through the period, much of which could be seen in the response to the COVID-19 pandemic.

EDD was established at the beginning of the 4th democratic administration in 2009, and given responsibility for coordinating efforts, in order to unlock economic development outcomes. The Department was given responsibility for the Industrial Development Corporation (IDC), the Competition Commission, the Competition Tribunal and the work of the Secretariat and Technical Unit of the Presidential Infrastructure Coordinating Commission (PICC). It shared responsibility for the work of the International Trade Administration Commission of South Africa (ITAC) with **the dti**.

In the decade of its existence, EDD

- lifted the focus of competition policy on public interest considerations and the work on abuse of power by dominant firms (including the seminal court case involving Walmart, and a series of merger agreements with large corporations)
- helped set up the Presidential Infrastructure Coordinating Commission (PICC) with the launch of a number of Strategic Integrated Projects
- strengthened the Industrial Development Corporation focus on jobs, green energy and black industrialists, with major solar and wind projects started in this period
- introduced a Price Preference System on export of scrap metal that has assisted with the development of steel mini-mills and foundries
- piloted two pieces of legislation through Parliament (the Infrastructure Development Act and the Competition Amendment Act); and
- built a strong capability to assist with 'unblocking' investment projects across the country, resulting in major new industrial capacity (in areas such as soya-bean crushing, food processing and metal fabrication).

Much of the achievements of the 2019/20 financial year has resulted from the foundations laid over the preceding decade.

In competition policy, the past decade has seen a much greater use of the available tools to address economic concentration, combat anti-competitive behaviour and ensure that mergers do not have outcomes which go against the public interest.

During the 2019/20 financial year, we accelerated implementation of the Competition Amendment Act, signed into law by President Ramaphosa in February 2019. This began with the promulgations of key sections of the Act in July 2019, and further with the promulgation in February 2020 of the first provisions in our competition law to deal directly with abuse of buyer power. Together with the introduction of a revamped set of provisions dealing with price discrimination and enhanced powers under the market inquiry provisions, the amended Competition Act provides the competition authorities with the tools to investigate and prosecute anti-competitive behaviour by large firms against small and black-owned businesses, and will serve to level the playing field and address economic concentration.

During the financial year, the Competition Commission also published the outcomes of three market inquiries, namely, in the private healthcare, grocery retail and data service sectors. In each of these market inquiries, the Competition Commission found features in the market which either resulted in higher prices for consumers, or prevented SMEs from gaining fair access. The Competition Commission has already begun, acting on these findings, and has struck major agreements with mobile network operators to bring the cost of data down for consumers by approximately 30%; and with grocery retailers to end exclusive leases, which keep SMEs out of shopping malls.

One of the major developments in competition policy during the last decade, has been the acceptance by the courts and investors of the role of government in addressing public interest concerns in mergers. Following the Walmart case in which the Competition Appeal Court imposed conditions on the Walmart acquisition of Massmart in 2012 relating to retention of employees and development of small business suppliers, much has been achieved. In years since, government reached landmark agreements with a number of companies on conditions to accompany mergers and corporate restructuring, including with Coca-Cola, ABInbev, Old Mutual, Mondi and Chevron (i.e. Caltex). These included binding commitments ranging protection of jobs to maintaining headquarters in South Africa, investing in and expanding productive assets, establishing supplier development funds, localising key inputs and increase the level of broad-based shareholding in companies.

During the 2019/20 financial year, the Ministry and Department continued its work in mergers, the most significant of which being the Pepsico acquisition of South African food staple producer, Pioneer Foods. Following months of negotiation, Pepsico made a number of commitments, including the expansion of productive assets in South Africa to build an export base to the rest of the African continent, establishment of a R600 million fund in part to help develop black farmers of key inputs in their supply chain, and establishment of a worker empowerment trust, funded by Pepsico, which will ultimately own 13% of the South African company, with representation on the board.

The past year saw Mr Norman Manoim's time as Chairperson of the Competition Tribunal, came to an end; this after two terms in that role. I thank Mr Manoim for his contribution in building this critical institution and wish him well in his next endeavours. Ms Mondo Mazwai was appointed as the new Chairperson, the first female Chairperson of the Competition Tribunal. I wish her well in her new role and look forward to her continued contributions.

In the administration of trade policy, the EDD has overseen the work of the International Trade Administration Commission of South Africa (ITAC). One of the key interventions of ITAC during the last few years has been the introduction and administration of a Price Preference System, which has regulated the export of scrap metal. Scrap metal is a vital resource, used in the production of steel, and a key part of South Africa's industrial capacity. During the financial year, ITAC finalised their investigation into the introduction of an export tax on scrap metal, and has worked with National Treasury on its implementation, expected during the next financial year.

EDD participated in the Inter-Agency Working Group on Illicit Trade; a working with the South African Revenue Service (SARS), ITAC, the then **the dti**, and National Treasury.

In industrial funding, the IDC continued its effort to increase the industrial capacity and capability of South Africa with a further R11.7 billion in disbursements to businesses in the productive economy. While year-on-year investment activities have declined, the five-year trend demonstrates the IDC's countercyclical role over the longer term, to make funding available to entrepreneurs. Over this period the IDC approved R71.4 billion and leveraged an additional R93.7 billion from other funders.

The IDC's strong track record in facilitating economic transformation has been exhibited with R24.5 billion in funding support to Black Industrialists over the past five years (and if support for all 'black-empowered firms were collated, it would amount to R42.6 billion). Over the same period, the IDC committed R11.7 billion to women-empowered enterprises and R6.0 billion to youth-empowered enterprises. This is in line with its explicit statutory mandate to promote the economic empowerment of historically disadvantaged communities and persons.

Going forward, the IDC will have a significant role to play in the economic recovery post Covid-19. While the pandemic has had significant negative impact in the short term, the road to recovery also presents opportunities from the realignment of the local and global economy. This includes the focus on greater national trade policy space to address what has been described as 'strategic vulnerabilities' exposed by the disruptions in supply-lines. This may provide opportunities in specific sectors, as well those in import replacement strategic localisation and integration into regional and global value chains. The opportunities that will arise from the implementation of the African Continental Free Trade Agreement (AfCFTA) will need purposive partnerships with the private sector and a focus on manufacturing.

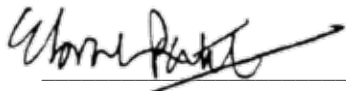
Supporting unblocking work included facilitating the sale of the Highveld Steel Mill, saving a number of jobs, as well as the unblocking of water supply challenges at the Goldi Chickens site in the Lekwa Municipality resulting in the resumption of production and returning over 3000 workers back from short-time work.

A part of the NMOG process involved moving the Infrastructure Development Act from the Economic Development Department to the Department of Public Works and Infrastructure (DPW&I). During the financial year, the EDD and DPW&I worked together in transferring the systems and staff aligned to the Presidential Infrastructure Coordinating Commission (PICC). This move was finalised at the end of the 2019/20 financial year.

Another important milestone for the EDD during the 2019/20 financial year was the achievement of its second consecutive clean audit for the 2018/19 financial year. At the time of this report, the Audit Report for the 2019/20 financial had also been received – and EDD had achieved a third consecutive clean audit.

This was achieved under the leadership of Dr Monde Tom, the Director-General, who left the Department at the end of the 2019/20 financial year when the two departments were merged. Dr Tom had been with the Department since June 2017, and was therefore with the Department for close to three years. During the start of the accounting period covered by this Report, the then Deputy Minister Madala Masuku played a key role in creating greater coordination at provincial level and he was a source of wise counsel across a range of policy issues. I wish to acknowledge the work of both then Deputy Minister Masuku and Dr Monde Tom in the work of EDD.

At the start of the new Administration, Deputy Ministers Nomalungelo Gina and Fikile Majola took over responsibility for the work and in both the EDD and **the dti** gave leadership and support to the team of officials and helped strengthen the efforts of the Department further. I wish to thank them.



Mr Ebrahim Patel

Minister of Trade, Industry and Competition



Mr Fikile Majola
Deputy Minister of Trade,
Industry and Competition

6. DEPUTY MINISTERS' STATEMENT

As the EDD reports on the 2019/20 financial year, it does so as a stand-alone department for the final time. This Department had the vision of co-ordinating the contributions of government departments, state entities and civil society to effect economic development, as well as to improve alignment between economic policies and the state's plans, objectives and mandates, while also promoting the goal of economic development through creation of decent work opportunities.



Ms Nomalungelo Gina
Deputy Minister of Trade,
Industry and Competition

During the 2019/20 financial year, the Economic Development Department pursued this vision in a number of ways. One such pursuit was the work done with all nine provinces in support of the provinces' Annual Performance Planning processes. This work involved engaging with provincial officials to align provincial strategies and policies to national objectives. Work was also undertaken to advance economic development and growth by facilitating provincial forums and roadshows that provided guidance, and practical support to SMMEs on how to resolve business challenges. Different Development Finance Institutions and other relevant government departments attended and supported these efforts – providing a practical illustration of an integrated government at work.

On the policy front, the Economic Development Department continued work on the Social Economy Policy. The Social Economy is a sub-sector of the economy which has the potential to advance economic inclusion and diversity. The policy paper aims to promote coordinated government-wide support to facilitate a growing and sustainable Social Economy. The EDD consulted stakeholders in all nine provinces.

The country fell into a recession between Q3 and Q4 of 2019. For 2019, GDP growth was 0.2%. The COVID-19 pandemic put further pressure on the economy, and it's effects are far-reaching. While 2019/20 achievements such as the Industrial Development Corporation approving funding to the value of R11.8 billion, with R2.2 billion going to women-empowered enterprises, and R0.9 billion to youth-empowered enterprises are noteworthy, significantly more needs to be done. This drives work efforts going forward in the new Department of Trade, Industry and Competition.

As we did in the last financial year, we are thankful for the leadership of the Minister, as well as for the work put in by the Department's staff in pursuing the mandate of the Economic Development Department.

Mr Fikile Majola
Deputy Minister of Trade, Industry and Competition

Ms Nomalungelo Gina
Deputy Minister of Trade, Industry and Competition



Mr Lionel October

Accounting Officer

7. REPORT OF THE ACCOUNTING OFFICER

7.1. OVERVIEW OF DEPARTMENTAL PERFORMANCE

During the year, the Economic Development Department (EDD) focused on its mandate of facilitating better integration of economic initiatives across government, providing oversight of specified public institutions to enable meaningful economic transformation and inclusive growth, as well as finalising the National Macro-Organisation of Government merger process with the Department of Trade and Industry. The work of the Department this reporting period included supporting job creation initiatives, inclusive growth, industrialisation and social inclusion through policy development, facilitating major investments as well as unblocking.

Following the President's announcement of the reconfiguration of government departments, the National Macro-Organisation of Government process was implemented during 2019/20. As part of that process, the EDD was to merge with the Department of Trade and Industry to form the Department of Trade, Industry and Competition – with the work of the Economic Development Department's Programme 2 (Growth Path and Social Dialogue) and Programme 3 (Investment, Competition and Trade) to be continued principally under Programme 9 (Competition Policy and Economic Planning) and Programme 10 (Economic Research and Coordination) of the Department of Trade, Industry and Competition. During the National Macro-Organisation of Government process, the Presidential Infrastructure Coordinating Commission's support structures - the Technical Task Teams - were moved from EDD to the Department of Public Works and Infrastructure. This process was fully completed by the end of the 2019/20 Financial Year.

The Economic Development Department achieved a second consecutive unqualified Audit Opinion – for the 2018/19 financial year; commonly referred to as a Clean Audit. A third consecutive Clean Audit has also been achieved for the 2019/20 financial year. These Clean Audit outcomes are testimony to the work that EDD had put in since its establishment in 2009 in conjunction with the intensive efforts to obtain operational efficiencies and a maturing internal control environment.

Highlights from programmes 2 (Growth Path and Social Dialogue) and 3 (Investment, Competition and Trade) in terms of MTSF outcomes and the NDP include:

- Research reports on the labour market covering demand/supply analysis, sector analysis on agriculture and manufacturing and Africa trade analysis for Botswana, Ethiopia and Nigeria
- A roundtable and a conference on the social economy as well as a policy dialogue on the drones industry value chain
- Entity oversight by holding quarterly sessions with the IDC and Economic Regulators to assess financial and performance indicators. The Minister also provided strategic oversight to the entities
- The extension of the Preferential Price System for scrap metals and the start of the process of introducing an Export Tax on Ferrous and Non-Ferrous Waste and Scrap Metal
- Supported provinces in aligning their strategies with national objectives and held provincial forums with small businesses to facilitate resolutions to their challenges
- A number of unblockings were facilitated during the year involving companies in the clothing and textile, steel, retail and agriculture sectors.

7.2. ORGANISATIONAL DEVELOPMENT

The Department utilised available financial and human resources to deliver effective products. The constrained fiscal position was a constant consideration in the delivery of the work of the Department.

The 2019/20 APP deliverables were organised around 3 programmes, 6 strategic objectives, 16 key performance indicators (KPIs) with 184 products planned as targets. EDD delivered 194 products in 2019/20 and a total of 98% of the budget allocation was spent.

Performance against 2019/20 KPIs is summarised below:

KPI	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	TOT
Target	1	4	4	2	3	10	5	64	4	30	4	4	23	7	4	15	184
Achieved	1	4	4	2	3	10	2	72	6	33	3	5	24	7	4	14	194
Exceeded	0	0	0	0	0	0	-3	8	2	3	-1	1	1	0	0	-1	10

The provision of strong governance and compliance support services was maintained, resulting in a Clean Audit for the 2019/20 financial year, in support of the continued delivery of efficient, cost effective, and transparent services. EDD relied on compliance with key prescripts such as the Public Service Act and Regulations, Public Finance Management Act, Protected Disclosures Act, among others, as measures of governance and accountability.

7.3. DEVELOPMENT FINANCE INSTITUTIONS

The work of the IDC continued to deepen inclusion and to extend opportunity. In the past year, the IDC approved R11.8 billion and disbursed R11.7 billion. This funding resulted in 12 271 jobs supported (nett jobs created and saved)⁹. Funding for Black Industrialists amounted to R3.1 billion and funding for youth and women-empowered businesses amounted to R0.9 billion and R2.2 billion, respectively.

The year 2019/20 saw an overall decline in IDC's investment levels. The subdued economy contributed to this with Real GDP declining for three out of the four quarters in the 2019 calendar year, and Real Gross Fixed Capital Formation declining for all four quarters of the 2019 calendar year.

7.4. COMPETITION AUTHORITIES

The Competition Commission dealt with a range of cases during the year, including those where the Minister participated on the basis of public interest. A total of 30 cases raising public interest considerations were under review – with a net 42 377 jobs saved (736 jobs were lost and 43 113 jobs were saved in the process).

The Competition Authorities will require more resources for the implementation of the Competition Amendment Act, 2018, (Act 18 of 2018). Efforts are being made to address this issue.

The Competition Tribunal heard 154 matters, decided on 89 mergers and issued orders in 168. The Tribunal imposed fines amounting to R86 974 466 in various sectors, with highest percentage of penalties imposed on firms in the manufacturing sector.

Three market inquiries; into the Private Healthcare, the Grocery Retail Market, and the Data Market; were completed during the 2019/20 financial year.

The President signed the Competition Amendment Act into law on the 13th of February 2019. During the 2019/20 Financial Year, certain sections of the Act were proclaimed through gazettes published in July 2019 and February 2020. Targets relating to the implementation of Market Inquiries were included in government's Medium-Term Strategic Framework document, further entrenching the work of the Competition Authorities.

7.5. TRADE AUTHORITIES

The Economic Development Department continued work with National Treasury and the Department of Trade and Industry towards the introduction of an Export Tax on Ferrous and Non-Ferrous Waste and Scrap Metal. The export tax serves as an alternative to the current Price Preference System ("PPS"). The changes are geared towards ensuring improvement in the availability of quality scrap metal at affordable prices for foundries and mills in the domestic market resulting in enhanced investment, jobs and industrialization. The Minister of Finance announced processes to conclude this work, during his 2020 Budget Speech.

ITAC aimed to perform 1 500 (1 000 unscheduled and 500 scheduled) inspections of import and export shipments, sites or documentation. For the period 1 April 2019 to 31 March 2020, ITAC conducted 683 scheduled and 2 911 unscheduled inspections, 386 Automotive Production and Development Programme (APDP) verifications, and issued 1 336 rebate and drawback permits.

7.6. EDD BUDGET

The EDD collected R62,3 million in the year under review from the Voluntary Rebuilding Programme (VRP) Settlement Agreement by the construction industry (classified as 'Fines, penalties and forfeits'). No dividends were received in the current year. The table below reflects the breakdown of the Departmental receipts.

7.6.1. DEPARTMENTAL RECEIPTS

Penalties collected by the Competition Commission are not reflected in the Annual Financial Statements of the EDD, which is in line with the reporting requirements of the Office of the Accountant General. The Competition Commission collected R209,6 million in penalties.

An amount of R62,3 million was received directly by the EDD from the companies which are part of the VRP Settlement Agreement and transferred to National Revenue Fund. No dividends were declared during the year under review. EDD therefore did not receive any dividends from the Industrial Development Corporation (IDC) during the 2019/20.

Departmental Receipts

Departmental Receipts	2019/20			2018/19		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	57	28	29	49	32	17
Fines, penalties and forfeits	68 750	61 250	7 500	234 000	96 247	137 753
Interest, dividends and rent on land	50 410	370	50 040	50 860	50 462	398
Financial transactions in assets and liabilities	80	19	61	55	14	41
Total	119 297	61 667	57 630	284 964	146 755	138 209

7.6.2. DEPARTMENTAL EXPENDITURE PER PROGRAMME

The budget allocation for the 2019/20 financial year was R989,6 million against which expenditure of R966,3 million (i.e. 98% of the budget) was incurred. The Departmental cost drivers comprised mainly of transfer payments to the agencies (i.e. Competition Commission, Competition Tribunal and ITAC). Other transfers were made to **sefa**, Tirisano Fund and the Steel Competitiveness Fund. Approximately 85% (R840,8 million) of the expenditure consisted of transfers. The remaining funds were utilised for operational expenses in the Department.

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

Departmental expenditure against programmes

Programme Name	2019/20			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	85 164	81 432	3 732	87 759	86 619	1 140
Growth Path and Social Dialogue	36 385	32 090	4 295	30 502	30 158	344
Investment, Competition and Trade	868 094	852 836	15 258	954 336	927 233	27 103
Total	989 643	966 358	23 285	1 072 597	1 044 010	28 587

7.6.3. VIREMENTS

Virements of R4,5 million were approved by the National Treasury to reallocate funds to assist the International Trade and Administration Commission of South Africa with implementation of the Price Preference System to avoid a regulatory gap while the export tax option was being reviewed.

7.6.4. UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE

All supply chain management processes and systems were and are still in place to prevent irregular expenditure. EDD did not incur any fruitless and wasteful expenditure in the current year.

7.6.5. GIFTS AND DONATIONS

Gifts and donations received in-kind during 2019/20 are shown in the table below:

Organisation	Gifts or Donation
Malawian Consulate Office	1 x Hot sauce = 100ml and 2 x packets of Mzuzu Coffee = 80g

7.6.6. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

There was a general exemption granted to all departments from publishing Annual Financial Statements two months after year end in light of the National State of Disaster. There were other specific exemptions for the Department in terms of the Public Finance Management Act (PFMA) and Treasury Regulations.

7.6.7. EVENTS AFTER THE REPORTING DATE

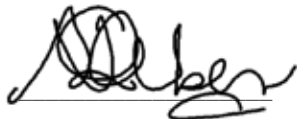
The Department was impacted by the National Macro-Organisation of Government process. The EDD and **the dti** merger became operationally effective on 1 April 2020. As the merger became operationally effective after year end, only secondary financial information is included in the note on non-adjusting events after the reporting date. There were no other events that took place after the reporting date of 31 March 2020 that would impact on the financial position of the EDD.

7.7. FUTURE PLANS

Following the National Macro-Organisation of Government process, the Economic Development Department merged with the Department of Trade and Industry to form the Department of Trade, Industry and Competition (**the dtic**). This is the last Annual Report of the Economic Development Department.

7.8. CONCLUSION

While the declaration of the National State of Disaster, as well as work on the National Macro-Organisation of Government curtailed performance somewhat, significant progress and achievements were made during the year under review.



Mr Lionel October

Accounting Officer

Department of Trade, Industry and Competition

Date:

8. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

All information and amounts disclosed throughout the Annual Report are consistent.

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

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

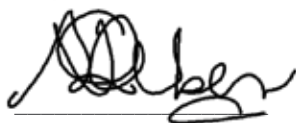
The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

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

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

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

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2020.



Mr Lionel October

Accounting Officer

Department of Trade, Industry and Competition

Date:

9. STRATEGIC OVERVIEW

9.1. VISION

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

9.2. MISSION

The Economic Development Department (EDD) aimed to:

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

9.3. VALUES

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

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

10. LEGISLATIVE AND OTHER MANDATES

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

The EDD administered the following legislation:

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

The following policy frameworks guided the Annual Performance Plan of the Department:

- State of the Nation Address
- National Development Plan
- New Growth Path
- National Infrastructure Plan
- Industrial Policy Action Plan
- Agriculture Policy Action Plan
- Medium-Term Strategic Framework 2014 - 2019
- Delivery Agreement on Outcome 4: Decent employment through inclusive economic growth

- Delivery Agreement on Outcome 5: Skilled and capable workforce to support inclusive growth
- Delivery Agreement on Outcome 6: Efficient, competitive and responsive infrastructure
- Delivery Agreement on Outcome 7: Vibrant, equitable, sustainable rural communities
- Framework for South Africa's Response to the International Economic Crisis (2010).

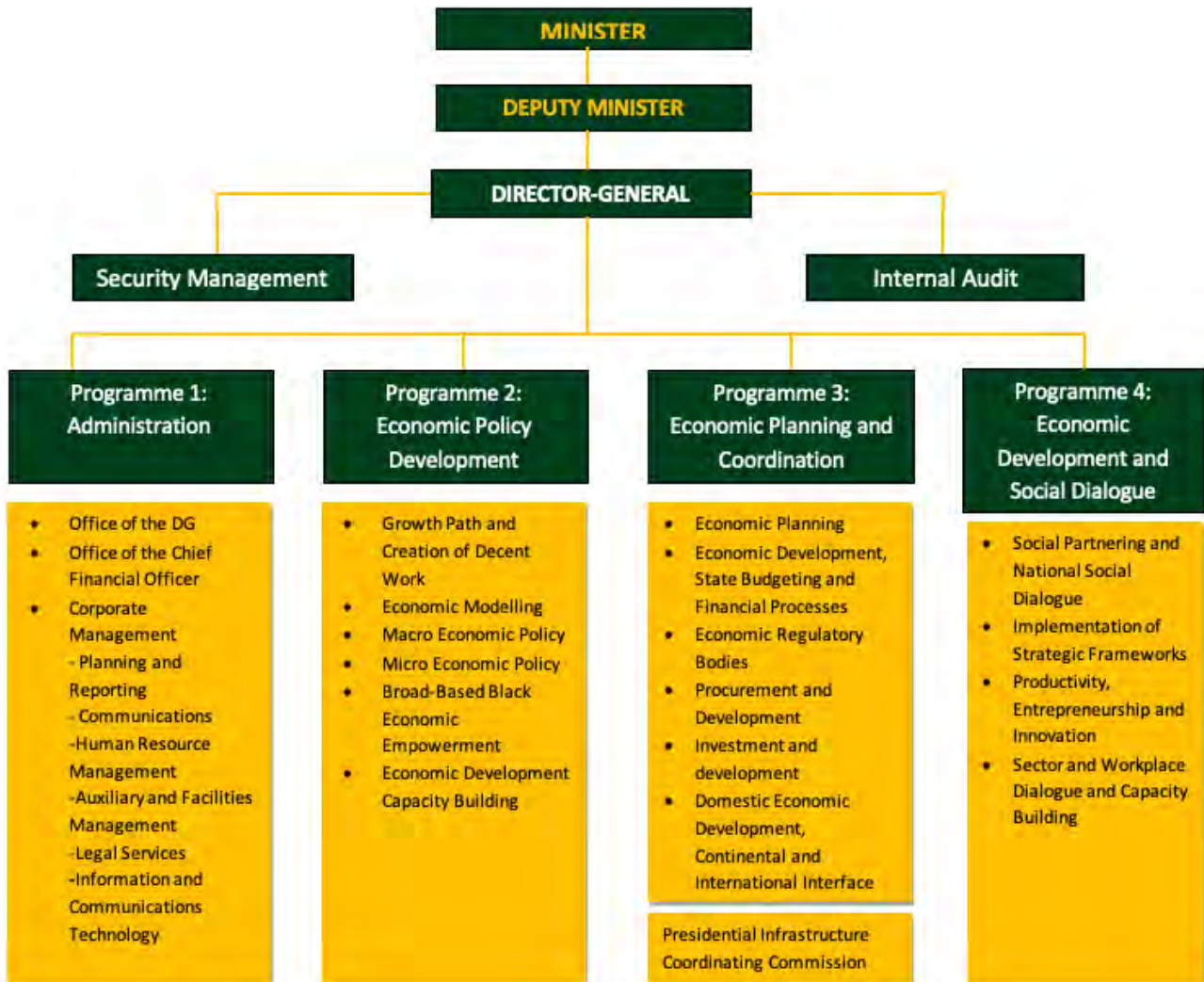
Accords that the Department facilitated and monitored:

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

The EDD participated in, supported or convened the following coordinating structures:

- The EDD coordinated, integrated and provided technical support, monitoring and evaluation functions, secretariat services and inter-governmental coordination to the PICC
- The EDD, together with **the dti**, convened the MinMec/Technical MinMec with provincial Members of the Executive Council (MECs) and economic development departments
- The EDD supported **the dti** in its convening of the Outcome 4 Technical Implementation Forum
- The EDD was a member of the Economic Sectors, Employment and Infrastructure Development (ESEID) Cluster.

11. ORGANISATIONAL STRUCTURE



The reporting within the Department is managed through the budget structure, which has programmes. The above is the 2009 approved organisational structure. The 2019/2020 Annual Performance Plan was designed according to the budget structure, therefore, the EDD reported against the approved APP budget structure. Configuration of the budget structure is as follows:

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

12. ENTITIES REPORTING TO THE MINISTER

The table below indicates the entities that reported to the Minister in the 2019/20 financial year.

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



PART B: PERFORMANCE INFORMATION



1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

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

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1. SERVICE DELIVERY ENVIRONMENT

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

2.2. SERVICE DELIVERY IMPROVEMENT PLAN

As the Department continued to refine mechanisms for integration and co-ordination across the state and social partners in general to ensure improved service delivery, it completed the full three-year period of its Service Delivery Improvement Plan (SDIP), which was submitted to the **dpesa**.

Main services and standards

Main Services	Beneficiaries	Current/Actual Standard of Service	Desired Standard of Service	Actual Achievement
Provide support to provincial economic development departments to align their plans to the MTSF	Provincial economic development departments	Review of provincial Annual Performance Plans (APPs) with a view to have them aligned to the MTSF	Review of provincial Annual Performance Plans (APPs) with a view to have them aligned to the MTSF	APPs of all the nine provinces were reviewed and assessed for alignment with the DPME guidelines
Improve and monitor industrial funding targets for identified jobs drivers and for township economies	Private sector, township enterprises	Conducted surveys on township enterprises to measure the impact of sefa , IDC and NEF (National Empowerment Fund) funding	Measure and analyse the impact of the programmes	EDD hosted workshops, forums and imbizos which addressed enterprise development; promoted township enterprises and facilitated access to DFIs and relevant departments in order to apply for financing

Main Services	Beneficiaries	Current/Actual Standard of Service	Desired Standard of Service	Actual Achievement
				<p>The Minister held a consultative conference on the state of THE South Africa economy during October 2019 where he invited Nobel Laureate, Professor Joseph Stiglitz, several ministers, Heads of SOE's and various key stakeholders.</p> <p>The Minister also consulted stakeholder on various Master Plans, including Sugar, Poultry, Automotives, Clothing, Textiles, Footwear and Leather.</p>
Engagements to support the strengthening of economic regulators	Competition Commission, Competition Tribunal and ITAC, business and labour users	Analysis of APPs, strategic plans, evaluation of the Annual Reports and quarterly performance reports. Amendments to regulations	Implementation of the governance framework policy	<p>The governance framework policy was implemented and there was continuous monitoring and evaluation of the entities.</p> <p>The Minister played an active strategic oversight role over the entities including reviewing their APPs, Strategic Plans and Annual Reports, as well as meeting with leadership to provide strategic guidance.</p>

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

Current/Actual Arrangements	Desired Arrangements	Actual Achievements
Engagements with stakeholders	Ministers, MECs and Legislatures	Engagements with provinces through Technical MinMec
	Economic Cluster	The Director-General attended the Economic Cluster meetings while the Minister attended the Inter-Ministerial Committee meetings
	Sectoral Networks	<p>Engagement with stakeholders in the Social Economy sector.</p> <p>The Minister also consulted stakeholder on various Master Plans, including Sugar, Poultry, Automotives, Clothing, Textiles, Footwear and Leather.</p>
	Public Engagements	Engagements through the leadership of the Minister and Deputy Minister, involved public meetings, forums, road-shows; conferences and community visits

Service delivery information tool

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

Complaints mechanism

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

2.3. ORGANISATIONAL ENVIRONMENT

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

For the 2019/20 financial year, the EDD had three budget programmes, with a target of 184 products for the financial year. 194 products were achieved.

2.4. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

Implementation of the Competition Amendment Act (Act 18 of 2018)

The Competition Amendment Act was signed into law by the President on 13th of February 2019. During the 2019/20 financial year, certain sections of the Act were proclaimed, through gazettes published in July 2019 and February 2020, respectively.

The Competition Amendment Act addresses key structural challenges in the South African economy that limit the rate of growth and the level of economic inclusion: the high level of concentration where a small number of large dominant firms account for the bulk of sales in a given market; and the racially skewed pattern of ownership in the economy.

The most significant amendments to the Act are to:

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

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

The amendments also aim to enhance the policy and institutional framework of the competition authority as well as procedural mechanisms for the administration of the Act. The amendments are designed to improve policy coherence and promote institutional and procedural efficiency.

During the 2019/20 financial year, two gazettes were published, proclaiming sections of the Competition Amendment Act:

1. In July 2019 the following sections of the Amendment Act were proclaimed:
 - a. Sections 1, except for paragraph (d)
 - b. Section 2
 - c. Section 5, other than section 8(4) of the Competition Act, 1998
 - d. Section 7(b) to (e)
 - e. Sections 8 to 13
 - f. Sections 15 to 26
 - g. Sections 29 to 32
 - h. Section 33, other than in so far as paragraph (a) thereof relates to Section 8(4)
 - i. Section 34
 - j. Section 35(b)
 - k. Section 36 to 44
 - l. Section 45(b) and (d) to (i), and
 - m. Section 46.
2. Then in February 2020, the following sections were proclaimed:
 - a. Section 5, in so far as it relates to section 8(4) of the Competition Act, 1998
 - b. Section 6
 - c. Section 27 to 28
 - d. Section 33(a) in so far as it relates to sections 8(4) and 9(1A) of the Competition Act, 1998.

Further, in February 2020, regulations with regard to Sections 8 and 9, read with Section 78, of the Competition Act were issued. These relate to Buyer Power and Price Discrimination behaviour, and are aimed particularly at ensuring fair participation in the economy for Small and Medium Businesses as well as firms controlled and owned by Historically Disadvantaged Persons.

3. STRATEGIC OUTCOME ORIENTED GOALS

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

EDD's **first Strategic Objective** is to ensure good governance in the administration of the Department. EDD has attained Clean Audits for the 2019/20 and 2018/19 financial years, having consistently worked to improve the level of governance and accountability achieved. The EDD had a ratio of 54% women in Senior Management positions as at 31 March 2020, and at 3%, surpassed the national target of 2% People with Disabilities employed. The finalisation of the merger between the EDD and **the dti** to form the Department of Trade, Industry and Competition (**the dtic**), as part of the National Macro-Organisation of Government process, contributed to good governance in the state.

EDD's **second Strategic Objective** is to coordinate jobs drivers and implementation of the New Growth Path (NGP) economic strategy in support of the National Development Plan.

The work done under this strategic objective also supports Outcome 4 of the MTSF: "The NDP provides a long-term vision through 2030 for accelerating GDP growth so that unemployment and inequality can be reduced and for creating a more inclusive society. This will be achieved through diligent application of implementation plans and programmes, in particular the New Growth Path (NGP) the Industrial Policy Action Plan (IPAP) and the National Infrastructure Plan."

The Department coordinated the second Investment Conference from the 5th to the 7th of November 2019 at the Sandton Convention Centre as part of the President's drive to raise new investments over a five year period. Over 2 000 delegates, from 47 countries, attended the conference. There were 62 panellists and speakers as well as 12 Ministers and envoys who spoke at the conference. The drive, launched by President Cyril Ramaphosa, intends to attract R1.2 trillion in new investments by 2023. The total amount of investment pledges received was R364 billion.

Further achievements include provincial consultations in all 9 provinces on the draft Social Economy Green Paper, with the project granted a No-Cost Extension to March 2021 due to progress seen while there are key deliverables still to be finalised. EDD also worked with provinces in support of their APP development processes and alignment with national economic priorities as well as facilitated roadshows for SMMEs in provinces.

Our **third Strategic Objective** is to facilitate social dialogue and implementation of social accords. Key achievements here include support to distressed companies as part of workplace social dialogue by participating in efforts to implement the Temporary Employer / Employee Relief Scheme (TERS). The TERS was established to replace the old Training Layoff Scheme. EDD further played a key role in the National Employment Vulnerability Assessment (NEVA) process and development of Sector Jobs Resilience Plans (SJRP) along with the Department of Environmental Affairs. Initiatives supporting implementation of the Youth Employment Accord include funding by the IDC for women and youth-empowered businesses. The IDC approved industrial funding (loans/equity) to women and funded youth-empowered business to the tune of R2.2 billion and R0.9 billion, respectively, in the year under review.

The work under this third Strategic Objective also supports Outcome 4: "Workplace conflict is reduced and collaboration between government, organised business and organised labour improves." and "...support the improvement of social partner engagement with a greater emphasis on industry and workplace level cooperation." "Employment intensive programmes and initiatives will receive top priority, especially those that target the youth and women. Investment in new sources of growth will be encouraged and incentivised."

EDD's **fourth Strategic Objective** is to coordinate infrastructure development and strengthen its positive impact on the economy and citizens. EDD's work included initiatives that unblocked infrastructure projects and promoted localisation. It also supported the work of the Presidential Infrastructure Coordinating Commission (PICC) by providing secretariat services, collecting data and preparing reports, and unblocking obstacles which prevent the rollout of infrastructure required by the National Infrastructure Plan.

During 2019/20, as part of the National Macro-Organisation of Government (NMOG) process, the Infrastructure Development Act, and along with it the PICC Secretariat and technical functions, was transferred to the Department of Public Works and Infrastructure. The PICC brings key Ministers, Premiers and Metro Mayors together into a joint forum to promote infrastructure coordination and decision making, headed by the President. The PICC at EDD coordinated the work of the 18 SIPs – having produced 72 SIP reports during 2019/20 financial year.

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

Work by the Department with National Treasury, as well as the Development Bank of Southern Africa (DBSA), to improve the budget processes as they relate to infrastructure funding continued. This work involved the Technical Project Management Unit (TPMU) of the PICC. The work of EDD and the PICC supported Outcome 6.

The Tirisano Construction Fund is, at the time of this report, under the management of eight Trustees, Four from Construction Companies, three representing Government and 1 being the Chief Executive Officer of the South African Forum of Civil Engineering Contractors (SAFCEC). The Trustees from 3 Construction companies resigned from the Trustee Board because their businesses were either in business rescue or had sold their Construction arm. The IDC, appointed by the National Treasury, is the Trust Administrator and provides operational support to the Fund on a cost reimbursement basis.

The revenue collected from the Construction Companies over the three years since 2016 is R392 million, which was transferred to the Fund. Expected revenue from financial contributions as per the payment schedule in the Settlement Agreement was R474 million over the said period. The primary reason for the under-collection in revenue was lowered levels of contributions from the construction companies, which is being pursued by government.

EDD's **fifth Strategic Objective** is to promote productive investment, industrial financing and entrepreneurship for jobs and inclusive growth. The IDC approved R11.8 billion and disbursed R11.7 billion – This funding resulted in 12 271 jobs supported (nett jobs created and saved). Funding for Black Industrialists amounted to R3.1 billion. The subdued economic environment during the period under review restricted further progress in the work of the IDC.

EDD also undertook work to unblock infrastructure projects, with the unblocking efforts in the Lekwa Municipality in support of Goldi Chickens resulting in production resuming. Investment unblocking work is illustrated by the accessing of the US market by Glenmart – an enterprise which was part of the Walmart Supplier Development Programme; which work unlocked further economic value.

EDD's investment and industrial funding oversight work supported Outcome 4: "Government will implement measures to ensure the financial sector serves the real economy and people. This will necessitate the assessment of measures to increase the availability of industrial finance at competitive costs and for appropriate periods of time...."

EDD's **sixth Strategic Objective** is to promote competition, trade and economic regulation in support of job creation, industrialisation and economic inclusion. EDD's work on mergers and acquisitions since 2010 has resulted in the mobilisation of investment, job creation and support for local production. EDD has continued to monitor the implementation of agreements that it had reached with companies and conditions approved therewith.

During this fiscal year under review, a number of key deliverables were achieved under this Strategic Objective. Towards the end of the financial year, with the declaration of a National State of Disaster because of the COVID-19 Pandemic, the EDD worked speedily to issue regulations to support management of the pandemic. The block exemptions, issued in terms of Section 10(10), read with Section 78(1) of the Competition Act, were issued for the Healthcare, Banking, Retail Property and Hotel Industries. Implementation of these regulations and directions protected consumers from excessive, unfair, unreasonable or unjust pricing of goods and services, while ensuring the security and availability of the supply of goods and services during the national State of Disaster. The issuing of the Price Discrimination and Buyer Power Regulations in February 2020, is another competition linked significant deliverable during the fiscal year under review.

Further achievements during this fiscal year also included the announcement by the Minister of Finance of work to finalise the introduction of an Export Tax on ferrous and non-ferrous waste and scrap metal. This announcement was a key step in the continuing support work, by EDD, to the steel industry reported in the last financial year.

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

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1. PROGRAMME 1: ADMINISTRATION

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

Sub-programmes

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

Strategic Objectives, performance indicators, planned targets and actual achievements

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

For the 2019/20 financial year, the Administration Programme had one performance indicator and one product aimed at ensuring that the Department achieves an unqualified audit opinion and improvement in governance and accountability. This target was met.

The Department achieved its second Clean Audit Opinion for the 2018/19 financial year, and third for the 2019/20 financial year, which means that the financial statements and performance information were free from material misstatements. This provides comfort that the Department’s financial statements fairly reflected the financial position of the Department and that financial management systems were in compliance with the legislation.

ACHIEVEMENTS ON PERFORMANCE INDICATORS

The three tables below highlight the performance achievements on the Strategic Objective for Programme 1. They also provide audited performance achievements on key performance indicators (KPIs) for the periods 2016/17 to 2018/19. This serves as comparative data for performance achievements for the period under review, 2019/20.

Strategic Objectives

PROGRAMME 1: ADMINISTRATION					
Strategic Objectives	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation From Planned Target To Actual Achievement For 2019/20	Comment On Deviations
Strategic Objective 1: To ensure good governance in the administration of the Department	Planned target achieved – see KPI 1	Unqualified Audit Opinion	Clean Audit Opinion	-	-

Audited actual achievements for 2016/17 to 2018/19

PROGRAMME 1: ADMINISTRATION			
Performance Indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19
KPI 1: Audit opinion obtained in respect of the previous financial year	2	1 Clean Audit Opinion	1 Clean Audit Opinion

2019/20 Performance achievements verified by AGSA

PROGRAMME 1: ADMINISTRATION				
Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation From Planned Target To Actual Achievement 2019/20	Comment On Deviations
KPI 1: Audit Opinion obtained in respect of the previous financial year	1 Unqualified Audit Opinion	1 Clean Audit Opinion	-	-

All planned targets were achieved.

Strategy to overcome areas of under performance

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

Changes to planned targets

There were no in-year changes to planned targets and indicators for the period under review. The EDD implemented its 2019/20 APP as tabled in Parliament.

Linking performance with budgets

From the Departmental adjusted budget of R85 million, total expenditure for Administration for the year 2019/20, was R81 million or 96% of the programme budget.

Sub-programme expenditure

Sub- Programme Name	2019/20			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	18 996	16 493	2 503	29 198	27 052	2 146
Office of the Director-General	12 182	12 085	97	11 885	12 042	(157)
Corporate Management Services	41 576	41 501	75	36 138	36 601	(463)
Financial Management	12 410	11 353	1 057	10 538	10 924	(386)
Total	85 164	81 432	3 732	87 759	86 619	1 140

4.2. PROGRAMME 2: GROWTH PATH AND SOCIAL DIALOGUE

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

Strategic Objective 2: Coordinate jobs drivers and implementation of the New Growth Path economic strategy in support of the National Development Plan

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

Sub-programmes:

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

Efforts to ensure inclusive growth in the South African economy over the past fiscal year have met significant challenges. The country fell into a technical recession during this period, with work to support small enterprises as well as previously disadvantaged individuals hindered by this. Unemployment, poverty and inequity remained stubborn.

Programme 2: "Growth Path and Social Dialogue" – had 6 Key Performance Indicators and 28 products targets. The work covered in the APP under this programme included initiatives and activities such as:

- Provincial support
- Public policy advocacy
- Supporting black women and youth to access employment and entrepreneurship opportunities
- Social dialogue.

Strategic Objectives, performance indicators, planned targets and actual achievements

EDD achieved 26 products of the 28 planned products across 6 KPIs. Key areas of its work in this area during the fiscal year 2019/20 are highlighted below.

The Department coordinated the Investment Conference in November 2019 at the Sandton Convention Centre as part of the President's drive to raise new investments over a five year period. EDD further took the lead in the piloting of a

Composite Economic Inclusion Index, using four elements – employment, consumption, credit, and entrepreneurship - which showed that not much progress had been made with regard to economic inclusion. The Department further participated in a Task Team, coordinated by the Office of the Deputy President, focused on supporting township economies. This work concluded on the need for leveraging local universities to strengthen research and development efforts, as well as leveraging the findings of other activities, such as the Grocery Market Inquiry and the Data Market Inquiry to support township and rural economies.

Further work in this programme included provincial consultations in all 9 provinces on the draft Social Economy Green Paper. The Social Economy Green paper is in draft format, and having been consulted on in a National Consultation Conference during the 2018/19 financial year, the effort turned to ensuring provincial participation. Working with the relevant provincial administrations, over 700 stakeholders were consulted on the contents of the Draft Green Paper.

Other work included continuing to support distressed companies as part of workplace social dialogue by supporting the implementation of the Temporary Employer / Employee Relief Scheme (TERS) established to replace the old Training Layoff Scheme. The Scheme helps workers and companies facing distress. EDD actively participated in the committee since its inception in October 2018, and continued by conducting an economic and developmental impact assessment of the scheme, including site visits.

EDD played a key role in the National Employment Vulnerability Assessment (NEVA) process and development of THE Sector Jobs Resilience Plans (SJRP) along with the Department of Environmental Affairs. This process intends to develop climate change responses that will help mitigate anticipated job losses due to climate impacts, while promoting job creation within the green economy. Resilience Plans were developed in the agriculture, transport, coal, metals and tourism sectors, with recommendations including reskilling, adoption of technology as well as adapting water and wildlife management techniques anticipatory of climate change.

EDD also worked with provinces in support of their Annual Performance Planning processes. This work involved engaging with provincial officials to align provincial strategies and policies to national objectives. Further work included facilitating provincial forums and roadshows that provided guidance on how to resolve business challenges to SMMEs. Development Finance Institutions and relevant government departments were always in attendance to provide live support to small businesses, with Deputy Ministers leading these engagements. A Technical MinMEC was held during Quarter 3 of the financial year.

Strategic Objectives

PROGRAMME 2: GROWTH PATH AND SOCIAL DIALOGUE					
Strategic Objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation From Planned Target To Actual Achievement For 2019/2020	Comment On Deviations
Strategic Objective 2: Coordinate jobs drivers and implementation of the New Growth Path economic strategy in support of the National Development Plan	Planned target achieved. See KPI 3, 4, and 7	1 Economic policy influenced or developed that prioritises jobs or further develops the NGP 1 Additional coordinating structure developed and/or supported	Planned target achieved. See KPI 2, 3, and 6	-	-

PROGRAMME 2: GROWTH PATH AND SOCIAL DIALOGUE

Strategic Objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation From Planned Target To Actual Achievement For 2019/2020	Comment On Deviations
Strategic Objective 3: Facilitate social dialogue and implementation of social accords	Planned target achieved – see KPI 5, 6 and 8	Support 1 sector and 3 work places to implement social dialogue Monitoring the implementation of 1 accord	Planned target partially achieved – see KPI 7	-3	Re-prioritisation of resources to support provincial engagement work

Audited Actual Achievements for 2016/17 to 2018/19

Performance Indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19
KPI 2: Number of analytical and public policy advocacy reports on socio-economic development and the NGP produced	5	4	4 1 Report on socio-economic development and tracking the economic indicators 1 Report on Labour Market Analysis 1 Report on South Africa's readiness for the Fourth Industrial Revolution 1 Report on the Draft Social Economy Green Paper Consultation Conference
KPI 3: Number of reports on NGP jobs drivers and coordination structures	2	4	7 1 Report on a socio-economy coordination structure 1 Report on a chickpea project 1 Report on agriculture analysis and a case study on a dollar based reference price of sugar 1 Report on the manufacturing sector and a case study on BSI Steel 1 Report on EDD's work to promote investment 1 Report on Stimulus interventions covering: - Preplanning areas of work - Provincial responses - Illegal imports 1 Report on Social Economy Green Paper Consultation Survey

Performance Indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19
KPI 4: Number of reports on the implementation of the Green Economy Accord	2	2	2 1 Report on the analysis of the Industrial Development Corporation investment in green economy 1 Report on measures to facilitate participation in Green Economy initiatives
KPI 5: Number of reports on black women and youth with access to employment and entrepreneurship opportunities	3	3	3 1 Report on cooperatives support in eNtumbane 1 Report on implementation of the Youth Accord 1 Report on support to women and youth cooperatives
KPI 6: Number of reports on support provided to provinces	10	10	10 9 reports on supporting provinces through the alignment of provincial economic development APPs with MTSF; meetings with provincial officials, forums with communities and road shows with public agencies: 1. Gauteng 2. Eastern Cape 3. Western Cape 4. North West 5. Northern Cape 6. Mpumalanga 7. Free State 8. KwaZulu-Natal 9. Limpopo 1 Report on provincial coordination of MinMec
KPI 7: Number of reports on social dialogue interventions to save and create jobs and reports on implementation of Social Accords	2	2	3 1 Report on the Assessment of the Training Lay-off Scheme 1 Report on Jobs Summit 1 Report on social dialogue intervention on the sugary beverages tax to save jobs

2019/20 Performance achievements verified by AGSA

PROGRAMME 2: GROWTH PATH AND SOCIAL DIALOGUE				
Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation From Planned Target To Actual Achievement 2019/20	Comment On Deviations
KPI 2: Number of analytical and public policy advocacy reports on socio-economic development and the NGP produced	4 Reports	4 1 Report on coordinating an analysis on the Medium Term Strategic Framework (MTSF) 1 Report on Economic Inclusion Index 1 Report on township and village economy national framework 1 Report on Social Economy Green Paper	-	-
KPI 3: Number of reports on NGP jobs drivers and coordination structures	4 Reports	4 1 Report on the Township Economy Development coordinating structure 1 Report on the Inter-agency Working Group on Illicit Trade 1 Report on strategic support provided to Amadiba Coastal Communities Development Association Trust 1 Report on the establishment of the bio-fuels value chain coordinating structure for Gauteng Province	-	-
KPI 4: Number of reports on the implementation of the Green Economy Accord	2 Reports	2 1 Report on progress on the implementation of the Green Economy Accord 1 Report on the Green Economy Accord implementation: the National Employment Vulnerability Assessment (NEVA) development process	-	-

PROGRAMME 2: GROWTH PATH AND SOCIAL DIALOGUE				
Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation From Planned Target To Actual Achievement 2019/20	Comment On Deviations
KPI 5: Number of reports on black women and youth with access to employment and entrepreneurship opportunities	3 Reports	3 1 Report on assistance in Dr Pixley Ka Isaka Seme Local Municipality 1 Report on Limpopo SMME support with SANRAL unblocking 1 Report on Limpopo SMME Support with SABS unblocking	-	-
KPI 6: Number of reports on support provided to provinces	10 Reports	10 9 reports on support to provinces through the alignment of provincial economic development APPs with MTSF; meetings with provincial officials, forums with communities and road shows with public agencies: 1. Gauteng 2. Eastern Cape 3. Western Cape 4. North West 5. Northern Cape 6. Mpumalanga 7. Free State 8. KwaZulu-Natal 9. Limpopo 1 Provincial coordination report on Technical MinMec	-	-
KPI 7: Number of reports on social dialogue interventions to save and create jobs and reports on implementation of Social Accords	5 Reports	2 1 Report on Assessment of the New Temporary Employer/Employee Relief Scheme 1 Report on support to CEOs on businesses trading in Africa	-3	Re-prioritisation of resources to support provincial engagement work

Strategy to overcome areas of under performance

There was an underperformance for this programme for the year's target with regard to KPI 7. This was due to a re-prioritisation of resources to support provincial engagement work.

Changes to planned targets

There were no in-year changes to planned targets and indicators for the period under review. The EDD implemented its 2019/20 APP as tabled in Parliament.

Linking performance with budgets

Expenditure for Programme 2 amounted to R32 090 000 or 88% of the adjusted programme budget of R36 385 000.

Sub-programme expenditure

Sub-Programme Name	2019/20			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Growth Path and Job Drivers	25 088	23 754	1 334	21 131	22 220	(1 089)
Social Dialogue, Productivity and Innovation	11 297	8 337	2 960	9 371	7 938	1 433
Total	36 385	32 090	4 295	30 502	30 158	344

4.3. PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE

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

Sub-programme

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

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

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

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

The achievement of inclusive growth requires coordinated action on investment, competition and trade matters. This requires coordinated infrastructure development as well as the oversight of DFIs, the trade administration authority (ITAC) and the Competition Authorities. This is what Programme 3 sought to achieve. It implemented towards this achievement through 9 key performance indicators, and a target of 155 products for the 2019/20 Financial Year, aligned to Outcomes 4, 5 and 6 of the MTSF.

Strategic Objectives, performance indicators, planned targets and actual achievements

EDD achieved 168 products of the 155 planned products across 9 KPIs. Key areas of its work in this area during the fiscal year 2019/20 are highlighted below.

Strategic Objective 4

The Department, through the PICC Technical Unit, provided support for the implementation of the National Infrastructure Plan of the Secretariat of the PICC. The PICC monitors and coordinates the National Infrastructure Plan comprising of 18 Strategic Integrated Projects (SIPs), where more than 300 projects were tracked quarterly. These projects sustain jobs and comprise investment in public infrastructure which includes the construction of power plants, schools, hospitals, roads, port development, water pipelines and new bus route systems.

The work of the PICC in the past year included:

- Compiling 72 Cabinet-level progress reports on the Strategic Integrated Projects
- Facilitating 33 meetings of PICC structures, which include PICC Management Committee Secretariat meetings, and monthly SIP forums
- Implementing 6 Cabinet decisions with work focused on efficient implementation of infrastructure projects by government
- Fast tracking the unblocking, facilitating as well as monitoring of infrastructure projects, covering energy, education, roads and water projects
- Coordinating SIP 5 which covers the Saldanha-Northern Cape Development Corridor
- Implementation of the PICC Decision to capacitate and institutionalise the PICC, with specific reference to the Technical Project Management Unit (TPMU).

Case Study: Budget Facility for Infrastructure

The Budget Facility for Infrastructure is a collaborative effort between the National Treasury, the Department of Performance Monitoring and Evaluation and the PICC to support quality public investments through robust project appraisal, effective project development and execution to ensure sustainable financing arrangements beyond the MTEF period. Part of the process is a Joint Technical Committee (JTC) comprising senior officials from the 3 entities. The JTC undertakes detailed technical assessment process and makes recommendations to budget authorities (Ministers' Committee on the Budget Technical Committee - MTEC) and political decision makers (Ministers' Committee on the Budget - MINCOMBUD).

The BFI helps with:

- Weaknesses in planning and project identification, due to an inadequate link with asset management and spatial plans, poor intergovernmental coordination and a lack of planning expertise and capacity. A general lack of collaboration results in a "go it alone" approach
- Implementation of a formalised authorisation environment whereby projects are approved per stage at clearly defined decision gates (Standard for Infrastructure Procurement and Delivery Management - SIPDM) so that it can progress along the cycle without informal changes to decisions and unnecessary delays
- Incomplete and poor quality project preparation processes. Preparation activities are constrained by poor system design, limited project management knowledge and capacity, and insufficient project preparation skills, which results in infrastructure projects being delayed, with only a few projects reaching a stage where they are ready to be funded. This is further indicated by the way projects are presented for funding, often proposing biased solutions, over-optimistic forecasts and/or inaccurate information.

During the year under review, the PICC Technical Project Management Unit (TPMU) continued to participate and provide leadership in this forum.

Strategic Objective 5

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

In 2019/20, the IDC approved R11.8 billion and disbursed R11.7 billion. This funding resulted in 12 271 jobs being supported (net jobs created and saved). Funding for Black Industrialists amounted to R3.1 billion and funding to youth and women-empowered businesses amounted to R0.9 billion and R2.2 billion, respectively. IDC funding crowded in a further R405 billion (net value) in private sector investment across a range of sectors including chemicals; metals; industrial infrastructure; tourism; ICT and media; new industries; and other manufacturing sectors such as clothing and textiles.

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

1. Unblocking an electrical connection to a borehole project in the Free State province.
2. Import substitution of gardening products with a local supermarket chain.
3. Facilitating the postponement of scheduled maintenance shutdown during the COVID-19 national pandemic, allowing for the continued production of an essential product at the Mondi Richards Bay Plant.
4. Unblocking of Dube Trade Port application for subdivision of agricultural land.
5. Unblocking construction challenges at various schools in the Free State province.
6. Confirmation and finalisation of Environmental Authorisation on a portion of the SANRAL N3 road project.
7. Facilitated agreement with City of Ekurhuleni, saving 3 SMMEs from eviction.

Case Study: Market Access

Market access for Rhodes Foods Group products into THE Walmart US market

- April 2019 Minister Patel hosted Ms Judith McKenna: Walmart International CEO
- About 20 products/companies with export potential presented to CEO
- Rhodes Foods Group, food canning company in Groot Drakenstein, Western Cape, subsequently listed as a supplier into Walmart US market and has since received its first order: pear slices in heavy syrup, pear halves in juice & pear slices in heavy syrup.

Market access for Glenmart products into the US Walmart stores

- Glenmart, family-owned Christmas party/Christmas cracker manufacturing business in Balito, KZN, also listed as a supplier into Walmart US market and has received first order of crackers.

Strategic Objective 6

The Competition Amendment Act was signed into law by the President on 13th of February 2019. During the 2019/20 financial year, certain sections of the Act were proclaimed, through gazettes published in July 2019 and February 2020, respectively. Also in February 2020, regulations with regard to Sections 8 and 9, read with Section 78, of the Competition Act were issued. These relate to Buyer Power and Price Discrimination, and are aimed particularly at ensuring fair participation in the economy for Small and Medium Businesses as well as firms controlled and owned by Historically Disadvantaged Persons. (See section 2.4 Key Policy Developments And Legislative Changes).

Major mergers finalised during the financial year under review include the following:

- AMSA/Highveld merger: During October 2019 a merger notice was issued by the Competition Commission to the Minister regarding the AMSA/Highveld merger. The Minister participated in the merger. The primary acquiring firm was ArcelorMittal South Africa Ltd (AMSA), and primary target firm was Highveld Steel, in terms of which AMSA intended to acquire the structural steel mill at Highveld Industrial Park.
 - In 2015 Highveld Steel ran into financial difficulty and went into business rescue. Around 2017, with support from an IDC loan, Highveld refurbished its structural steel mill, and entered into a supply agreement with AMSA, in terms of which AMSA agreed to supply blooms to Highveld to produce structural steel on behalf of AMSA. The contract supply agreement gave AMSA the option to acquire the mill, which AMSA exercised when the terms of the agreement came to an end, hence the competition filing - EDD supported merger. In February 2020 the Competition Tribunal approved the merger without conditions
- Simba/Pioneer merger: During September 2019 a merger notice was issued by the Competition Commission to the Minister regarding a merger between Simba (Pty) Ltd and Pioneer Food Group Limited (PepsiCo/Pioneer Group). The Minister participated in the merger. The Primary acquiring firm was Simba (Pty) Ltd (“Simba”), an indirect subsidiary of PepsiCo Inc, with the primary target firm being Pioneer Food Group Limited (“Pioneer Foods”). Post-merger, PepsiCo will exercise sole control over the Pioneer Group. The merger approved with conditions, including the following:
 - B-BBEE: PepsiCo’s common stock to the value of R1.6 billion to be issued to a South African, broad-based workers’ trust
 - Employment: No merger-related retrenchments for a period of 5 years
 - Location of Head Office And Tax Residency: Merged company shall remain incorporated in South Africa and will remain a tax resident in South Africa
 - Production: Aggregate productive capacity and capabilities associated with production operations and related facilities in South Africa shall be kept in place
 - Local supply chains: Merging parties commit to expand the Pioneer Foods practice of maximising local production
 - Downstream agreements: Merged company shall maintain all sale and distribution agreements with companies controlled by historically disadvantaged persons and SMMEs for a period of 2 years
 - Development Fund: R600 million for investment in : education (R200m), SMMEs (R100m), enterprise and agricultural development (R300m).

Strategic Objectives

PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE					
Strategic Objectives	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation From Planned Target To Actual Achievement For 2019/20	Comment On Deviations
Strategic Objective 4: Coordinate infrastructure development and strengthen its positive impact on the economy and citizens	Target achieved. See KPI 13	Driving SIP 5	Planned target partially achieved. See KPI 11	-1	Due to NMOG process, PICC was moving to DPW&I, including finalisation of appointment of PICC Ministers. This interrupted work
	Target achieved. See KPI 10 and 14	Promote localisation	Planned target achieved. See KPI 12	+1	Additional initiatives were undertaken to support localisation of goods and services
	Target achieved. See KPI 9,10, 11, 12, 13	Monitoring and unblocking of infrastructure projects	Planned target achieved. See KPI 13	+1	Demand for support and unblocking surpassed anticipation and projections
	Target achieved. See KPI 12	Enable economic assessments of 2 selected infrastructure projects valued at over R100 million	Planned target achieved. See KPI 10	+3	PICC meetings are scheduled on operational requirements and availability of PICC members
Strategic Objective 5: Promote productive investment, industrial financing and entrepreneurship for jobs and inclusive growth	Target achieved. See KPI 18	Strategic oversight to help support achievement of 90% of agreed industrial funding target	Planned target achieved. See KPI 15	-	-
	Target achieved. See KPI 15, 16,17	30% increase in industrial funding baseline (average) achieved	Planned target achieved. See KPI 13	+1	Demand for support and unblocking surpassed anticipation and projections

PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE

Strategic Objectives	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation From Planned Target To Actual Achievement For 2019/20	Comment On Deviations
Strategic Objective 6: Promote competition, trade and economic regulation in support of job creation, industrialisation and economic inclusion	Target achieved. See KPI 20	4 Reports on mergers and acquisitions, market inquiries or abuse of dominance	Planned target partially achieved. See KPI 16	-1	Resources re-directed to implementation of the recently proclaimed Competition Amendment Act clauses
	Target achieved. See KPI 20	2 Reports on trade policy supporting industrialisation and aligning with other sectoral interventions provided	Planned target partially achieved. See KPI 16	-1	Resources re-directed to implementation of the recently proclaimed Competition Amendment Act clauses
	Target achieved. See KPI 20	9 reports on oversight engagements and initiatives to improve capacity of Competition Authorities and ITA	Planned target partially achieved. See KPI 16	-1	Resources re-directed to implementation of the recently proclaimed Competition Amendment Act clauses

Audited actual achievements for 2016/17 to 2018/19

Performance Indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19
KPI 8: Number of quarterly Cabinet-level progress reports of infrastructure Strategic Integrated Projects (SIPs)	72	69	71 SIP Reports on the 18 SIP
KPI 9: Number of Cabinet and PICC strategic decisions on infrastructure implemented	5	4	5 Action minutes on: 1. VBS and Giyani Bulk Water Supply project 2. Construction Settlement Agreement (Malatjie SIU) 3. Presidential Infrastructure projects 4. PICC institutionalisation and Budget Facility for Infrastructure (BFI) 5. Tirisano Construction Fund Report

Performance Indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19
KPI 10: Number of PICC meetings held and facilitated	31	30	8 Record of meetings: PICC meetings held and facilitated 4 PICC Secretariat meetings 3 SIP Coordinator's Forums 1 Tirisano Trustees meeting
			6 Record of meetings: PICC meetings held and facilitated 2 SIP Coordinator's Forums 3 Tirisano Trustees meetings 1 Cabinet Lekgotla
			7 Record of meetings: PICC meetings held and facilitated: 1 PICC Head Briefings to Minister 3 SIP Coordinator's Forums 2 Tirisano Fund meetings 1 PICC presentation to National Treasury and World Bank Infrastructure
			9 Record of meetings: PICC meetings held and facilitated: 1 PICC Council meeting 3 SIP Coordinator's Forums 2 Tirisano Trustees meeting 1 Tirisano Fund meeting 1 Cabinet Lekgotla meeting 1 Meeting with the Minister for the Department of Water and Sanitation
KPI 11: Number of Coordination actions to drive implementation of SIP 5 of the National Infrastructure Plan	4	4	4 Record of coordination on: 1. Clanwilliam Dam 2. Clanwilliam Agreement 3. SIP 5 Steering Committee 4. Saldanha Bay IDZ and Transnet National Ports Authority (TNPA) Lease

Performance Indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19
KPI 12: Number of reports on initiatives to increase localisation in the infrastructure and industrialisation programmes, including through the PPPFA, and local supplier development	3	4	5 Reports on: 1. Royal Bafokeng project 2. Pedayahu Fly Ash project 3. Volvo localisation 4. Swazi Rail Link 5. AMSA/Highveld contract
KPI 13: Number of investment and infrastructure projects unblocked, fast-tracked, facilitated or assessments completed	24	24	8 Action minutes on: 1. Kuka Lion Ropeway 2. Zandvliet Waste Water Treatment Works (WWTW) Water Use License (WUL) 3. Sanral Infrastructure projects 4. Cape Town Water crisis 5. Dunnottar Rail Supplier Park 6. School Sanitation Infrastructure Reports 7. iThemba LABS – South African Isotopes Facility 8. Roggeveld Wind Farm 14 Action minutes on: 1. Da Gama Textiles 2. Leong Jin Specialty Steel 3. SA Calcium Carbide (Pty) Ltd 4. Brika South Africa 5. B Braun project 6. Sheraton Textiles Holdings (Pty) Ltd 7. Pavati Packaging and Advance Brushware 8. West African Group customs tariff 9. Onomo Hotels Liquor License 10. Afgri grain storage 11. Fix Liquids Production (Pty) Ltd 12. Afgri / Highveld Training facility 13. Chalk product 14. Three (3) Investment projects - Moses Indibano Auto - Limpopo Department of Health - Water Hygiene Convenience (Leak – less Valve) 1 Action minute on: 1. Ashton Langebaan

Performance Indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19
KPI 14: Number of reports produced on the level and impact of industrial finance by DFIs and government departments, including funding allocations on township enterprises	8	7	3 Reports on: 1. The assessment of Cooperative Financial Institutions (CFIs): A model for township enterprises 2. Khayelitsha and Sutherland 3. Promoting township enterprises and iconic sites: Cooperative banking and Vilakazi Street 4 Reports on: 1. Evaluative report on the performance of the IDC 2. Evaluative report on the performance of the IDC 3. Evaluative report on the performance of the IDC 4. Black Industrialists and Youth as well as the Quarterly Evaluative Report
KPI 15: Number of Ministerial or departmental oversight engagements with the IDC held	4	4	4 Record of engagements 1. Quarterly oversight report 2. Quarterly oversight report and IDC Annual Report 3. Quarterly oversight report and Strategic Planning Session 4. Quarterly oversight report, IDC Appointment and Deputy Minister in Ndlambe and Ministerial meeting IDC engagements

Performance Indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19
<p>KPI 16: Number of reports on work of economic regulators, covering</p> <ul style="list-style-type: none"> - Strategic initiatives to enhance performance and outcomes (including on industrialisation and employment); - Mergers and acquisitions; market inquiries; prohibited practices; - Implementation of new legislation, and - Ministerial/ departmental oversight engagements 	23	22	<p style="text-align: center;">5</p> <p>Action minutes on:</p> <ol style="list-style-type: none"> 1. Massmart SDF lessons 2. Settlement on Edcon and Agro 3. Competition Commission Bill enhancements to strengthen regulators 4. Competition Commission State of readiness 5. Competition Commission enhancements <p style="text-align: center;">5</p> <p>Reports on</p> <ol style="list-style-type: none"> 1. Mergers Heinz and Robertsons 2. Off the Shelf (OTS) and Chevron merger 3. Competition Commission changes to legislation technical work 4. Mergers on Ekapa and APL Cartons 5. Chevron and Glencore merger <p style="text-align: center;">4</p> <p>Action minutes on:</p> <ol style="list-style-type: none"> 1. Trade report of Botswana <ul style="list-style-type: none"> - Growth episodes responses - Retail import penetration 2. Trade report of Ethiopia and Nigeria 3. Extension of PPS and export tax 4. Review selected ITAC tools <hr/> <p style="text-align: center;">5</p> <p>Records of engagement:</p> <ol style="list-style-type: none"> 1. Quarterly oversight and Annual Reports 2. Quarterly oversight and Annual Reports 3. Quarterly oversight and ITAC members 4. ITAC Ministerial meeting 5. Competition Commission regulations state of readiness panel

PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE				
Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation From Planned Target To Actual Achievement 2019/20	Comments On Deviations
KPI 8: Number of quarterly Cabinet-level progress reports of infrastructure Strategic Integrated Projects (SIPs)	64 SIP Reports	72 SIP Reports on the 18 SIP	+8	PICC overachieved
KPI 9: Number of Cabinet and PICC strategic decisions on infrastructure implemented	4 Action minutes	6 1 Action minute on PICC strategic decision for assessment and verification of social infrastructure projects in construction 1 Action minute on Tirisano Construction Fund 1 Action minute on the Technical Evaluations of the Budget Facility for Infrastructure (BFI) window 3 applications 1 Action minute on Infrastructure Mobile Mapping Application Tool 1 Action minute on Technical Evaluations of the Tirisano Construction Fund Window 1 & 2 applications 1 Action minute on independent verification of funding requirements in the Eastern Cape Province	+2	Cabinet and PICC decisions that had to be implemented given their importance to the National Infrastructure Programme

PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE

Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation From Planned Target To Actual Achievement 2019/20	Comments On Deviations
KPI 10: Number of PICC meetings held and facilitated	30 7 Record of meetings Q1	33 4 3 SIP Coordinator's Forums 1 Tirisano Construction Fund Board of Trustees Meeting	-3	PICC meetings are scheduled based on operational requirements and the availability of PICC members
	8 Record of meetings Q2	8 2 Tirisano Trustees Meeting 3 SIP Coordinator's Forums 1 PICC Secretariat GIS Briefing 1 NC Extended executive Council Lekgotla 1 Infrastructure Delivery Management System & PICC Joint briefing	-	-
	7 Record of meetings Q3	10 2 SIP Coordinator's Forums 1 Tirisano meeting 1 SIP 1 Steercom 1 PICC SIP 3 Programme Committee 1 PICC meeting Office of the President 1 Meeting with PICC Secretariat, Minister De Lille 1 SIP2 Steercom 1 PICC secretariat meeting with DBSA 1 PICC Infrastructure Fund Meetings	+3	PICC meetings are scheduled based on operational requirements and the availability of PICC members

PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE

Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation From Planned Target To Actual Achievement 2019/20	Comments On Deviations
	8 Record of meetings Q4	11 3 Tirisano Trustees Meeting 2 SIP Coordinator's Forums 1 Meeting with PICC Secretariat and Presidency 1 SIP 3 Programme Technical Committee 1 Engagement with the President on Infrastructure 1 Meeting with Presidency , SOEs and Departments on SIDS 1 Meeting with Minister of Higher Education and Training for University of Fort Hare Water and Sanitation 1 SID Steering Committee meeting	+3	PICC meetings are scheduled based on operational requirements and the availability of PICC members
KPI 11: Number of Coordination actions to drive implementation of SIP 5 of the National Infrastructure Plan	4 Record of coordination	3 1 Record of Coordination on Site visit Crude Oil Storage Project • Record of Coordination on SIP 5 1 Record of coordination for the approval of Vaal Gamagara variation order	-1	Due to NMOG process, PICC was moving to DPW&I, including finalisation of appointment of PICC Ministers. This interrupted work

PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE

Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation From Planned Target To Actual Achievement 2019/20	Comments On Deviations
KPI 12: Number of reports on initiatives to increase localisation in the infrastructure and industrialisation programmes, including through the PPPFA, and local supplier development	4 Reports	5 1 Report on securing and increasing localisation of steel to AMSA 1 Report on the IDC framework 1 Report on Green Ship Recycling Facility(GSRF) 1 Report on Evergreen Latex 1 Report on Sasol/Sanitouch Ethanol Production	+1	Additional initiatives were undertaken to support localisation of goods and service
KPI 13: Number of investment and infrastructure projects unblocked, fast-tracked, facilitated or assessments completed	23 Action minutes	24 1 Action Minute on Water challenges at Gold Chicken in Lekwa Municipality 1 Action Minute on stopping of eviction of tenants from Kwa Thema Business Park several months 1 Action Minute on facilitation of access to market for water tanks into Massmart 1 Action Minute on facilitation of a request for extension of existing safeguards duty on certain Flat Hot Rolled Steel products	+1	Demand for support and unblocking surpassed anticipation and projections

PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE

Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation From Planned Target To Actual Achievement 2019/20	Comments On Deviations
		<p>1 Action Minute on unblocking of Dube Trade Port application</p> <p>1 Action minute on the unblocking of construction stoppage at Tlholo Primary School in the Free State Province</p> <p>1 Action Minute on unblocking of market access challenges</p> <p>1 Action Minute on facilitation of an application for an increase in the General Rate of Customs Duty on Tinplate</p> <p>1 Action Minute on fast tracking of the Transnet National Port Authority Tender</p> <p>1 Action Minute on facilitation of market for Ferro manganese and preventing possible closure of the smelter plant in Meyerton</p> <p>1 Action Minute on land use</p> <p>1 Action Minute on Arbeidsgenot Primary School relocation land</p> <p>1 Action Minute on Zimbenzwini School</p>		

PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE

Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation From Planned Target To Actual Achievement 2019/20	Comments On Deviations
		<p>1 Action Minute on N3 – Lynnfield to Ashburton appeal</p> <p>1 Action Minute on the unblocking of electrical connection at Kestell Boreholes project in Kestell, Maluti-A-Phofong Local Municipality</p> <p>1 Action Minute on the facilitation of market access for Rhodes Foods Group products into the US Walmart market</p> <p>1 Action Minute on the facilitation of market access for Glenmart products into the US Walmart stores</p> <p>1 Action Minute on the proposals for location and development of the New City</p> <p>1 Action Minute on the unblocking of the use of Vanadium Redox technology regarding battery storage by Bushveld Energy</p> <p>1 Action Minute on the unblocking and facilitation of manufacturing of Little Gardens contract</p> <p>1 Action Minute on the unblocking delays in adjusting the reduced sugar tariff</p>		

PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE

Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation From Planned Target To Actual Achievement 2019/20	Comments On Deviations
		<p>1 Action Minute on Mondi OHS Statutory Inspection delay</p> <p>1 Action Minute Facilitation of development of Shoniflex beauty products and establishment of its business through eGoil Bioincubator Trust</p> <p>1 Action Minute unblocking of approved funding from Employment Creation Fund (ECF) for job creation trust</p>		
<p>KPI 14: Number of reports produced on the level and impact of industrial finance by DFIs and government departments, including funding allocations on township enterprises</p>	<p>7 Reports</p>	<p>7</p> <p>1 Report with 2 elements:</p> <ul style="list-style-type: none"> • Quarter 1 Evaluative Report on Report on the performance of the IDC • Report on Impact DFI Industrial Funding Case Study: IDC steel funding initiative to support the downstream steel industry enterprises <p>1 Report on IDC Funding</p> <p>1 Report on Agro processing and Steel Fund</p> <p>1 Evaluation Report on the performance of the IDC Quarter 3</p>	<p>-</p>	<p>-</p>
		<p>1 Report on Economic Development Outcomes Report on the CCBSA Mintiroho Fund</p> <p>1 Report of IDC funding/ investment in Q4 2019/20</p> <p>1 Report on Funding Allocation for Youth Enterprises in Gauteng</p>		

PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE

Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation From Planned Target To Actual Achievement 2019/20	Comments On Deviations
<p>KPI 15: Number of Ministerial or departmental oversight engagements with the IDC held</p>	<p>4</p> <p>Record of Engagement</p>	<p>4</p> <p>1 Record of engagement with three elements:</p> <ul style="list-style-type: none"> • Record of engagement for the quarterly engagement with IDC held on the 7 May 2019 • IDC PFMA Compliance Report engagement for the period ending March 2019 • IDC/EDD Shareholders compact for 2019/20 <p>1 Record of Engagement with two elements:</p> <ul style="list-style-type: none"> • Record of engagement for the quarterly engagement with the IDC held on the 10 September 2019 • IDC PFMA Compliance Report engagement for the period ending 30 September 2019 <p>1 Record of Engagement on the Amendment to the Downstream Steel Industry Competitiveness Fund (DSICF) managed by the IDC</p> <p>1 Record of Engagement with two elements:</p> <ul style="list-style-type: none"> • PFMA quarterly Report of the IDC for the period ended 31 December 2019 • 4th March 2020: Quarterly engagement with IDC to consider the quarterly performance dashboard of the IDC and the Funds administered by IDC during the third quarter of the 2019/20 financial year 	<p>-</p>	<p>-</p>

PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE

Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation From Planned Target To Actual Achievement 2019/20	Comments On Deviations
<p>KPI 16: Number of reports on work of economic regulators, covering</p> <ul style="list-style-type: none"> - Strategic initiatives to enhance performance and outcomes (including on industrialisation and employment); - Mergers and acquisitions; market inquiries; prohibited practices; - Implementation of new legislation, and Ministerial/ Departmental oversight engagements 	<p>15 Reports</p>	<p>14</p> <p>1 Report with three elements:</p> <ul style="list-style-type: none"> • Analysis of 4th Quarterly Reports of the Competition Commission, Competition Tribunal and ITAC; • Quarterly meeting between entities and EDD; • Approval and tabling of entities 'Annual Performance Plans 2019/2020. <p>1 Report on New Holdco and Edgars consolidated stores limited</p> <p>1 Report on the extension of the policy directive on the Price Preference System for exportation of ferrous and non-ferrous waste and scrap metals</p> <p>1 Report on Quarterly Oversight</p> <p>1 Report on Mondi PLC/Mondi Ltd merger</p> <p>1 Report on Competition Amendment Act Proclamation</p> <p>1 Report with two elements:-</p> <ul style="list-style-type: none"> • Analysis of 2nd Quarterly Reports of the Competition Commission, Competition Tribunal and ITAC; • Quarterly meeting between entities and EDD 	<p>-1</p>	<p>Resources re-directed to implementation of the recently proclaimed Competition Amendment Act clauses</p>

PROGRAMME 3: INVESTMENT, COMPETITION AND TRADE

Performance Indicator	Planned Target 2019/20	Actual Achievement 2019/20	Deviation From Planned Target To Actual Achievement 2019/20	Comments On Deviations
		<p>1 Report on the promulgation of Government Notices regarding the COVID-19 pandemic</p> <p>1 Report on the Competition Commission, Competition Tribunal and ITAC 3rd Quarterly Reports Analysis and Quarterly entities meeting</p> <p>1 Report on the Simba (Pry) Ltd and Pioneer Food Group Limited (PepsiCo/Pioneer Group) merger</p> <p>1 Report on the AMSA / Highveld Steel merger</p> <p>1 Report on the Amendments to the Automotive Production Development Programme (APDP) post 2020</p> <p>1 Report on the PPS Extension/ Export Tax</p> <p>1 Report on the Price Discrimination & Buyer Power Regulations</p>		

(KPI's 9 to 23 changed from 2016/17 to 2017/18 and again in 2019/20. This was reported on extensively in the 2017/18 APP as well as on the 2019/20 APP).

Reasons for deviations are provided in the deviation column above.

Strategy to overcome areas of under performance

There was an overperformance for this programme for the year's target.

Changes to planned targets

There were no in-year changes to planned targets and indicators for the period under review. The EDD implemented its 2019/20 APP as tabled in Parliament.

Linking performance with budgets

Actual expenditure for **Programme 3** and its sub-programmes amounted to R852 836 000 or **99%** of the adjusted programme budget of R868 094 000 for the 2019/20 financial year. Spending in this programme is driven mainly by transfer payments to the Departmental entities and agencies.

Sub-programme expenditure

Sub- Programme Name	2019/20			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Development Investment, Industrial funding and Entrepreneurship	283 266	282 619	647	263 388	267 713	(4 325)
Competition, Trade and other Economic Regulation	447 252	445 627	1 625	425 836	425 531	305
Infrastructure Development Coordination	137 576	124 590	12 986	265 112	233 989	31 123
Total	868 094	852 836	15 258	954 336	927 233	27 103

5. TRANSFER PAYMENTS

5.1. TRANSFER PAYMENTS TO PUBLIC ENTITIES

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity R'000
Competition Commission	The Competition Commission is the investigative and enforcement arm of the Competition Act. It investigates mergers and/ or anti-competitive conduct and reflects its findings to the Competition Tribunal for a decision	295 438	295 438	<i>See Part A of this report</i>

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity R'000
Industrial Development Corporation – for sefa , the PICC and two Funds administered by the IDC.	<p>The Industrial Development Corporation is a national development finance institution with the objective of leading industrial capacity development. The corporation aligns its priorities with those identified in terms of government policies and programmes related to industrial development, including relevant elements of the NDP, the New Growth Path and the Industrial Policy Action Plan.</p> <p>Sefa- provides access to Small Medium and Micro Enterprises via Direct Lending and Intermediaries</p> <p>PICC- Through the PICC's secretariat, the Department provides support for the implementation of the national infrastructure plan and its 18 strategic integrated projects, which include the construction of power plants, schools, health care facilities, roads, ports, water pipelines and bus route systems</p> <p>Steel Development Fund- to finance initiatives, which directly address competitiveness issues</p> <p>Tirisano fund- contribute to the transformation of the construction industry through the development and promotion of construction firms owned and managed by black people</p>	397 703	R 303 062*	<i>See Part A of this report</i>

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity R'000
Competition Tribunal	The Competition Tribunal adjudicates on mergers and prohibited practice cases that involve anti-competitive outcomes achieved either through co-ordinated conduct between competing firms or through unilateral conduct by a dominant firm	36 172	36 172	<i>See Part A of this report</i>
International Trade and Administration Commission of South Africa	ITAC aims to create fair trade conditions that will boost South Africa's economic development and growth. ITAC comprises three core business units, namely Tariff Investigations, Trade Remedy Investigations and Import and Export Control	111 428	111 428	<i>See Part A of this report</i>
TOTAL		848 241	746 100	

Transfers to IDC include:

IDC Transfers	Amount transferred to the public entity	Amount spent by the public entity
SEFA	241 453 000	221 425 568,20
PICC	60 000 000	68 258 847,80*
Steel Development Fund	35 000 000	182 677,44
Tirisano Fund	61 250 000	13 195 154,12
Total	397 703 000	303 062 247,56

*PICC spent an additional R8 258 847,80 funded from the previous year's transfer which was not fully spent.

5.2. TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

Not applicable

6. CONDITIONAL GRANTS

6.1. CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

Not applicable

6.2. CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

Not applicable

7. DONOR FUNDS

7.1. DONOR FUNDS RECEIVED

Name of donor	Government of Flanders
Full amount of the funding	EU411 665 (R5 960 909) EDD contributed R4 870 410 in-kind towards the project
Period of the commitment	Three years
Purpose of the funding	To develop a Social Economy Policy for South Africa
Expected outputs	Green Paper and White Paper on the Social Economy for South Africa
Actual outputs achieved	- Provincial Consultations in all 9 provinces - No-Cost Extension Granted
Amount received in current period (R'000)	R2 098
Amount spent by the department (R'000)	R1 889
Reasons for the funds unspent	Of the R2 089 000 received from National Treasury, R1 888 761 was spent. This 9.5% underspend was due to savings realised for venues from partners, such as the provincial government, IDC and the International Labour Organisation (ILO) on the project, particularly during provincial consultation sessions
Monitoring mechanism by the donor	Progress reports are submitted to the donor and the National Treasury. The donor sits on the Project Steering Committee (PSC), along with National Treasury, which meets 4 times a year. The donor also interacts with the project as required between PSC meetings, as well as having an open invitation to the Intergovernmental Advisory (IGAC) as well as Expert Reference Panel (ERP) meetings which are held quarterly.

8. CAPITAL INVESTMENT

8.1. CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

The EDD was housed within **the dti** campus and largely sourced office equipment as part of the Public Private Partnership arrangement between **the dti** and the private partners. The Department conducted quarterly assets verifications to ensure that all assets were accounted for and were registered.

Following the decision to merge EDD and **the dti**, the Department consciously halted its capital investment plan which included migrating to Microsoft. This was done to avoid major capital investments which might not be aligned with the ICT strategy of the new department to be formed. EDD commenced the 2019/20 financial year with movable tangible capital assets (including transport assets, computer equipment, furniture and office equipment, and other machinery) of R13.6 million and software worth R4.4 million. Assets worth R102 thousand were added during the financial year; whilst R949 thousand worth of assets were disposed in the current financial year. The EDD conducted quarterly asset verifications and compiled a disclosure note that reconciled to additions on the trial balance.



PART C: GOVERNANCE



1. INTRODUCTION

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

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

2. RISK MANAGEMENT

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

The Annual Strategic Risk Assessment conducted by EXCO identified risks threatening the achievement of the Department's strategic objectives as well as new and emerging risks impacting on organisational performance. In this respect, the Strategic Risk register for 2019/20, the Risk and Fraud registers were developed and approved. Key risks associated with the merger of EDD with **the dti** were incorporated in operational registers. Furthermore, merger associated risks and challenges addressed by the Department were reported through NMOG work streams.

EDD operated without a Chief Risk Officer during the year under review. As a result of the capacity deficit, EDD worked closely with **the dti** Office of the Chief Risk Officer wherein the EDD risk management governance structures were integrated with **the dti**. This culminated in the disestablishment of the EDD Risk Management Committee. EDD however continued to report, through the Accounting Officer, to the EDD Audit Committee.

The Department's Audit Committee performed an oversight role regarding risk management processes and systems, and independently monitored the effective implementation of the risk management processes and systems by management.

The maturity levels of risk management gradually improved in the Department with noticeable progress in the achievement of APP targets and key performance indicators.

3. FRAUD AND CORRUPTION

In the period under review, the Department continued to monitor adherence to and implementation of the approved Fraud Prevention Strategy and Plan, as well as the related Fraud Prevention Policy and procedures. The Department's fraud risk registers were continuously monitored and progress was reported to Accounting Officer and Audit Committee.

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

The EDD Whistle Blowing Policy provided employees with significant information on procedures to be followed when making confidential disclosures or reporting incidents of suspected fraud and corruption. This was institutionalised through educational awareness creation campaigns implemented in the Department.

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

4. MINIMISING CONFLICT OF INTEREST

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

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

5. CODE OF CONDUCT

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

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

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

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

7. PORTFOLIO COMMITTEES

The EDD had a total of six (6) briefings with the Portfolio and Select Committees responsible for Economic Development Department

Presentations to the Portfolio Committee on Trade and Industry

Date	Purpose of Meeting
4 July 2019	Presentation to the Portfolio Committee on the Vote 25 (Economic Development Department) and Vote 34 (Trade and Industry) Annual Performance Plan 2019/20
8 October 2019	Briefing to the Portfolio Committee meeting on the 2018/19 Annual Report
16 October 2019	Briefing to the Portfolio Committee on the implementation of the Competition Amendment Act
12 November 2019	Presentation to the Portfolio Committee on the 2019/20 EDD Q2 report
3 March 2020	Briefing to the Portfolio Committee on Q3 2019/2020

Presentation to the Select Committee on Trade and Industry, Economic Development, Small Business Development, Tourism, Employment and Labour

Date	Purpose of Meeting
10 July 2019	Presentation to the Select Committee on the EDD Annual Performance Plan 2019/20

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

8. SCOPA RESOLUTIONS

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

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no prior audit modifications to audit reports.

The Department had an audit action plan called the “Audit Heat Map” which was intended to establish a road map for addressing audit findings. The established audit Heat Map tracked progress made on resolving the findings on a monthly basis. The rigorous review processes were reduced due to the clean audit obtained in the prior years with no findings.

The Department obtained a clean audit with no findings, therefore the audit heat map process was halted, however management continued to implement and monitor the controls in place to avoid a regression. All previous audit findings had been addressed by putting in place controls which were continuously monitored.

10. INTERNAL CONTROL UNIT

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

11. INTERNAL AUDIT AND AUDIT COMMITTEES

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

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

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

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

Name	Qualifications	Internal/ External	If Internal, Pos in the Dept.	Date Appointed	Date Resigned	No. of Meetings attended.
Mr. S. Simelane	<ul style="list-style-type: none"> MBA B.Com (Hons) B. Com (Accounting) 	External	N/A	03/03/14	-	4
Dr D.P. Van Der Nest	<ul style="list-style-type: none"> D. Tech (Internal Auditing) M. Com (Development Economics) B. Com Hons Economics Higher Education Diploma (H.E.D) B. Com (Accountancy) 	External	N/A	03/03/14	-	4
Ms A Malan	<ul style="list-style-type: none"> PhD on Tourism Management (To be completed) M. Com (Economics) Cum Laude B. Com (Hons) Economics and Computer Science Higher Education Diploma (H.E.D) B. Sc. With Economics Subjects 	External	N/A	01/07/16	30/06/19 Contract Expiry	1
Ms S. Makhathini	<ul style="list-style-type: none"> CA (SA) Post Grad Diploma in Accounting Science B. Compt (Hons) Accounting Science with Certificate of Theory in Accounting (CTA) B. Com Accounting 	External	N/A	17/05/17		4

The terms of some committee members were extended on 04 August 2020 until 31 March 2021 in anticipation of the merger of the Departments Economic Development and Trade & Industry on 1 April 2020.

12. AUDIT COMMITTEE REPORT

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

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

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

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.8 and 3.1.13. The Audit Committee also reports that it has appropriate terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein. The Audit Committee reports that, during the year, it was presented with regular quarterly management reports to enable them to:

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

For the financial year ended 31 March 2020, the Audit Committee was presented with the following information for review:

- All quarterly Financial Reports;
- Unaudited Annual Financial Statements before submission to the Auditor General South Africa (AGSA);
- The management letter of the AGSA related to the audit of the final 2019/20 Annual Financial Statements;
- The appropriateness of accounting policies, practises and potential changes;
- Compliance with relevant laws and regulations;
- The Annual Report and predetermined objectives prior to submission to the AGSA and final publication; and
- The plans, work and reports of Internal Audit and the AGSA. The Audit Committee also conducted several independent meetings with the assurance providers.

The quarterly reporting on Information Technology Governance and the capacity of the ICT unit, and the effectiveness of the system of Risk Management, including emerging risks required improvement.

THE EFFECTIVENESS OF INTERNAL CONTROL

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

The results of the internal and external audits indicated that controls have been operating as intended in certain areas, while in others attention should be given to strengthen, improve and monitor the controls. Examples of such areas include Fixed Assets, IT, Risk Management, Performance Information and Contract Management.

Where control weaknesses and other matters were reported, the Audit Committee has considered management's responses to address the matters and to facilitate corrective actions, improvements and monitoring the controls and procedures. Implementation of such corrective actions is monitored and reported on.

The Risk Management Committee monitors and oversees the control of risk identification throughout the department. Risk management was a standing agenda item in Audit Committee meetings.

INTERNAL AUDIT

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

AUDITOR GENERAL'S REPORT

We have reviewed the department's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been adequately resolved.

IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT

The department has been reporting monthly and quarterly to the Treasury as is required by the PFMA.

EVALUATION OF FINANCIAL STATEMENTS

We have reviewed the annual financial statements prepared by the Department. The Audit Committee had the opportunity to review the final annual financial statements before and after the AGSA review and discussed them with management. The Audit Committee noted the following:

- Assurance provided by management in terms financial status, fair representation, state of the control environment and quality assurance processes in relation to the audited annual financial statements;
- The accounting policies and practices applied are appropriate;
- We are satisfied that, based on accounting conventions; the financial statements reflect a well-run organisation; and
- Management takes comments by Internal Audit and AGSA seriously and is committed about taking the appropriate corrective action.

The Audit Committee wishes to congratulate the Management Team of EDD and the Director-General, especially those in the areas of finance, performance and internal audit services, on their continued commitment to the improvement of the internal control environment of EDD.

The Audit Committee has:

- Reviewed and discussed the audited financial statements to be included in the annual report with the AGSA and the Accounting Officer;
- Reviewed the AGSA management report and management's response thereto;
- Reviewed changes in the accounting policies and practices; and
- Reviewed the Department's compliance with legal and regulatory provisions.

CONCLUSION

The Audit Committee has evaluated the department's financial statements for the year ended 31 March 2020 and concluded that there were no material misstatements and concurs with and accepts the conclusion of the AGSA on the Annual Financial Statements.

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

A handwritten signature in black ink, appearing to read 'AS Simelane', is written over a horizontal line. The signature is stylized and cursive.

Mr AS Simelane

Chairperson of the Audit Committee

Economic Development Department

Date: 30 September 2020



PART D: HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

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

The EDD had a ratio of 54% women in Senior Management positions as at 31 March 2020 as compared to 46% men. Seven (7) interns were enrolled during the 2018/19 financial year on a two year Internship Programme and they were inducted accordingly. A Workplace Skills Plan was developed, submitted to PSETA, and is monitored on a monthly basis.

Five (5) HR Policies were reviewed / developed and were in the process of consultation. Furthermore, plans were developed which include, amongst others, the Employment Equity Plan and the Human Resource Development Plan. The Department will ensure the implementation thereof.

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

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. PERSONNEL RELATED EXPENDITURE

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2019 – 31 March 2020

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	81 432	38 794	284	10 141	47.6%	746
Growth Path and Social Dialogue	32 090	30 469	0	-	94.9%	1 219
Investment, Competition and Trade	852 836	11 119	0	86	1.3%	556
Total	966 358	80 382	284	10 227	8.3%	2 521

Table 3.1.2 Personnel costs by salary band for the period 1 April 2019 - 31 March 2020

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Skilled (Levels 3-5)	2 124	2.6%	8	266
Highly skilled production (Levels 6-8)	10 872	13.5%	29	375
Highly skilled supervision (Levels 9-12)	23 182	28.8%	32	724
Senior management (Levels 13-16)	44 204	55.0%	28	1 579
Total	80 382	100%	97	829

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 01 April 2019 – 31 March 2020

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	32 336	83.4%	280	0.7%	725	1.9%	1 063	2.7%
Growth Path and Social Dialogue	21 269	69.8%	0	0.0%	99	0.3%	545	1.8%
Investment, Competition and Trade	16 357	147.1%	0	0.0%	249	2.2%	349	3.1%
Total	69 962	87.0%	280	0.3%	1 073	1.3%	1 957	2.4%

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 01 April 2019 - 31 March 2020

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (Levels 3-5)	1 609	75.8%	68	3.2%	86	4.0%	166	7.8%
Highly skilled production (Levels 6-8)	8 532	78.5%	180	1.7%	387	3.6%	808	7.4%
Highly skilled supervision (Levels 9-12)	20 362	87.8%	32	0.1%	200	0.9%	341	1.5%
Senior management (Levels 13-16)	39 459	89.3%	0	0.0%	400	0.9%	642	1.5%
Total	69 962	87.0%	280	0.3%	1 073	1.3%	1 957	2.4%

3.2. Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2020

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	70	51	27%	1
Economic Policy Development	17	15	11.8%	3
Economic Planning and Coordination	25	19	24%	1
Socio Economic Development and Social Dialogue	9	7	22%	0
Total	121	92	23.9%	5

*the totals are excluding political office bearers

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2020

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Skilled(3-5)	9	7	22%	1
Highly skilled production (6-8)	29	26	10.3%	3
Highly skilled supervision (9-12)	40	32	20%	0
Senior management (13-16)	43	27	37.2%	1
Total	121	92	23.9%	5

NB: The Department had budget to fill posts in this financial year however due to the merger between EDD and the dti that was announced by the President in May 2019, the Department ceased to recruit. The EDD funded posts were increased to 121 before the merger.

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2020

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related	21	14	33.3%	0
Communication and Information Related	2	2	0	0
Economists	8	6	25%	0
Finance and Economics Related	5	5	0	0
Financial and Related Professionals	8	7	12.5%	0
Financial Clerks and Credit Controllers	3	3	0	0
Food Services Aids and Waiters	2	2	0	0
Head of Department / Chief Executive Officer	1	0	100%	0
Human Resources Clerks	5	5	0	0
Human Resources Related	3	3	0	0
Information Technology Related	2	2	0	0
Light Vehicle Drivers	2	1	50%	1
Logistical Support Personnel	5	5	0	0
Material-Recording and Transport Clerks	2	1	50%	0
Messengers Porters and Deliverers	1	1	0	0
Other Admin & Related Clerks and Organisers	5	5	0	3
Other Occupations	2	1	50%	0
Risk Management and Security Services	1	0	100%	0
Secretaries & Other Keyboard Operating Clerks	2	1	50%	0
Security Officers	1	1	0	0
Senior Managers	26	17	34.6%	1
Statisticians and Related Professionals	2	1	50%	0
Trade/ Industry Advisers & Other Related Professions	12	9	25%	0
Total	121	92	23.9%	5

NB: The Department had budget to fill posts in this financial year however due to the merger between EDD and the dti that was announced by the President in May 2019, the Department ceased to recruit. The EDD funded posts were increased to 121 before the merger.

3.3. Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2020

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0	1	100%
Salary Level 16	2	1	50%	1	50%
Salary Level 15	2	0	0	2	100%
Salary Level 14	16	11	75%	5	31%
Salary Level 13	22	15	68%	7	32%
Total	43	27	63%	16	37%

Table 3.3.2 SMS post information as on 30 September 2019

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0	1	100%
Salary Level 16	2	1	50%	1	50%
Salary Level 15	2	1	50%	1	50%
Salary Level 14	16	11	69%	5	32%
Salary Level 13	22	16	73%	6	27%
Total	43	29	67%	14	30%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2019 – 31 March 2020

SMS Level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months after becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	0	0	0
Total	0	0	0

The appointment of an SMS member was in Ministry therefore was done without complying with regulation 65 of the PSR, 2016.

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2019 - 31 March 2020

Reasons for vacancies not advertised within six months
While the organisational structure was being aligned to the future work of the Department, the President announced the merger between EDD and the dti in May 2019, and as a result the Department ceased to recruit.
Reasons for vacancies not filled within six months
While the organisational structure was being aligned to the future work of the Department, the President announced the merger between EDD and the dti in May 2019 and as a result the Department ceased to recruit.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 01 April 2019 – 31 March 2020

Disciplinary steps taken
None

3.4. Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 01 April 2019 – 31 March 2020

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Contract (Levels 3-5)	1	0	0	0	0	0	0
Contract (Levels 6-8)	2	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0	0
Contract (Band A)	0	0	0	0	0	0	0
Contract (Band B)	0	0	0	0	0	0	0
Contract (Band C)	0	0	0	0	0	0	0
Contract (Band D)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	8	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	27	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	40	0	0	0	0	0	0
Senior Management Service Band A	22	0	0	0	0	0	0
Senior Management Service Band B	16	0	0	0	0	0	0
Senior Management Service Band C	2	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
TOTAL	121	0	0	0	0	0	0

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 01 April 2019 – 31 March 2020

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 01 April 2019 – 31 March 2020

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept.
Messengers Porters and Deliverers	0	0	0		
Human Resources related	0	0	0		
Administrative	0	0	0		
Administrative	0	0	0		
Administrative	0	0	0		
Financial and related Professionals	0	0	0		
Total	0	0	0		0
Percentage of Total Employment	0	0	0	0	0

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 01 April 2019 – 31 March 2020

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

3.5. Employment Changes

Table 3.5.1 Annual turnover rates by salary band for the period 01 April 2019 – 31 March 2020

Salary band	Number of Employees at Beginning of Period-1 April 2019	Appointments and Transfers into the Department	Terminations and Transfers Out of the Department	Turnover Rate
Skilled (Levels 3-5)	6	1	0	0
Highly skilled production (Levels 6-8)	36	0	2	8%
Highly skilled supervision (Levels 9-12)	34	0	2	6%
Senior Management Service Band A	16	0	1	6%
Senior Management Service Band B	12	0	1	8%
Senior Management Service Band C	1	0	1	100%
Senior Management Service Band D	0	0	0	0
Contract (Levels 3-5)	3	0	0	0
Contract (Levels 6-8)	2	3	1	50%
Contract (Levels 9-12)	1	0	1	100%
Contract Senior Management Service Band A	1	1	2	200%
Contract Senior Management Service Band B	0	0	0	0
Contract Senior Management Service Band C	0	0	0	0
Contract Senior Management Service Band D	1	0	0	0
Total	103	5	11	11%

The total excluded persons appointed additional to the establishment.

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2019 – 31 March 2020

Critical Occupation	Number of Employees at the Beginning of Period - 1 April 2019	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Administrative related	19	3	5	26%
Finance and economics related	5	0	0	0
Financial and related professionals	7	0	0	0
Financial clerks and credit controllers	3	0	0	0
Food services aids and waiters	2	0	0	0
Head of Department/Chief Executive Officer	0	0	0	0
Human resources clerks	5	0	0	0
Human resources related	3	0	0	0
Information technology related	2	0	0	0
Legal related	0	0	0	0
Light vehicle drivers	2	1	0	0
Logistical support personnel	5	0	0	0
Material recording and transport clerks	2	0	0	0
Communication and Information Related	2	0	0	0
Other admin & related clerks and organisers	4	0	0	0
Risk management and security services	0	0	0	0
Secretaries & other keyboard operating clerks	2	0	1	50%
Security officers	1	0	0	0
Senior managers	20	1	4	20%
Statisticians and related professionals	1	0	0	0
Messenger services	1	0	0	0
Economist and other related professionals	6	0	0	0
Trade/industry advisors & other related profession	10	0	1	10%
Other Occupation	1	0	0	0
TOTAL	103	5	11	11%

Table 3.5.3 Reasons why staff left the Department for the period 1 April 2019 – 31 March 2020

Termination Type	Number	% of Total Terminations
Death	2	18%
Resignation	3	27%
Expiry of contract	4	36%
Dismissal – misconduct	1	9%
Retirement	0	0
Transfer to other Public Service Departments	1	9%
Total	11	100%
Total number of employees who left as a % of total employment		11.9%

Table 3.5.4 Promotions by critical occupation for the period 1 April 2019 – 31 March 2020

Occupation	Employees 1 April 2019	Promotions to Another Salary Level	Salary Level Promotions as a % of Employees by Occupation	Progressions to Another Notch Within a Salary Level	Notch Progression as a % of Employees by Occupation
Administrative related	19	0	0	11	58%
Finance and economics related	5	0	0	4	80%
Financial and related professionals	7	0	0	6	86%
Financial clerks and credit controllers	3	0	0	3	100%
Food services aids and waiters	2	0	0	2	100%
Head of department/chief executive officer	0	0	0	0	0
Human resources clerks	5	0	0	5	100%
Human resources related	3	0	0	3	100%
Information technology related	2	0	0	2	100%
Legal related	0	0	0	0	0
Light vehicle drivers	2	0	0	2	100%
Logistical support personnel	5	0	0	5	100%
Material recording and transport clerks	2	0	0	1	50%
Communication and Information Related	2	0	0	1	50%
Other admin & related clerks and organisers	4	0	0	4	100%
Other Occupations	1	0	0	0	0

Occupation	Employees 1 April 2019	Promotions to Another Salary Level	Salary Level Promotions as a % of Employees by Occupation	Progressions to Another Notch Within a Salary Level	Notch Progression as a % of Employees by Occupation
Risk management and security services	0	0	0	0	0
Secretaries & other keyboard operating clerks	2	0	0	0	0
Security officers	1	0	0	1	100%
Senior managers	20	0	0	16	80%
Statisticians and related professionals	1	0	0	1	100%
Messenger services	1	0	0	0	0
Economist and other related professionals	6	0	0	4	67%
Trade/industry advisors & other related profession	10	0	0	9	90%
TOTAL	103	0	0	80	78%

Table 3.5.5 Promotions by salary band for the period 01 April 2019 – 31 March 2020

Salary Band	Employees 1 April 2019	Promotions to Another Salary Level	Salary Bands Promotions as a % of Employees by Salary Level	Progressions to Another Notch Within a Salary Level	Notch Progression as a % of Employees by Salary Bands
Skilled (Levels 3-5)	6	0	0	7	117%
Highly skilled production (Levels 6-8)	26	0	0	22	85%
Highly skilled supervision (Levels 9-12)	34	0	0	27	79%
Senior Management (Level 13-16)	29	0	0	22	76%
Contract (Levels 3-5)	3	0	0	1	33%
Contract (Levels 6-8)	2	0	0	1	50%
Contract (Levels 9-12)	1	0	0	0	0
Contract (Levels 13-16)	2	0	0	0	0
Total	103	0	0	80	78%

*The total no of employees on salary levels 3-5=6 and the total no of progressions to another notch is 7. This is due to the fact that one (1) employee on this salary level, received an award from the Bargaining Council to re-instate him on a permanent basis. The Department holds the employee additional to the establishment while in a process to create a permanent post.

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 1 April 2019 – 31 March 2020

Occupational category	Male					Female					Total
	African	Coloured	Indian / Asian	Total Black	White	African	Coloured	Indian / Asian	Total blacks	White	
Legislators, senior officials and managers	5	0	2	7	0	8	0	0	8	2	17
Professionals	15	1	0	16	1	17	1	0	18	1	36
Technicians and associate professionals	3	0	0	3	0	15	1	1	17	0	20
Clerks	7	0	0	7	0	11	0	0	11	0	18
Plant and machine operators and assemblers	2	0	0	2	0	0	0	0	0	0	2
Labourers and related workers	1	0	0	1	0	2	0	0	2	0	3
Service shop and market sales workers	0	0	0	0	0	1	0	0	1	0	1
Total	33	1	2	36	1	54	2	1	57	3	97
Employees with disabilities	1	0	0	1	0	2	0	0	2	0	3

The total included employees appointed additional to the establishment.

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2020

Occupational band	Male					Female					Total
	African	Coloured	Indian / Asian	Total Black	White	African	Coloured	Indian / Asian	Total blacks	White	
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	8	1	1	10	1	12	0	0	12	3	26
Professionally qualified and experienced specialists and mid-management	10	0	0	10	0	12	1	1	14	0	24

Occupational band	Male					Female					Total
	African	Coloured	Indian / Asian	Total Black	White	African	Coloured	Indian / Asian	Total blacks	White	
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6	0	0	6	0	25	1	0	26	0	32
Semi-skilled and discretionary decision making	3	0	0	3	0	4	0	0	4	0	7
Contract (Top Management)	1	0	1	2	0	0	0	0	0	0	2
Contract (Senior Management)	0	0	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified and experienced specialists and mid-management)	0	0	0	0	0	0	0	0	0	0	0
Contract (Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents)	4	0	0	4	0	1	0	0	1	0	5
Contract (Semi-skilled and discretionary decision making)	1	0	0	1	0	0	0	0	0	0	1
Total	33	1	2	36	1	54	2	1	57	3	97

The total included employees appointed additional to the establishment.

Table 3.6.3 Recruitment for the period 11 April 2019 - 31 March 2020

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

Table 3.6.4 Promotions for the period 1 April 2019 - 31 March 2020

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

Table 3.6.5 Terminations for the period 1 April 2019 - 31 March 2020

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

Table 3.6.6 Disciplinary action for the period 1 April 2019 - 31 March 2020

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

Table 3.6.7 Skills development for the period 1 April 2019 - 31 March 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian / Asian	White	African	Coloured	Indian / Asian	White	
Legislators, senior officials and managers	0	0	0	0	2	0	0	0	2
Professionals	4	0	0	0	2	0	2	0	8
Technicians and associate professionals	2	0	0	0	7	0	0	0	9
Clerks	1	0	0	0	0	0	0	0	1
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0

Occupational category	Male				Female				Total
	African	Coloured	Indian / Asian	White	African	Coloured	Indian / Asian	White	
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	7	0	0	0	11	0	2	0	20
Employees with disabilities	0	0	0	0	1	0	0	0	1

*Eight (8) interns attended Intermediate Excel , Report Writing and Record Management. Out of the 8 Interns, one (1) attended Public Finance Management, BAS and Persal, one (1) attended BAS. These are not included in the categories above.

3.7. Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2019

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	0	0	
Salary Level 16	2	1	0	
Salary Level 15	2	0	0	0
Salary Level 14	16	11	10	91%
Salary Level 13	22	15	15	100%
Total	43	27	25	93%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2019

Reasons
ADG was appointed on a short-term contract.
Director: Social Dialogue - disciplinary action was taken against the Director

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 May 2019

Reasons
None

3.8. Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2019 - 31 March 2020

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee (R'000)
African					
Male	3	29	10%	31	10
Female	11	53	21%	146	13
Asian					
Male	0	2	0	0	0
Female	0	1	0	0	0
Coloured					
Male	0	1	0	0	0
Female	0	2	0	0	0
White					
Male	0	1	0	0	0
Female	0	3	0	0	0
Total	14	92	15%	177	13

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2019 - 31 March 2020

Salary band	Beneficiary Profile			Cost		Total Cost as a % of the Total Personnel Expenditure (R'000)
	Number of Beneficiaries	Number of Employees	% of total Within Salary Bands	Total Cost (R'000)	Average Cost per Employee	
Skilled (level 3-5)	4	7	57	29	7	0
Highly skilled production (level 6-8)	7	26	27	94	13	0
Highly skilled supervision (level 9-12)	3	32	9	54	18	0
Total	14	65	22	177	13	0

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2019 - 31 March 2020

Critical occupation	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of Total Within Occupation	Total Cost (R'000)	Average Cost per Employee
Administration related	3	14	21%	54	18
Communication and Information related	0	2	0	0	0
Economists	0	6	0	0	0
Financial and economics related	0	5	0	0	0
Financial and related profession	1	7	14%	17	17
Financial clerks and credit controllers	0	3	0	0	0
Food service aids and waiters	2	2	100%	12	6
Head of Department / Chief Executive Officer	0	0	0	0	0
Human resources clerk	0	5	0	0	0
Human resource related	0	3	0	0	0
Information Technology related	0	2	0	0	0
Light vehicle drivers	1	1	100%	8	8
Logistical support personnel	3	5	60%	42	14
Material recording and transport clerk	1	1	100%	8	8
Messenger porter and deliverers	1	1	100%	12	12
Other admin and related clerk and organisers	1	5	20%	12	12
Other occupations	0	1	0	0	0
Risk management and security services	0	0	0	0	0
Secretaries and other keyboard operating clerks	1	1	100%	12	12
Security officers	0	1	0	0	0
Senior managers	0	17	0	0	0
Statisticians and related professionals	0	1	0	0	0
Trade/ industry advisers and other related professions	0	9	0	0	0
Total	14	92	15%	177	13

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2019 - 31 March 2020

Salary Band	Beneficiary Profile			Cost		Total cost as a % of the total Personnel Expenditure
	Number of Beneficiaries	Number of Employees	% of Total Within Salary Bands	Total Cost (R'000)	Average Cost per Employee	
Band A	0	15	0	0	0	0
Band B	0	11	0	0	0	0
Band C	0	0	0	0	0	0
Band D	0	1	0	0	0	0
Total	0	27	0	0	0	0

3.9. Foreign Workers

Table 3.9.1 Foreign workers by salary band for the period 1 April 2019 – 31 March 2020

Salary band	1 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Senior Managers L13-16	3	75	3	75%	0	0
Highly skilled supervision (Lev. 9-12)	1	25	1	25%	0	0
Contract (level 13-16)	0	0	0	0	0	0
Total	4	100	4	100%	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2019 – 31 March 2020

Major Occupation	01 April 2019		31 January 2020		Change	
	Number	% Of Total	Number	% Of Total	Number	% Change
Senior Managers	3	75	3	75	0	0
Other professionals	1	25	1	25	0	0
Total	4	100	4	100	0	0

3.10. Leave Utilisation

Table 3.10.1 Sick leave for the period 1 January 2019 to 31 December 2019

Salary band	Total Days	% Days with Medical Certification	Number of Employees Using Sick Leave	% of Total Employees Using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total Number of Employees Using Sick Leave	Total Number of Days with Medical Certification
Skilled (levels 3-5)	83	92%	7	7%	12	76	98	71
Highly skilled production (levels 6-8)	327	71%	26	27%	13	493	98	266
Highly skilled supervision (levels 9 -12)	214	72%	30	31%	7	642	98	143
Top and Senior management (levels 13-16)	186	75%	23	23%	8	857	98	25
Contract (Levels 3-5)	48	40%	8	8%	6	17	98	25
Contract (Levels 6-8)	4	93%	2	2%	2	5	98	3
Contract (Levels 9-12)	0	0	0	0	0	0	0	0
Contracts (Level 13-16)	5	100%	2	2%	3	20	98	5
Total	867	75%	98	100%	9	2 110	98	646

Table 3.10.2 Disability leave (temporary and permanent) for the period 11 January 2019 to 31 December 2019

Salary Band	Total Days	% Days with Medical Certification	Number of Employees Using Disability Leave	% of Total Employees Using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total Number of Days With Medical Certification	Total Number of Employees Using Disability Leave
Highly skilled production (Levels 3-5)	0	0	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	40	0	1	0	40	3	40	1
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0	0	0	0	0
TOTAL	40	0	1	0	40	3	40	1

Table 3.10.3 Annual Leave for the period 1 January 2019 to 31 December 2019

Salary Band	Total Days Taken	Number of Employees Using Annual Leave	Average per Employee
Skilled Levels 3-5)	146	6	24
Highly skilled production (Levels 6-8)	565	24	24
Highly skilled supervision(Levels 9-12)	794	32	25
Senior management (Levels 13-16)	650	26	25
Contract (Level 3-5)	157	10	16
Contract (Level 6-8)	29	2	15
Contracts (Level 9-12)	0	0	0
Contracts (13-16)	19	2	10
Total	2360	102	23

Table 3.10.4 Capped leave for the period 01 January 2019 to 31 December 2019

Salary Band	Total Days of Capped Leave Taken	Number of Employees Using Capped Leave	Average Number of Days Taken per Employee	Average Capped Leave Per Employee as On 31 March 2018
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision(Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

Table 3.10.5 Leave pay-outs for the period 01 April 2019 – 31 March 2020

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R'000)
Leave pay-out for 2016/17 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2019/20	0	0	0
Current leave pay-out on termination of service for 2019/20	68481	4	17
TOTAL	68481	4	17

3.11. HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

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

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

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

Question	Yes	No	Details, If Yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	x		Opportunities for voluntary counselling and testing are created during wellness days and information sessions held in partnership with GEMS and ICAS.
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		GEMS Wellness Day reports & ICAS quarterly reports.

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2019 - 31 March 2020

Subject Matter	Date
None	
Total number of Collective agreements	None

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2019 - 31 March 2020

Outcomes Of Disciplinary Hearings	Number	% Of Total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	1	100%
Not guilty	0	0
Case withdrawn	0	0
Total	1	100%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2019 - 31 March 2020

Type of misconduct	Number	% of total
Various allegations of misconduct	1	100%
Total	1	100%

Table 3.12.4 Grievances logged for the period 1 April 2019 - 31 March 2020

Grievances	Number	% of Total
Number of grievances resolved	1	20%
Number of grievances not resolved	4	80%
Total number of grievances lodged	5	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2019 - 31 March 2020

Disputes	Number	% of Total
Number of disputes upheld	2	67%
Number of disputes dismissed	1	100%
Total number of disputes lodged	3	100%

Table 3.12.6 Strike actions for the period 1 April 2019 to 31 March 2020

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2019 - 31 March 2020

Number of people suspended	0
Number of people who's suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension(R'000)	R0

3.13. Skills Development

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

Table 3.13.1 Training needs identified for the period 1 April 2019 - 31 March 2020

Occupational Category	Gender	Number Of Employees As At 1 April 2019	Training Needs Identified At Start Of The Reporting Period			
			Learnerships	Skills Programmes & Other Short Courses	Other Forms Of Training	Total
Legislators, senior officials and managers	Female	11	-	12	-	12
	Male	8	-	13	-	13
Professionals	Female	19	-	28	-	28
	Male	18	-	22	-	22
Technicians and associate professionals	Female	21	-	31	-	31
	Male	4	-	7	-	7
Clerks	Female	11	-	6	-	6
	Male	5	-	0	-	0
Service and sales workers	Female	1	-	0	-	0
	Male	0	-	0	-	0
Skilled agriculture and fishery workers	Female	0	-	0	-	0
	Male	0	-	0	-	0
Craft and related trades workers	Female	0	-	0	-	0
	Male	0	-	0	-	0

Occupational Category	Gender	Number Of Employees As At 1 April 2019	Training Needs Identified At Start Of The Reporting Period			
			Learnerships	Skills Programmes & Other Short Courses	Other Forms Of Training	Total
Plant and machine operators and assemblers	Female	0	-	0	-	0
	Male	2	-	0	-	0
Labourers and related workers	Female	2	-	0	-	0
	Male	1	-	0	-	0
Sub Total	Female	65	-	0	-	0
	Male	38	-	0	-	0
Total		103	-	119	-	119

Table 3.13.2 Training provided for the period 1 April 2019 - 31 March 2020

Occupational Category	Gender	Number Of Employees As At 1 April 2018	Training Provided Within The Reporting Period			
			Learnerships	Skills Programmes & Other Short Courses	Other Forms Of Training	Total
Legislators, senior officials and managers	Female	11	-	2	-	2
	Male	8	-	0	-	0
Professionals	Female	19	-	4	-	4
	Male	18	-	4	-	4
Technicians and associate professionals	Female	21	-	8	-	8
	Male	4	-	2	-	2
Clerks	Female	11	-	0	-	0
	Male	5	-	1	-	1
Service and sales workers	Female	1	-	0	-	0
	Male	0	-	0	-	0
Skilled agriculture and fishery workers	Female	0	-	0	-	0
	Male	0	-	0	-	0
Craft and related trades workers	Female	0	-	0	-	0
	Male	0	-	0	-	0
Plant and machine operators and assemblers	Female	0	-	0	-	0
	Male	2	-	0	-	0
Labourers and related workers	Female	2	-	0	-	0
	Male	1	-	0	-	0
Sub Total	Female	65	-	0	-	0
	Male	38	-	0	-	0
Total		103	-	21	-	21

3.14. Injury on Duty

Table 3.14.1 Injury on duty for the period 01 April 2019 – 31 March 2020

Nature Of Injury On Duty	Number	% Of Total
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	0	0

3.15. Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2019 - 31 March 2020

Project Title	Total Number Of Consultants That Worked On Project	Duration Worked Days	Contract Value
n/a	n/a	0	0
Total			0

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 - 31 March 2020

Project Title	Percentage Ownership By HDI Groups	Percentage Management By HDI Groups	Number Of Consultants From HDI Groups That Work On The Project
n/a	n/a	n/a	n/a

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2019 - 31 March 2020

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

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 - 31 March 2020

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

3.16. Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2019 – 31 March 2020

Salary Band	Number Of Applications Received	Number Of Applications Referred To The MPSA	Number Of Applications Supported By MPSA	Number Of Packages Approved By Department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision(Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0



PART E: FINANCE INFORMATION



ANNUAL FINANCIAL STATEMENTS FOR ECONOMIC DEVELOPMENT DEPARTMENT

**For the year ended
31 March 2020**

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Report of the auditor-general to Parliament on vote no. 25: Economic Development Department

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Economic Development Department set out on pages 104 to 137, which comprise the appropriation statement, the statement of financial position as at 31 March 2020, the statement of financial performance, statement of changes in net assets, and cash flow statement and for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Economic Development Department as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by National Treasury (NT) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with sections 290 and 291 of the *Code of ethics for professional accountants* and parts 1 and 3 of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matter

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

Unaudited supplementary schedules

7. The supplementary information set out on pages 138 to 190 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

- 8.** The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by NT and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- 9.** In preparing the financial statements, the accounting officer is responsible for assessing the Economic Development Department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

Report on the audit of the annual performance report

Introduction and scope

- 13.** In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
- 14.** My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the department for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 2 – Growth path and social dialogue	29 – 35

16. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not identify any material findings on the usefulness and reliability of the reported performance information for programme 2 – Growth path and social dialogue

Other matter

18. I draw attention to the matter below.

Achievement of planned targets

19. Refer to the annual performance report on pages 21 to 59 for information on the achievement of planned targets for the year and explanations provided for the under and over achievement of a number of targets.

Report on the audit of compliance with legislation

Introduction and scope

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

Other information

22. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.
23. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
24. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
25. 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

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

Auditor - General

Pretoria

30 September 2020



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

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

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. ADMINISTRATION	85,164	-	-	85,164	81,432	3,732	95.6%	87,759	86,619
2. GROWTH PATH AND SOCIAL DIALOGUE	36,385	-	-	36,385	32,091	4,294	88.2%	30,502	30,158
3. INVESTMENT, COMPETITION AND TRADE	868,094	-	-	868,094	852,836	15,258	98.2%	954,336	927,233
Subtotal	989,643	-	-	989,643	966,359	23,284	97.6%	1,072,597	1,044,010

Reconciliation with statement of financial performance				
ADD				
Departmental receipts	61,667		146,755	
NRF Receipts	-		-	
Aid assistance	2,098		2,597	
Actual amounts per statement of financial performance (total revenue)	1,053,408		1,221,949	
ADD				
Aid assistance		1,888		538
Prior year unauthorised expenditure approved without fundingA		-		-
Actual amounts per statement of financial performance (total expenditure)		968,247		1,044,548

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Appropriation Per Economic Classification

2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	140,406	-	-	140,406	124,792	15,614	88.9%	134,106	131,990
Compensation of employees	95,943	-	-	95,943	83,312	12,631	86.8%	92,273	91,082
Salaries and wages	95,943	(573)	-	95,370	74,387	20,983	78.0%	83,003	81,455
Social contributions	-	573	-	573	8,925	(8,352)	1557.6%	9,270	9,627
Goods and services	44,463	-	-	44,463	41,480	2,983	93.3%	41,833	40,908
Administrative fees	376	(28)	-	348	287	61	82.5%	459	448
Advertising	1,312	(590)	-	722	299	423	41.4%	305	156
Minor assets	145	(109)	-	36	10	26	27.8%	49	45
Audit costs: External	3,640	(59)	-	3,581	2,720	861	76.0%	2,311	2,295
Bursaries: Employees	331	(288)	-	43	42	1	97.7%	51	45
Catering: Departmental activities	472	60	-	532	570	(38)	107.1%	207	274
Communication	1,955	58	-	2,013	1,992	21	99.0%	1,598	2,064
Computer services	941	55	-	996	931	65	93.5%	1,244	727
Consultants: Business and advisory services	2,552	(728)	-	1,824	1,506	318	82.6%	1,865	1,348
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	11,072	(2,300)	-	8,772	8,721	51	99.4%	6,042	6,015
Contractors	667	(209)	-	458	176	282	38.4%	317	192
Agency and support / outsourced services	252	-	-	252	-	252	-	-	-
Entertainment	26	(20)	-	6	-	6	-	-	-
Fleet services	760	317	-	1,077	1,099	(22)	102.0%	1,336	1,353
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	119	(13)	-	106	-	106	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Appropriation Per Economic Classification

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	8	-	-	8	-	8	-	8	-
Inventory: Medical supplies	4	-	-	4	-	4	-	4	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	186	(146)	-	40	28	12	70.0%	103	106
Consumable: Stationery, printing and office supplies	900	(381)	-	519	400	119	77.1%	792	824
Operating leases	11,122	4,517	-	15,639	15,626	13	99.9%	13,483	13,631
Property payments	49	(59)	-	(10)	-	(10)	-	-	-
Transport provided: Departmental activity	28	(28)	-	-	-	-	-	-	-
Travel and subsistence	6,349	(69)	-	6,280	6,004	276	95.6%	10,286	10,003
Training and development	243	46	-	289	284	5	98.3%	156	155
Operating payments	653	115	-	768	721	47	93.9%	1,132	1,140
Venues and facilities	174	(29)	-	145	64	81	44.1%	85	87
Rental and hiring	127	(112)	-	15	-	15	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Transfers and subsidies	848,491	-	-	848,491	840,821	7,670	99.1%	937,515	911,197
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Appropriation Per Economic Classification

2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	443,038	-	-	443,038	443,038	-	100.0%	423,458	423,458
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	443,038	-	-	443,038	443,038	-	100.0%	423,458	423,458
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	405,203	-	-	405,203	397,703	7,500	98.1%	513,837	487,484
Public corporations	405,203	-	-	405,203	397,703	7,500	98.1%	513,837	487,484
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	405,203	-	-	405,203	397,703	7,500	98.1%	513,837	487,484
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	250	-	-	250	80	170	32.0%	220	255
Social benefits	235	-	-	235	80	155	34.0%	210	250
Other transfers to households	15	-	-	15	-	15	-	10	5
	-	-	-	-	-	-	-	-	-
Payments for capital assets	746	-	-	746	746	-	100.0%	976	823
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	695	-	-	695	746	(51)	107.3%	976	823
Transport equipment	-	-	-	-	27	(27)	-	-	-

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Appropriation Per Economic Classification

2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other machinery and equipment	695	-	-	695	719	(24)	103.5%	976	823
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	51	-	-	51	-	51	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	989,643	-	-	989,643	966,359	23,284	97.6%	1,072,597	1,044,010

Programme 1: Administration

2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. MINISTRY	23,993	(4,996)	-	18,997	16,493	2,504	86.8%	29,198	27,052
2. OFFICE OF THE DIRECTOR GENERAL	11,782	400	-	12,182	12,085	97	99.2%	11,885	12,042
3. CORPORATE MANAGEMENT SERVICES	37,039	4,536	-	41,575	41,501	74	99.8%	36,138	36,601
FINANCIAL MANAGEMENT	12,350	60	-	12,410	11,353	1,057	91.5%	10,538	10,924
Total for sub programmes	85,164	-	-	85,164	81,432	3,732	95.6%	87,759	86,619
Economic classification									
Current payments	84,268	-	-	84,268	80,618	3,650	95.7%	86,728	85,781
Compensation of employees	44,315	-	-	44,315	41,724	2,591	94.2%	49,236	48,179
Salaries and wages	44,315	114	-	44,429	37,322	7,107	84.0%	44,205	43,135
Social contributions	-	(114)	-	(114)	4,402	(4,516)	(3861.4%)	5,031	5,044
Goods and services	39,953	-	-	39,953	38,894	1,059	97.3%	37,492	37,602

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 1: Administration

2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Administrative fees	292	(44)	-	248	230	18	92.7%	388	365
Advertising	754	(546)	-	208	207	1	99.5%	150	150
Minor assets	143	(107)	-	36	10	26	27.8%	49	44
Audit costs: External	3,640	(59)	-	3,581	2,720	861	76.0%	2,311	2,295
Bursaries: Employees	331	(288)	-	43	42	1	97.7%	51	45
Catering: Departmental activities	306	(34)	-	272	210	62	77.2%	113	159
Communication	1,682	(214)	-	1,468	1,461	7	99.5%	1,253	1,689
Computer services	545	389	-	934	931	3	99.7%	753	301
Consultants: Business and advisory services	1,836	(651)	-	1,185	1,420	(235)	119.8%	1,142	1,139
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	11,072	(2,300)	-	8,772	8,721	51	99.4%	6,042	6,015
Contractors	177	(43)	-	134	132	2	98.5%	180	174
Agency and support / outsourced services	252	-	-	252	-	252	-	-	-
Entertainment	15	(14)	-	1	-	1	-	-	-
Fleet services	752	302	-	1,054	1,081	(27)	102.6%	1,318	1,331
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	8	-	-	8	-	8	-	8	-
Inventory: Medical supplies	4	-	-	4	-	4	-	4	-

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 1: Administration

2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	137	(113)	-	24	24	-	100.0%	86	91
Consumable: Stationery, printing and office supplies	765	(379)	-	386	375	11	97.2%	779	794
Operating leases	11,122	4,517	-	15,639	15,626	13	99.9%	13,483	13,631
Property payments	40	(54)	-	(14)	-	(14)	-	-	-
Transport provided: Departmental activity	23	(23)	-	-	-	-	-	-	-
Travel and subsistence	5,332	(550)	-	4,782	4,774	8	99.8%	8,162	8,166
Training and development	240	46	-	286	284	2	99.3%	156	155
Operating payments	446	138	-	584	582	2	99.7%	1,022	1,017
Venues and facilities	25	41	-	66	64	2	97.0%	42	41
Rental and hiring	14	(14)	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
								-	-
Transfers and subsidies	150	-	-	150	68	82	45.3%	55	15
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 1: Administration

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	150	-	-	150	68	82	45.3%	55	15
Social benefits	135	-	-	135	68	67	50.4%	45	10
Other transfers to households	15	-	-	15	-	15	-	10	5
	-	-	-	-	-	-	-	-	-
Payments for capital assets	746	-	-	746	746	-	100.0%	976	823
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	695	-	-	695	746	(51)	107.3%	976	823
Transport equipment	-	-	-	-	27	(27)	-	-	-
Other machinery and equipment	695	-	-	695	719	(24)	103.5%	976	823
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 1: Administration

2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	51	-	-	51	-	51	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	85,164	-	-	85,164	81,432	3,732	95.6%	87,759	86,619

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

1.1 Ministry

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	23,928	(4,996)	-	18,932	16,398	2,534	86.6%	29,188	27,047
Compensation of employees	17,838	(5,062)	-	12,776	10,303	2,473	80.6%	18,732	16,434
Goods and services	6,090	66	-	6,156	6,095	61	99.0%	10,456	10,613
Interest and rent on land									
Transfers and subsidies	65	-	-	65	68	(3)	104.6%	10	5
Provinces and municipalities	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-		
Higher education institutions	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-		
Public corporations and private enterprises	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-		
Households	65	-	-	65	68	(3)	104.6%	10	5
Payments for capital assets	-	-	-	-	27	(27)	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-		
Machinery and equipment	-	-	-	-	27	(27)	-	-	-
Heritage assets	-	-	-	-	-	-	-		
Specialised military assets	-	-	-	-	-	-	-		
Biological assets	-	-	-	-	-	-	-		
Land and subsoil assets	-	-	-	-	-	-	-		
Intangible assets	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	-	-	-		
Total	23,993	(4,996)	-	18,997	16,493	2,504	86.8%	29,198	27,052

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

1.2 Office of the Director General

2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	11,782	400	-	12,182	12,085	97	99.2%	11,880	12,038
Compensation of employees	8,254	1,792	-	10,046	10,015	31	99.7%	10,086	10,271
Goods and services	3,528	(1,392)	-	2,136	2,070	66	96.9%	1,794	1,767
Interest and rent on land									
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	5	4
Buildings and other fixed structures									
Machinery and equipment	-	-	-	-	-	-	-	5	4
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	11,782	400	-	12,182	12,085	97	99.2%	11,885	12,042

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

1.3 Corporate Management Services

2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	37,024	4,536	-	41,560	41,501	59	99.9%	36,123	36,601
Compensation of employees	11,582	2,899	-	14,481	14,405	76	99.5%	14,181	14,642
Goods and services	25,442	1,637	-	27,079	27,096	(17)	100.1%	21,942	21,959
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	15	-	-	15	-	15	-	15	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	15	-	-	15	-	15	-	15	-
Payments for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	37,039	4,536	-	41,575	41,501	74	99.8%	36,138	36,601

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

1.4 Financial Management

2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	11,534	60	-	11,594	10,634	960	91.7%	9,537	10,095
Compensation of employees	6,641	371	-	7,012	7,001	11	99.8%	6,237	6,832
Goods and services	4,893	(311)	-	4,582	3,633	949	79.3%	3,300	3,263
Interest and rent on land									
Transfers and subsidies	70	-	-	70	-	70	-	30	10
Provinces and municipalities									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	70	-	-	70	-	70	-	30	10
Payments for capital assets	746	-	-	746	719	27	96.4%	971	819
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	695			695	719	(24)	103.5%	971	819
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	51			51		51	-	-	
Payments for financial assets									
Total	12,350	60	-	12,410	11,353	1,057	91.5%	10,538	10,924

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 2: Growth Path and Social Dialogue

2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. GROWTH PATH AND JOB DRIVERS	23,498	1,589	-	25,087	23,754	1,333	94.7%	21,131	22,220
2. SOCIAL DIALOGUE, PRODUCTIVITY AND INNOVATION	12,887	(1,589)	-	11,298	8,337	2,961	73.8%	9,371	7,938
Total for sub programmes	36,385	-	-	36,385	32,091	4,294	88.2%	30,502	30,158
Economic classification									
Current payments	36,335	-	-	36,335	32,079	4,256	88.3%	30,432	30,082
Compensation of employees	34,700	-	-	34,700	30,469	4,231	87.8%	28,893	28,569
Salaries and wages	34,700	(372)	-	34,328	27,255	7,073	79.4%	25,952	25,465
Social contributions	-	372	-	372	3,214	(2,842)	864.0%	2,941	3,104
Goods and services	1,635	-	-	1,635	1,610	25	98.5%	1,539	1,513
Administrative fees	32	12	-	44	42	2	95.5%	46	39
Advertising	24	(24)	-	-	-	-	-	-	-
Minor assets	2	(2)	-	-	-	-	-	-	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	108	44	-	152	251	(99)	165.1%	69	91
Communication	179	133	-	312	309	3	99.0%	223	250
Computer services	396	(334)	-	62	-	62	-	65	-
Consultants: Business and advisory services	22	(22)	-	-	-	-	-	-	-
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	104	(66)	-	38	37	1	97.4%	16	18
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	6	(6)	-	-	-	-	-	-	-

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 2: Growth Path and Social Dialogue

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services	4	10	-	14	12	2	85.7%	13	15
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	13	(13)	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	37	(33)	-	4	3	1	75.0%	14	12
Consumable: Stationery, printing and office supplies	29	(4)	-	25	24	1	96.0%	11	20
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	5	(5)	-	-	-	-	-	-	-
Transport provided: Departmental activity	5	(5)	-	-	-	-	-	-	-
Travel and subsistence	364	518	-	882	863	19	97.8%	989	965
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	106	(35)	-	71	69	2	97.2%	81	91
Venues and facilities	94	(70)	-	24	-	24	-	12	12
Rental and hiring	105	(98)	-	7	-	7	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 2: Growth Path and Social Dialogue

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	50	-	-	50	12	38	24.0%	70	76
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	50	-	-	50	12	38	24.0%	70	76
Social benefits	50	-	-	50	12	38	24.0%	70	76

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 2: Growth Path and Social Dialogue

2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	36,385	-	-	36,385	32,091	4,294	88.2%	30,502	30,158

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

2.1 Growth Path and Job Drivers									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	23,473	1,589	-	25,062	23,742	1,320	94.7%	21,106	22,211
Compensation of employees	22,421	1,349	-	23,770	22,478	1,292	94.6%	20,053	21,223
Goods and services	1,052	240	-	1,292	1,264	28	97.8%	1,053	988
Interest and rent on land									
Transfers and subsidies	25	-	-	25	12	13	48.0%	25	9
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	25	-	-	25	12	13	48.0%	25	9
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	23,498	1,589	-	25,087	23,754	1,333	94.7%	21,131	22,220

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

2.2 Social Dialogue, Productivity And Innovation

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	12,862	(1,589)	-	11,273	8,337	2,936	74.0%	9,326	7,871
Compensation of employees	12,279	(1,349)	-	10,930	7,991	2,939	73.1%	8,840	7,346
Goods and services	583	(240)	-	343	346	(3)	100.9%	486	525
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	25	-	-	25	-	25	-	45	67
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	12,887	(1,589)	-	11,298	8,337	2,961	73.8%	9,371	7,938

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 3: Investment, Competition and Trade

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. DEVELOPMENT INVESTMENT, INDUSTRIAL FUNDING AND ENTREPRENEURSHIP	281,005	2,260	-	283,265	282,619	646	99.8%	263,388	267,713
2. COMPETITION, TRADE AND OTHER ECONOMIC REGULATION	447,502	(250)	-	447,252	445,627	1,625	99.6%	425,836	425,531
3. INFRASTRUCTURE DEVELOPMENT COORDINATION	139,587	(2,010)	-	137,577	124,590	12,987	90.6%	265,112	233,989
Total for sub programmes	868,094	-	-	868,094	852,836	15,258	98.2%	954,336	927,233
Economic classification									
Current payments	19,803	-	-	19,803	12,095	7,708	61.1%	16,946	16,127
Compensation of employees	16,928	-	-	16,928	11,119	5,809	65.7%	14,144	14,334
Salaries and wages	16,928	(315)	-	16,613	9,810	6,803	59.1%	12,846	12,855
Social contributions	-	315	-	315	1,309	(994)	415.6%	1,298	1,479
Goods and services	2,875	-	-	2,875	976	1,899	33.9%	2,802	1,793
Administrative fees	52	4	-	56	15	41	26.8%	25	44
Advertising	534	(20)	-	514	92	422	17.9%	155	6
Minor assets	-	-	-	-	-	-	-	-	1
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	58	50	-	108	109	(1)	100.9%	25	24
Communication	94	139	-	233	222	11	95.3%	122	125
Computer services	-	-	-	-	-	-	-	426	426
Consultants: Business and advisory services	694	(55)	-	639	86	553	13.5%	723	209
Infrastructure and planning services	-	-	-	-	-	-	-	-	-

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 3: Investment, Competition and Trade

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	386	(100)	-	286	7	279	2.4%	121	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	5	-	-	5	-	5	-	-	-
Fleet services	4	5	-	9	6	3	66.7%	5	7
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	106	-	-	106	-	106	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	12	-	-	12	1	11	8.3%	3	3
Consumable: Stationery, printing and office supplies	106	2	-	108	1	107	0.9%	2	10
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	4	-	-	4	-	4	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	653	(37)	-	616	367	249	59.6%	1,135	872
Training and development	3	-	-	3	-	3	-	-	-

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 3: Investment, Competition and Trade

2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	101	12	-	113	70	43	61.9%	29	32
Venues and facilities	55	-	-	55	-	55	-	31	34
Rental and hiring	8	-	-	8	-	8	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	848,291	-	-	848,291	840,741	7,550	99.1%	937,390	911,106
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	443,038	-	-	443,038	443,038	-	100.0%	423,458	423,458
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	443,038	-	-	443,038	443,038	-	100.0%	423,458	423,458
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	405,203	-	-	405,203	397,703	7,500	98.1%	513,837	487,484
Public corporations	405,203	-	-	405,203	397,703	7,500	98.1%	513,837	487,484
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 3: Investment, Competition and Trade

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Private enterprises	405,203	-	-	405,203	397,703	7,500	98.1%	513,837	487,484
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	50	-	-	50	-	50	-	95	164
Other transfers to households	50	-	-	50	-	50	-	95	164
	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	868,094	-	-	868,094	852,836	15,258	98.2%	954,336	927,233

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

3.1 Development Investment, Industrial Funding and Entrepreneurship

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4,537	2,260	-	6,797	6,166	631	90.7%	4,551	8,876
Compensation of employees	4,299	2,076	-	6,375	5,779	596	90.7%	4,009	8,302
Goods and services	238	184	-	422	387	35	91.7%	542	574
Interest and rent on land									
Transfers and subsidies	276,468	-	-	276,468	276,453	15	100.0%	258,837	258,837
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	276,453			276,453	276,453	-	100.0%	258,837	258,837
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	15	-	-	15	-	15	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	15	-	-	15	-	15	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets									
Total	281,005	2,260	-	283,265	282,619	646	99.8%	263,388	267,713

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

3.2 Competition, Trade Other Economic Regulation

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4,449	(250)	-	4,199	2,589	1,610	61.7%	2,378	2,073
Compensation of employees	4,263	(101)	-	4,162	2,568	1,594	61.7%	2,361	2,030
Goods and services	186	(149)	-	37	21	16	56.8%	17	43
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	443,053	-	-	443,053	443,038	15	100.0%	423,458	423,458
Provinces and municipalities									
Departmental agencies and accounts	443,053	-	-	443,053	443,038	15	100.0%	423,458	423,458
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	15	-	-	15	-	15	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	15	-	-	15	-	15	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets									
Total	447,502	(250)	-	447,252	445,627	1,625	99.6%	425,836	425,531

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

3.3 Infrastructure Development Coordination

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	10,817	(2,010)	-	8,807	3,340	5,467	37.9%	10,017	5,178
Compensation of employees	8,366	(1,975)	-	6,391	2,772	3,619	43.4%	7,774	4,002
Goods and services	2,451	(35)	-	2,416	568	1,848	23.5%	2,243	1,176
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	128,770	-	-	128,770	121,250	7,520	94.2%	255,095	228,811
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	128,750			128,750	121,250	7,500	94.2%	255,000	228,647
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	20	-	-	20	-	20	-	95	164
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets									
Total	139,587	(2,010)	-	137,577	124,590	12,987	90.6%	265,112	233,989

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

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

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

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

2. Detail on payments for financial assets

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

3. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
ADMINISTRATION	85,164	81,432	3,732	4%
This is due to some resignations from staff and DM's salary being paid the dti's budget, as well as frozen posts.				
GROWTH PATH AND SOCIAL DIALOGUE	36,385	32,091	4,294	12%
This is due to some resignations from staff and frozen posts.				
INVESTMENT, COMPETITION AND TRADE	868,094	852,836	15,258	2%
This is due to non-payment by companies on Tirisano Construction fund and some resignations from staff as well as frozen posts				

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	95,943	83,312	12,631	13%
Goods and services	44,463	41,480	2,983	7%
Interest and rent on land	-	-	-	-
Transfers and subsidies				

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

APPROPRIATION STATEMENT
for the year ended 31 March 2020

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Provinces and municipalities	-	-	-	-
Departmental agencies and accounts	443,038	443,038	-	0%
Higher education institutions	-	-	-	-
Public corporations and private enterprises	405,203	397,703	7,500	2%
Foreign governments and international organisations	-	-	-	-
Non-profit institutions	-	-	-	-
Households	250	80	170	68%
Payments for capital assets				
Buildings and other fixed structures	-	-	-	-
Machinery and equipment	695	746	(51)	-7%
Heritage assets	-	-	-	-
Specialised military assets	-	-	-	-
Biological assets	-	-	-	-
Land and subsoil assets	-	-	-	-
Intangible assets	51	-	51	0%
Payments for financial assets				
This is due to non-payment by companies on Tirisano Construction fund and some resignations from staff as well as frozen posts.				

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2020

	Note	2019/20	2018/19
		R'000	R'000
REVENUE			
Annual appropriation	1	989,643	1,072,597
Statutory appropriation		-	-
Departmental revenue	2	61,667	146,755
NRF Receipts		-	-
Aid assistance	3	2,098	2,597
TOTAL REVENUE		1,053,408	1,221,949
EXPENDITURE			
Current expenditure			
Compensation of employees	4	83,313	91,080
Goods and services	5	41,479	40,909
Interest and rent on land		-	-
Aid assistance	3	1,888	538
Total current expenditure		126,680	132,527
Transfers and subsidies			
Transfers and subsidies	7	840,821	911,197
Aid assistance	3	-	-
Total transfers and subsidies		840,821	911,197
Expenditure for capital assets			
Tangible assets	8	746	824
Intangible assets	8	-	-
Total expenditure for capital assets		746	824
Unauthorised expenditure approved without funding			
Payments for financial assets			-
TOTAL EXPENDITURE		968,247	1,044,548
SURPLUS/(DEFICIT) FOR THE YEAR		85,161	177,401

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2020

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds		23,284	28,587
Annual appropriation		23,284	28,587
Conditional grants		-	-
Departmental revenue and NRF Receipts	14	61,667	146,755
Aid assistance	3	210	2,059
SURPLUS/(DEFICIT) FOR THE YEAR		85,161	177,401

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2020

	Note	2019/20	2018/19
		R'000	R'000
ASSETS			
Current assets		24,548	90,390
Unauthorised expenditure		-	-
Cash and cash equivalents	9	23,316	89,097
Other financial assets		-	-
Prepayments and advances	10	119	212
Receivables	11	1,113	1,081
Loans		-	-
Aid assistance prepayments		-	-
Aid assistance receivable		-	-
Non-current assets		1,392,969	1 392 969
Investments	12	1,392,969	1 392 969
Receivables		-	-
Loans		-	-
Other financial assets		-	-
TOTAL ASSETS		1,417,517	1,483,359
LIABILITIES			
Current liabilities		23,496	89,338
Voted funds to be surrendered to the Revenue Fund	13	23,284	28,587
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	2	2
Bank overdraft	15	-	-
Payables	16	-	58,690
Aid assistance repayable		210	2,059
Aid assistance unutilised	3	-	-
Non-current liabilities			
Payables		-	-
TOTAL LIABILITIES		23,496	89,338
NET ASSETS		1,394,021	1,394,021

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2020

Note	2019/20	2018/19
	R'000	R'000
Represented by:		
Capitalisation reserve	1,392,969	1 392 969
Recoverable revenue	1 052	1 052
Retained funds	-	-
Revaluation reserves	-	-
TOTAL	1 394 021	1 394 021

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2020

Note	2019/20	2018/19
	R'000	R'000
Capitalisation Reserves		
Opening balance	1,392,969	1 392 969
Transfers:		
Movement in Equity	-	-
Movement in Operational Funds	-	-
Other movements	-	-
Closing balance	<u>1,392,969</u>	<u>1 392 969</u>
Recoverable revenue		
Opening balance	1,052	-
Transfers:	-	1,052
Irrecoverable amounts written off	-	-
Debts revised	-	-
Debts recovered (included in departmental receipts)	-	-
Debts raised	-	1,052
Closing balance	<u>1,052</u>	<u>1,052</u>
Retained funds		
Opening balance	-	-
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)		
Utilised during the year	-	-
Other transfers	-	-
Closing balance	<u>-</u>	<u>-</u>
Revaluation Reserve		
Opening balance	-	-
Revaluation adjustment (Housing departments)		
Transfers	-	-
Other	-	-
Closing balance	<u>-</u>	<u>-</u>
TOTAL	<u><u>1 394 021</u></u>	<u><u>1 394 021</u></u>

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

CASH FLOW STATEMENTS
for the year ended 31 March 2020

	Note	2019/20	2018/19
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,053,408	1,171,949
Annual appropriated funds received	1	989,643	1,072,597
Statutory appropriated funds received		-	-
Departmental revenue received	2	61,297	96,293
Interest received	2	370	462
NRF Receipts		-	-
Aid assistance received	3	2,098	2,597
Net (increase)/decrease in working capital		(58,629)	(464,586)
Surrendered to Revenue Fund		(90,254)	(30,902)
Surrendered to RDP Fund/Donor		(2,059)	-
Current payments		(126,680)	(132,527)
Interest paid		-	-
Payments for financial assets		-	-
Transfers and subsidies paid		(840,821)	(911,197)
Net cash flow available from operating activities	17	(65,035)	(367,263)
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	50,000
Payments for capital assets	8	(746)	(824)
Proceeds from sale of capital assets		-	-
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
Net cash flows from investing activities		(746)	(49,176)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		-	1,052
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		-	1,052
Net increase/(decrease) in cash and cash equivalents		(65,781)	(317,035)
Cash and cash equivalents at beginning of period		89,097	406,132
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	18	23,316	89,097

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

Summary of significant accounting policies

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

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

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

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

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> · it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and · the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
8	<p>Expenditure</p>
8.1	<p>Compensation of employees</p>
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
8.4	<p>Leases</p>
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

<p>8.4.2</p>	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> · cost, being the fair value of the asset; or · the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
<p>9</p>	<p>Aid Assistance</p>
<p>9.1</p>	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
<p>9.2</p>	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
<p>10</p>	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
<p>11</p>	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p><Indicate when prepayments are expensed and under what circumstances.></p>
<p>12</p>	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
<p>13</p>	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
<p>14</p>	<p>Financial assets</p>
<p>14.1</p>	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>

14.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16	<p>Capital Assets</p>
16.1	<p>Immovable capital assets</p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
16.2	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.3	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

16.4	Project Costs: Work-in-progress <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
17	Provisions and Contingents
17.1	Provisions <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	Contingent liabilities <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	Contingent assets <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
17.4	Commitments <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
18	Unauthorised expenditure <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none">· approved by Parliament or the Provincial Legislature with funding and the related funds are received; or· approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or· transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

<p>19</p>	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<p>20</p>	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<p>21</p>	<p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
<p>22</p>	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
<p>23</p>	<p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
<p>24</p>	<p>Departures from the MCS requirements</p> <p><i>[Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.]</i></p>

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

1. Annual Appropriation

1.1. Annual Appropriation

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

	2019/20			2018/19	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	85,164	85,164	-	87,759	87,759
Growth path and social dialogue	36,385	36,385	-	30,502	30,502
Investment, competition and trade	868,094	868,094	-	954,336	954,336
Total	989,643	989,643	-	1,072,597	1,072,597

2. Departmental revenue

	Note	2019/20	2018/19
		R'000	R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	28	32
Fines, penalties and forfeits	2.2	61,250	96,247
Interest, dividends and rent on land	2.3	370	50,462
Sales of capital assets		-	-
Transactions in financial assets and liabilities	2.4	19	14
Transfer received		-	-
Total revenue collected		61,667	146,755
Less: Own revenue included in appropriation			-
Departmental revenue collected		61,667	146,755

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

2.1. Sales of goods and services other than capital assets

	Note	2019/20	2018/19
	2	R'000	R'000
Sales of goods and services produced by the department		28	32
Sales by market establishment		12	15
Administrative fees		-	-
Other sales		16	17
Sales of scrap, waste and other used current goods		-	-
Total		28	32

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

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

2.2. Fines, penalties and forfeits

	Note	2019/20	2018/19
	2	R'000	R'000
Fines		-	-
Penalties		61,250	96,247
Forfeits		-	-
Total		61,250	96,247

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

2.3. Interest, dividends and rent on land

	Note	2019/20	2018/19
	2	R'000	R'000
Interest		370	462
Dividends		-	50,000
Rent on land		-	-
Total		370	50,462

*Dividends are usually received from IDC, a wholly owned subsidiary of EDD as part of investment and transferred to the National Revenue Fund via EDD. No dividends were declared by the IDC board in this financial year.

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

2.4. Transactions in financial assets and liabilities

	Note	2019/20	2018/19
	2	R'000	R'000
Loans and advances		-	-
Receivables		-	-
Forex gain		-	-
Stale cheques written back		-	-
Other Receipts including Recoverable Revenue		19	14
Gains on GFECRA		-	-
Total		19	14

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

Name of entity	2019/20		
	Amount received	Amount paid to the revenue fund	Balance
	R'000	R'000	R'000
<i>Competition Commission</i>	209,625	209,625	-
Total	209,625	209,625	-

Name of entity	2019/20		
	Amount received	Amount paid to the revenue fund	Balance
	R'000	R'000	R'000
Total	905,760	847,070	58,690

EDD no longer reports on penalties collected by the Competition Commission on behalf of the National Revenue Fund in line with the reporting requirement reflected in the Accounting Manual for Departments on Revenue issued by the Office of the Accountant General. During the current financial year R 209.6 million was received from Competition Commission for fines and penalties imposed by the Competition Tribunal which is not recognised as Departmental Revenue. The R 209.6 million was paid to the National Revenue Fund by year end. Similarly for the 2018/19 financial year, EDD had disclosed R 905.8 million.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

3. Aid assistance

	Note	2019/20	2018/19
		R'000	R'000
Opening Balance		2,059	-
Prior period error			
As restated		2,059	-
Transferred from statement of financial performance		210	2,059
Transfers to or from retained funds		-	-
Paid during the year		(2,059)	-
Closing Balance		210	2,059

This relates to the funds received from the Flemish Government to develop a social economy policy for South Africa. An amount of R 2.1 million was received and R 1.9 million was utilised for this financial year.

3.1. Analysis of balance by source

	Note	2019/20	2018/19
		R'000	R'000
Aid assistance from RDP	3	210	2,059
Aid assistance from other sources		-	-
CARA		-	-
Closing balance		210	2,059

3.2. Analysis of balance

	Note	2019/20	2018/19
		R'000	R'000
Aid assistance receivable		-	-
Aid assistance prepayments (not expensed)		-	-
Aid assistance unutilised		-	-
Aid assistance repayable	3	210	2,059
Closing balance		210	2,059

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

3.3. Aid assistance expenditure per economic classification

	2019/20	2018/19
	R'000	R'000
Current	1,888	538
Capital	-	-
Transfers and subsidies	-	-
Total aid assistance expenditure	1,888	538

4. Compensation of employees

4.1. Salaries and Wages

	2019/20	2018/19
	R'000	R'000
Basic salary	56,238	61,910
Performance award	194	172
Service Based	452	10
Compensative/circumstantial	2,933	1,665
Periodic payments	-	-
Other non-pensionable allowances	14,570	17,697
Total	74,387	81,454

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

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

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

4.2. Social contributions

	2019/20	2018/19
	R'000	R'000
Employer contributions		
Pension	6,959	7,664
Medical	1,957	1,952
UIF	-	-
Bargaining council	10	10
Official unions and associations	-	-
Insurance	-	-
Total	8,926	9,626
Total compensation of employees	83,313	91,080
Average number of employees	97	105

97 excludes Minister and Deputy Minister

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

5. Goods and services

	Note	2019/20	2018/19
		R'000	R'000
Administrative fees		286	448
Advertising		299	157
Minor assets	5.1	10	44
Bursaries (employees)		42	45
Catering		568	227
Communication		1,994	1,675
Computer services	5.2	931	1,161
Consultants: Business and advisory services		1,506	1,349
Infrastructure and planning services		-	-
Laboratory services		-	-
Scientific and technological services		-	-
Legal services		8,720	6,015
Contractors		175	193
Agency and support / outsourced services		-	-
Entertainment		-	-
Audit cost – external	5.3	2,720	2,295
Fleet services		1,101	1,354
Inventory		-	-
Consumables	5.4	430	927
Housing		-	-
Operating leases		15,626	13,630
Property payments		-	-
Rental and hiring		-	-
Transport provided as part of the departmental activities		-	-
Travel and subsistence	5.5	6,004	10,006
Venues and facilities		63	88
Training and development		284	155
Other operating expenditure	5.6	720	1,140
Total		41,479	40,909

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

5.1. Minor assets

	Note	2019/20	2018/19
	5	R'000	R'000
Tangible assets		10	44
Buildings and other fixed structures		-	-
Biological assets		-	-
Heritage assets		-	-
Machinery and equipment		10	44
Transport assets		-	-
Specialised military assets		-	-
Intangible assets			
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total		10	44

5.2. Computer services

	Note	2019/20	2018/19
	5	R'000	R'000
SITA computer services		726	680
External computer service providers		205	481
Total		931	1,161

5.3. Audit cost – External

	Note	2019/20	2018/19
	5	R'000	R'000
Regularity audits		2,720	2,295
Performance audits		-	-
Investigations		-	-
Environmental audits		-	-
Computer audits		-	-
Total		2,720	2,295

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

5.4. Consumables

	Note	2019/20	2018/19
	5	R'000	R'000
Consumable supplies		29	105
Uniform and clothing		-	-
Household supplies		22	53
Building material and supplies		1	24
Communication accessories		-	-
IT consumables		2	24
Other consumables		4	4
Stationery, printing and office supplies		401	822
Total		430	927

5.5. Travel and subsistence

	Note	2019/20	2018/19
	5	R'000	R'000
Local		5,725	9,615
Foreign		279	391
Total		6,004	10,006

5.6. Other operating expenditure

	Note	2019/20	2018/19
	5	R'000	R'000
Professional bodies, membership and subscription fees		62	81
Resettlement costs		-	-
Other		658	1,059
Total		720	1,140

*Resettlement costs relate to relocation cost for new appointees.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

6. Payments for financial assets

	Note	2019/20	2018/19
		R'000	R'000
Material losses through criminal conduct			
Theft		-	-
Other material losses		-	-
Other material losses written off		-	-
Debts written off		-	-
Forex losses		-	-
Debt take overs		-	-
Total		-	-

6.1. Debts written off

	2019/20	2018/19
	R'000	R'000
Other debt written off	-	-
Total	-	-
Total debt written off	-	-

No debts were written off during the year

7. Transfers and subsidies

	Note	2019/20	2018/19
		R'000	R'000
Provinces and municipalities			
Departmental agencies and accounts	Annex 1B	443,038	423,458
Public corporations and private enterprises	Annex 1D	397,703	w 487,484
Households	Annex 1G	80	255
Total		840,821	911,197

All funds received were transferred to the entities accordingly, except to the Tirisano fund due to some companies filing for business rescue and others having financial difficulties, furthermore all entities utilised all funds transferred to them.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

8. Expenditure for capital assets

	Note	2019/20	2018/19
		R'000	R'000
Tangible assets		746	824
Buildings and other fixed structures		-	-
Heritage assets		-	-
Machinery and equipment	28	746	824
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Intangible assets		-	-
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total		746	824

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

8.1. Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	746		746
Buildings and other fixed structures	-	-	-
Heritage assets	-	-	-
Machinery and equipment	746	-	746
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets			
Software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	746	-	746

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

8.2. Analysis of funds utilised to acquire capital assets – 2018/19

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

8.3. Finance lease expenditure included in Expenditure for capital assets

Note	2019/20	2018/19
	R'000	R'000
Tangible assets		
Buildings and other fixed structures	-	-
Heritage assets	-	-
Machinery and equipment	644	714
Specialised military assets	-	-
Land and subsoil assets	-	-
Biological assets	-	-
Total	644	714

Finance lease consist of lease for cellphones and photocopy machines contracts

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

9. Cash and cash equivalents

	2019/20	2018/19
	R'000	R'000
Consolidated Paymaster General Account	(209,732)	(1,122)
Cash receipts	-	-
Disbursements	-	-
Cash on hand**	24	24
Investments (Domestic)***	233,024	90,195
Investments (Foreign)	-	-
Total	23,316	89,097

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

***Investments (Domestic) includes R 209.6 million received from Competition Commission, and paid to National Treasury.

10. Prepayments and advances

	Note	2019/20	2018/19
		R'000	R'000
Advances paid (Not expensed)	10	119	212
		-	-
Total		119	212

10.1. Advances paid (Not expensed)

Note	Balance as at 1 April 2019	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2020
10	R'000	R'000	R'000	R'000	R'000
National departments	212	(93)	-	-	119
Provincial departments	-	-	-	-	-
Public entities	-	-	-	-	-
Other entities	-	-	-	-	-
Total	212	(93)	-	-	119

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

10.2. Advances paid (Not expensed)

Note	Balance as at 1 April 2019	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2020
10	R'000	R'000	R'000	R'000	R'000
National departments	255	(43)	-	-	212
Provincial departments	-	-	-	-	-
Public entities	-	-	-	-	-
Other entities	-	-	-	-	-
Total	255	(43)	-	-	212

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

11. Receivables

Note	2019/20			2018/19		
	Current	Non-current	Total	Current	Non-current	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Recoverable expenditure	11.1	-	-	10	-	10
Staff debt	11.2	52	-	19	-	19
Fruitless and wasteful expenditure	11.3	1 052	-	1 052	-	1 052
Other receivables	11.4	9	-	-	-	-
Total		1 113	-	1 081	-	1 081

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

11.1. Recoverable expenditure (disallowance accounts)

	Note	2019/20	2018/19
	11	R'000	R'000
(Group major categories, but list material items)			
Excess for accident		-	5
Salary tax debt		-	5
Total		-	10

11.2. Staff debt

	Note	2019/20	2018/19
	11	R'000	R'000
(Group major categories, but list material items)			
Annual leave in excess (out of service)		7	-
Salary overpayment (out of services)		23	-
GG Accident		22	19
Total		52	19

Debt to the value of R19 thousand has been handed over to the State Attorney.

11.3. Fruitless and wasteful expenditure

	Note	2019/20	2018/19
	11	R'000	R'000
Opening balance		1,052	-
Less amounts recovered		-	-
Less amounts written off		-	-
Transfers from note 32 Fruitless and Wasteful Expenditure		-	1,052
Interest		-	-
Total		1,052	1,052

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

11.4. Other receivables

	Note	2019/20	2018/19
	11	R'000	R'000
Pension recoverable		8	-
Sal: Medical Aid: CL		1	-
Total		9	-

Funds not yet cleared by end of financial year.

12. Investments

	2019/20	2018/19
	R'000	R'000
Non-Current		
Shares and other equity		
(List investments at cost)	1 000	1 000
IDC A Share 1000 1000 at cost (100% shareholding)	-	-
IDC B Share 1 391 669 357 at cost (100% shareholding)		
	1 391 969	1 391 969
Total	1 392 969	1 392 969
Securities other than shares		
(List investments at cost)	-	-
Total	-	-
Total non-current	1 392 969	1 392 969

	2019/20	2018/19
	R'000	R'000
Analysis of non-current investments		
Opening balance	1 392 969	1 392 969
Additions in cash	-	-
Disposals for cash	-	-
Non-cash movements	-	-
Closing balance	1 392 969	1 392 969

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

13. Voted funds to be surrendered to the Revenue Fund

	Note	2019/20	2018/19
		R'000	R'000
Opening balance		28,587	(116,300)
Prior period error			
As restated		28,587	(116,300)
Transfer from statement of financial performance (as restated)		23,284	28,587
Add: Unauthorised expenditure for current year		-	-
Voted funds not requested/not received	1.1	-	-
Transferred to retained revenue to defray excess expenditure (PARLIAMENT/LEGISLATURES ONLY)		-	-
Paid during the year		(28,587)	116,300
Closing balance		23,284	28,587

The closing balance includes the Tirisano Construction Fund surplus of R7 500 million not transferred due to a company not making the expected payments by March 2020.

14. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2019/20	2018/19
		R'000	R'000
Opening balance		2	449
Prior period error			
As restated		2	449
Transfer from Statement of Financial Performance (as restated)		61,667	146,755
Own revenue included in appropriation		-	-
Transfer from aid assistance		-	-
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)		-	-
Paid during the year		(61,667)	(147,202)
Closing balance		2	2

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

16. Bank Overdraft

	2019/20	2018/19
	R'000	R'000
Consolidated Paymaster General Account	-	-
Fund requisition account	-	-
Overdraft with commercial banks (Local)	-	-
Overdraft with commercial banks (Foreign)	-	-
Total	-	-

The department did not have an overdraft

17. Payables – current

	Note	2019/20	2018/19
		R'000	R'000
Amounts owing to other entities		-	-
Advances received		-	-
Clearing accounts	16.1	-	-
Other payables	16.2	-	58,690
Total		-	58,690

17.1. Clearing accounts

	Note	2019/20	2018/19
		R'000	R'000
Description			
(Identify major categories, but list material amounts)		-	-
SARS (PAYE)		-	-
Government Employee Pension Fund (GEPF)		-	-
Total		-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

17.2. Other payables

	Note	2019/20	2018/19
	16	R'000	R'000
Description			
(Identify major categories, but list material amounts)			
CC - Penalties		-	58 690
Total		-	58 690

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

18. Net cash flow available from operating activities

	2019/20	2018/19
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	85,161	177,401
Add back non cash/cash movements not deemed operating activities	(150,196)	(544,664)
(Increase)/decrease in receivables	(32)	(1,062)
(Increase)/decrease in prepayments and advances	93	43
(Increase)/decrease in other current assets	-	-
Increase/(decrease) in payables – current	(58,690)	(463,567)
Proceeds from sale of capital assets	-	-
Proceeds from sale of investments	-	-
(Increase)/decrease in other financial assets	-	-
Expenditure on capital assets	746	824
Surrenders to Revenue Fund	(90,254)	(30,902)
Surrenders to RDP Fund/Donor	(2,059)	-
Voted funds not requested/not received	-	-
Own revenue included in appropriation	-	-
Other non-cash items	-	(50,000)
Net cash flow generated by operating activities	(65,035)	(367,263)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

19. Reconciliation of cash and cash equivalents for cash flow purposes

	2019/20	2018/19
	R'000	R'000
Consolidated Paymaster General account*	(209,732)	(1,122)
Fund requisition account	-	-
Cash receipts	-	-
Disbursements	-	-
Cash on hand**	24	24
Cash with commercial banks (Local)***	233,024	90,195
Cash with commercial banks (Foreign)	-	-
Total	23,316	89,097

* The PMG relates to outstanding payments

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

***Cash with commercial banks (local) includes R 209.6 million received from Competition Commission, and paid to National Treasury.

20. Contingent liabilities and contingent assets

20.1. Contingent liabilities

	Note	2019/20	2018/19
		R'000	R'000
Liable to	Nature		
Other guarantees	Annex 3A	170,301	147,125
Claims against the department			
Intergovernmental payables (unconfirmed balances)	Annex 5	-	-
Other		-	-
Total		170,301	147,125

21. Capital Commitments

	2019/20	2018/19
	R'000	R'000
	-	-
	-	-
	-	-
	-	-
	-	-

EDD does not have capital commitments

22. Accruals and payables not recognised

22.1. Accruals

Listed by economic classification	2019/20			2018/19
	R'000			R'000
	30 Days	30+ Days	Total	Total
Goods and services	3,758	690	4,448	1,959
Capital assets	63	-	63	191
Other*	-	-	-	84
Total	3,821	690	4,511	2,234

*Others relates to compensation of employees

	2019/20	2018/19
	R'000	R'000
Listed by programme level		
Programme 1: Administration		1,959
Programme 2: Growth path and Social dialogue	4,495	191
Programme 3: Investment, Competition and Trade	10	84
	6	
Total	4,511	2,234

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

22.2. Payables not recognised

Listed by economic classification	2019/20			2018/19
	R'000			R'000
	30 Days	30+ Days	Total	Total
Goods and services	-	-	-	2,233
Interest and rent on land				
Transfers and subsidies				
Capital assets				
Other				
Total	-	-	-	2,233

Listed by programme level	2019/20	2018/19
	R'000	R'000
Programme 1: Administration	-	2,033
Programme 2: Growth path and Social dialogue	-	176
Programme 3: Investment, Competition and Trade	-	24
Total	-	2,233

Included in the above totals are the following:	Note	2019/20	2018/19
		R'000	R'000
Confirmed balances with other departments	Annex 5	-	1,206
Confirmed balances with other government entities	Annex 5	-	-
Total		-	1,206

23. Employee benefits

	2019/20	2018/19
	R'000	R'000
Leave entitlement*	2,323	2,247
Service bonus	1,584	1,690
Performance awards**	720	1,362
Capped leave commitments	555	654
Other		-
Total	5,182	5,953

*Leave entitlement include negative values to the value of R 122 thousand, this is due to an over – grant of leave taken as employees are given full leave credits in January of each year while the information in the financial statements is based on the leave accruals as at 31 March 2020.

**Performance award has been calculated on 0.75% of the budgeted compensation of employees.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

24. Lease commitments

24.1. Operating leases

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	13,192	-	13,192
Later than 1 year and not later than 5 years	-	-	29,659	-	29,659
Later than five years	-	-	-	-	-
Total lease commitments	-	-	42,851	-	42,851

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

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

24.2. Finance leases

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1,138	1,138
Later than 1 year and not later than 5 years	-	-	-	228	228
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	1,366	1,366

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

Finance lease consists of lease for cellphones and photocopy machines contracts

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

25. Irregular expenditure

25.1. Reconciliation of irregular expenditure

	2019/20	2018/19
	R'000	R'000
Opening balance	214	559
Prior period error		-
As restated	214	559
Add: Irregular expenditure – relating to prior year	-	-
Add: Irregular expenditure – relating to current year	-	49
Less: Prior year amounts condoned	-	(394)
Less: Current year amounts condoned	-	-
Less: Amounts not condoned and recoverable	-	-
Less: Amounts not condoned and not recoverable	-	-
Closing balance	214	214
Analysis of awaiting condonation per age classification		
Current year	-	49
Prior years	214	165
Total	214	214

25.2. Details of irregular expenditure – added current year (relating to current and prior years)

Incident	Disciplinary steps taken/criminal proceedings	2019/20
		R'000
		-
Total		-

No irregular expenditure was identified in the current year

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

25.3. Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2019/20
		R'000
		-
		-
Total		-

No irregular expenditure was condoned during the period under review

25.4. Details of irregular expenditure recoverable (not condoned)

Incident	2019/20
	R'000
	-
	-
Total	-

25.5. Details of irregular expenditure removed - not recoverable (not condoned)

Incident	2019/20
	R'000
	-
	-
Total	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

Incident	2019/20
	R'000
	-
Total	-

26. Fruitless and wasteful expenditure**26.1. Reconciliation of fruitless and wasteful expenditure**

	Note	2019/20	2018/19
		R'000	R'000
Opening balance		51	50
Prior period error			
As restated		51	50
Fruitless and wasteful expenditure – relating to prior year			1 052
Fruitless and wasteful expenditure – relating to current year		-	1
Less: Amounts resolved			
Less: Amounts transferred to receivables for recovery	11.3	-	(1 052)
Closing balance		51	51

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

27. Related party transactions

Revenue received	2019/20	2018/19
	R'000	R'000
Interest, dividends and rent on land	-	50 000
Total	-	50 000
Other		
Guarantees issued/received	170,301	147,125
Total	170,301	147,125

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

List of related party relationship

EDD had oversight responsibility over the following public and trading entities

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

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

28. Key management personnel

	No. of Individuals	2019/20	2018/19
		R'000	R'000
Political office bearers*	2	2,927	4,379
Officials:			
Level 15 to 16	4	6,127	7,343
Level 14	13	13,053	17,093
Family members of key management personnel			
Total		22,107	28,815

**Political office bearers consist of:*

- Minister E Patel*
- Deputy Minister B Masuku*

29. Non-adjusting events after reporting date

	2019/20
	R'000
	-
Total	-

The department was impacted by the macro organisation of government. Economic Development Department and the Department of Trade and Industry opted for the merger between the two departments to be effective from 1 April 2020. As the merger took place after year end, there is no additional disclosure requirements for the primary financial information.

30. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	13,624	-	102	949	12,777
Transport assets	3,533	-	-	-	3,533
Computer equipment	6,104	-	-	814	5,290
Furniture and office equipment	2,145	-	75	135	2,085
Other machinery and equipment	1,842	-	27	-	1,869
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	13,624	-	102	949	12,777

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

Movable Tangible Capital Assets under investigation

	Number	Value
		R'000

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

Heritage assets

Machinery and equipment

26

511

Specialised military assets

Biological assets

30.1. Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash*	Non-cash**	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets					-
MACHINERY AND EQUIPMENT	746	-	(644)	-	102
Transport assets					-
Computer equipment				-	-
Furniture and office equipment	75				75
Other machinery and equipment	671		(644)		27
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets					-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets					-
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	746	-	(644)	-	102

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

30.2. Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	-	949	949	-
Transport assets	-	-	-	-
Computer equipment	-	814	814	-
Furniture and office equipment	-	135	135	-
Other machinery and equipment	-	-	-	-
SPECIALISED MILITARY ASSETS	-	-	-	-
Specialised military assets	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-
Biological assets	-	-	-	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	949	949	-

30.3. Movement for 2018/19

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

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

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

30.4. Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2020

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	950	-	950
Value adjustments	-	-	-	5	-	5
Additions	-	-	-	13	-	13
Disposals	-	-	-	70	-	70
TOTAL MINOR ASSETS	-	-	-	898	-	898

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	8	-	8
Number of minor assets at cost	-	-	-	500	-	500
TOTAL NUMBER OF MINOR ASSETS	-	-	-	508	-	508

Minor Capital Assets under investigation

	Number	Value
		R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		-
Specialised military assets		-
Intangible assets		-
Heritage assets		-
Machinery and equipment	50	71
Biological assets		

ECONOMIC DEVELOPMENT DEPARTMENT VOTE 25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	912	-	912

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	539	-	539
TOTAL NUMBER OF MINOR ASSETS	-	-	-	539	-	539

30.5. Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2020

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Assets written off	-	-	-	945	-	945
TOTAL MOVABLE ASSETS WRITTEN OFF				945		945

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

31. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

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

31.1. Movement for 2018/19

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

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

32. Prior period errors

32.1. Correction of prior period errors

Note	Amount before error correction	Prior period error	Restated Amount
	2018/19	2018/19	2018/19
	R'000	R'000	R'000
Net effect	-	-	-

No prior period errors were identified

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2018/19 Final Appropriation R'000
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Competition Commission	295,438	-	-	295,438	295,438	100%	281,788
Competition Tribunal	36,172	-	-	36,172	36,172	100%	35,086
International Trade Admin Commission	111,428	-	-	111,428	111,428	100%	106,584
TOTAL	443,038	-	-	443,038	443,038	-	423,458

ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION						EXPENDITURE	
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Available funds Transferred %	Capital R'000	Current R'000
Public Corporations								
Transfers								
Industrial Development Corporation	405,203			405,203	397,703	98.1%		487,484
	405,203	-	-	405,203	397,703	98.1%	-	487,484
Subsidies								
Total								
Private Enterprises								
Transfers								
Subsidies								
Total	405,203			405,203	397,703	98.1%		487,484
TOTAL	405,203			405,203	397,703	98.1%		487,484

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				TRANSFER		2018/19
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Employee Social Benefits	250	-	-	250	80	32%	255
	250	-	-	250	80	32%	255
Subsidies							
TOTAL	250	-	-	250	80	32%	255

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20	2018/19
		R'000	R'000
Received in cash		-	-
Subtotal		-	-
Received in kind			
2019/2020			
Malawian Consulate Office	1 100ml Hot sauce and 2 80g Pockets of Mzuzu Coffee		
2018/2019			
Waltons Stationers	Smallnote book and 2 Black pens		
Business Day	Cup, Pen and Note book		
Tiso Blackstar Group	Pen, Diary and Mug		
Joel Transport	6 Wall calenders, 6 Pens, 4 Rulers and 1 Diary		
High Commissioner of Pakistan	1 Bottle of non-alcoholic wine and 1 Box of chocolates		
XL Nexus Travel	6 Wall clock watches, 9 Candle holders and 7 Set of shopping bags		
Waltons Stationers	3 Calenders, 1 Ruler and 1 Executive note pad with 2 Black pens		
Shumba Inc	4 Diaries and 4 Desk calenders		
Subtotal		-	-
TOTAL		-	-

ANNEXURE 11

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDI-TURE R'000	PAID BACK ON/BY 31 MARCH R'000	CLOSING BALANCE R'000
Received in cash						
Flemish Government	To develop a social economy policy for South Africa	2,059	2,098	1,888	2,059	210
Subtotal		2,059	2,098	1,888	2,059	210
Received in kind						
Subtotal						
TOTAL		2,059	2,098	1,888	2,059	210

ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

Name of Public Entity	State Entity's PFMA Schedule type (state year end if not 31 March)	% Held YY/ ZZ	% Held XX/ YY	Number of shares held		Cost of investment		Net Asset value of investment		Profit/(Loss) for the year		Losses guaranteed Yes/No
				2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	R'000		
										R'000		
National/ Provincial Public Entity												
IDC	schedule 2	100	100	1,392,969,357	1,392,969,357	1,392,969	1,392,969	104,109,000	94,487,000	(874,000)	(405,000)	No
Subtotal		100	100	1,392,969,357	1,392,969,357	1,392,969	1,392,969	104,109,000	94,487,000	(874,000)	(405,000)	
Other												
Subtotal												
TOTAL		100	100	1,392,969,357	1,392,969,357	1,392,969	1,392,969	104,109,000	94,487,000	(874,000)	(405,000)	

ANNEXURE 2B

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

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by Entities	
		R'000		R'000		R'000		R'000	
		2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
Controlled entities									
Industrial Development Corporation of SA	Contribution to growth industrial development and economic empowerment through its financial activities	1,392,969	1,392,969	104,109,000	94,487,000	-	-	-	-
Subtotal		1,392,969	1,392,969	104,109,000	94,487,000	-	-	-	-
Non-controlled entities									
	Associates								
	Subtotal								
	Joint Ventures								
	Subtotal								
	Other non controlled entities								
	Subtotal								
TOTAL		1,392,969	1,392,969	104,109,000	94,487,000	-	-	-	-

ANNEXURE 3A (continued)

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2020 – FOREIGN

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2019	Guarantees draw downs during the year	Guarantees repayments/cancelled/reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2020	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2020
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles								
	Subtotal								
	Housing								
	Subtotal								
	Other								
KFW	IDC	600,575	147,119	-	5,348	28,523	170,294	-	7
	Subtotal	600,575	147,119	-	5,348	28,523	170,294	-	7
	TOTAL	600,575	147,119	-	5,348	28,523	170,294	-	7

ANNEXURE 8A

INTER-ENTITY ADVANCES PAID (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department of International Relations and Cooperation	-	-	119	212	119	212
Subtotal	-	-	119	212	119	212
PROVINCIAL DEPARTMENTS						
Subtotal						
PUBLIC ENTITIES						
Subtotal						
OTHER ENTITIES						
Subtotal						
TOTAL			119	212	119	212

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**economic
development**

Economic Development Department
REPUBLIC OF SOUTH AFRICA

