



Western Cape  
Government



Department of Economic Development and Tourism

**Annual Report**  
2022/23



DEPARTMENT OF  
ECONOMIC DEVELOPMENT  
AND TOURISM

PROVINCE OF THE WESTERN CAPE  
VOTE NO. 12

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**Annual Report**

**2022/23**  
FINANCIAL YEAR

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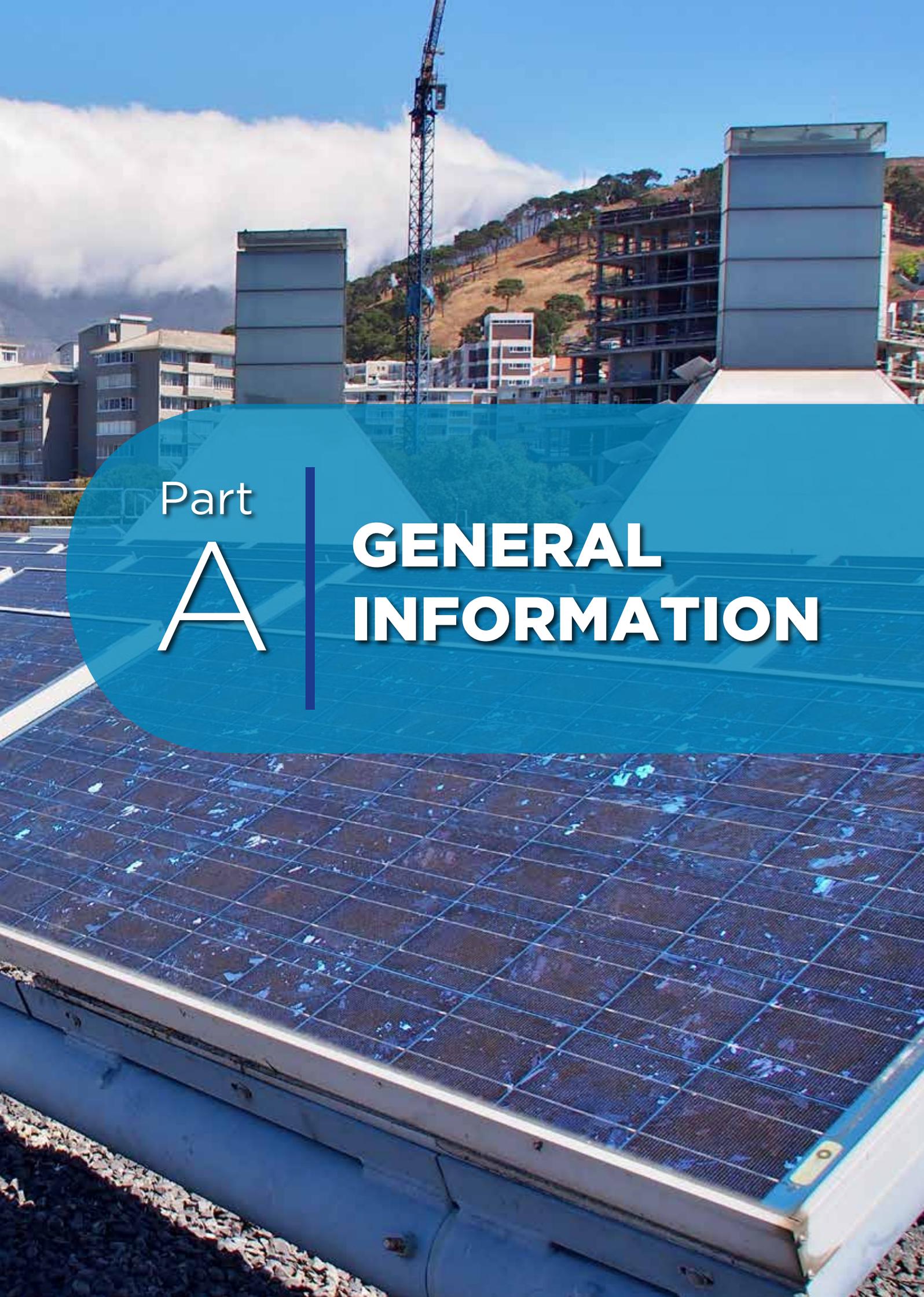
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Part

A

**GENERAL  
INFORMATION**

## 1. DEPARTMENTAL GENERAL INFORMATION

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## 2. LIST OF ABBREVIATIONS/ACRONYMS

<b>ABT</b>	Area-based Team
<b>AFS</b>	Audited Financial Statement
<b>AGSA</b>	Auditor-General of South Africa
<b>AIFMRM</b>	African Institute for Financial Markets and Risk
<b>AOPI</b>	Auditing of Performance Information
<b>APP</b>	Annual Performance Plan
<b>ASEZ</b>	Atlantis Special Economic Zone
<b>BAS</b>	Basic Accounting System
<b>BBBEE</b>	Broad-based Black Economic Empowerment
<b>BER</b>	Bureau for Economic Research
<b>BESP</b>	Built environment Support Programme
<b>BPeSA</b>	Business Process enabling South Africa
<b>BPO</b>	Business Process Outsourcing
<b>CASIDRA</b>	Cape Agency for Sustainable Integrated Development in Rural Areas
<b>CATHSSETA</b>	Culture, Arts, Tourism, Hospitality, Sports, Sector Education and Training Authority
<b>CBMT</b>	Competency-based Modulator Training
<b>CCDI</b>	Cape Craft and Design Institute
<b>CCTC</b>	Cape Clothing and Textile Cluster
<b>CEI</b>	Centre for e-Innovation
<b>CIDB</b>	Construction Industry Development Board
<b>CITI</b>	Cape Information and Technology Initiative
<b>CLOTEX</b>	Cape Clothing and Textile Service Centre
<b>CMT</b>	Cut, Make and Trim
<b>CPUT</b>	Cape Peninsula University of Technology
<b>CRDP</b>	Comprehensive Rural Development Programme
<b>CSC</b>	Corporate Services Centre
<b>CTFC</b>	Cape Town Fashion Council
<b>CTGA</b>	Cape Tourist Guides Association
<b>CTICC</b>	Cape Town International Convention Centre
<b>CTCIP</b>	Clothing and Textile Competitiveness Improvement Programme
<b>DAFF</b>	Department of Agriculture, Forestry and Fisheries
<b>DBSA</b>	Development Bank of Southern Africa
<b>DEADP</b>	Department of Environmental Affairs and Development Planning
<b>DEDAT</b>	Department of Economic Development and Tourism
<b>DITCOM</b>	Departmental IT Committee
<b>DMO</b>	Destination Marketing Organisation
<b>DPME</b>	Department of Planning, Monitoring & Evaluation
<b>DPSA</b>	Department of Public Service and Administration
<b>DST</b>	Department of Science and Technology
<b>DTM</b>	Departmental Top Management
<b>DTPW</b>	Department of Transport and Public Works
<b>dtic</b>	(the dtic) Department of Trade Industry and Competition

<b>EBA</b>	Established Business Activity
<b>ECM</b>	Electronic Content Management
<b>ED</b>	Enterprise Development
<b>EDP</b>	Economic Development Partnership
<b>EE</b>	Employment Equity
<b>EHWP</b>	Employee Health and Wellness Programme
<b>EIA</b>	Environmental Impact Assessment
<b>EPWP</b>	Extended Public Works Programme
<b>ERM</b>	Enterprise Risk Management
<b>EV</b>	Electric Vehicle
<b>FET</b>	Further Education and Training
<b>FSIDZ</b>	Freeport Saldanha IDZ
<b>G4J</b>	Growth for Jobs
<b>GDP</b>	Gross Domestic Product
<b>GDPR</b>	Gross Domestic Product per Region
<b>GEM</b>	Global Entrepreneurship Monitor
<b>GOVCOM</b>	Governance Committee
<b>GMT</b>	Government Motor Transport
<b>GIS</b>	Geographic Information System
<b>HCT</b>	HIV Counselling and Testing
<b>HDI</b>	Historically Disadvantaged Individual
<b>HOD</b>	Head of Department
<b>HRD</b>	Human Resource Development
<b>HSP</b>	Human Settlements Plan
<b>ICAN</b>	Integrated Community Access Network
<b>ICAS</b>	Independent Counselling and Advisory Service
<b>ICT</b>	Information and Communications Technology
<b>IDC</b>	Industrial Development Corporation
<b>IDP</b>	Integrated Development Planning
<b>IDZ</b>	Industrial Development Zone
<b>IFRS</b>	International Financial Reporting Standards
<b>IPP</b>	Independent Power Producer
<b>ISO</b>	International Organisation for Standardisation
<b>IT</b>	Information Technology
<b>IRP</b>	Integrated Resource Plan
<b>JMA</b>	Joint Marketing Agreement
<b>JDMA</b>	Joint District and Metro Approach
<b>KZN</b>	KwaZulu-Natal
<b>LED</b>	Local Economic Development
<b>LLT</b>	Liquor Licencing Tribunal
<b>LNG</b>	Liquified Natural Gas
<b>LRA</b>	Labour Relations Act

<b>M&amp;E</b>	Monitoring and Evaluation
<b>MEC</b>	Member of Executive Council
<b>MER</b>	Municipal Energy Resilience
<b>MERO</b>	Municipal Economic Review and Outlook
<b>MOA</b>	Memorandum of Agreement
<b>MOU</b>	Memorandum of Understanding
<b>MSDF</b>	Municipal Spatial Development Framework
<b>MIR</b>	Market Intelligence Report
<b>MPAT</b>	Management Performance Assessment Tool
<b>MRE</b>	Municipal Readiness Evaluation
<b>MTEF</b>	Medium Term Expenditure Framework
<b>NDP</b>	National Development Plan
<b>NDPW</b>	National Department of Public Works
<b>NDT</b>	National Department of Tourism
<b>NEF</b>	National Empowerment Fund
<b>NFVF</b>	National Film and Video Foundation
<b>NGO</b>	Non-Governmental Organisation
<b>NO</b>	National Outcome
<b>NPO</b>	Non-Profit Organisation
<b>NT</b>	National Treasury
<b>OCP</b>	Office of the Consumer Protector
<b>OD</b>	Organisational Design
<b>PACA</b>	Participatory Appraisal of Competitive Advantage
<b>PDIA</b>	Problem Driven Iterative Adaptation
<b>PDO</b>	Pre-determined Objectives
<b>PERA</b>	Premier's Entrepreneurship Recognition Awards
<b>PERO</b>	Provincial Economic Review and Outlook
<b>PFMA</b>	Public Finance Management Act
<b>PLF</b>	Project Leasing Facility
<b>PGDS</b>	Provincial Growth and Development Strategy
<b>PILIR</b>	Policy on Incapacity Leave and Ill-Health Retirement
<b>PPP</b>	Public Private Partnership
<b>PSCBC</b>	Public Service Commission Bargaining Chamber
<b>PSDF</b>	Provincial Skills Development Forum
<b>PSRMF</b>	Public Sector Risk Management Framework
<b>PSG</b>	Provincial Strategic Goal
<b>PSG 1</b>	Provincial Strategic Goal 1
<b>PSO</b>	Provincial Strategic Objective
<b>PSP</b>	Provincial Strategic Plan
<b>PT</b>	Provincial Treasury
<b>PWD</b>	People with Disabilities
<b>REIPPPP</b>	Renewable Energy Independent Power Producer Procurement Programme
<b>RIA</b>	Regulatory Impact Assessment
<b>RIN</b>	Regional Innovation Network

<b>RLED</b>	Rural and Local Economic Development
<b>RPL</b>	Recognition of Prior Learning
<b>RTLC</b>	Regional Tourism Liaison Committee
<b>SALGA</b>	South African Local Government Association
<b>SAOGA</b>	South African Oil and Gas Alliance
<b>SAPS</b>	South African Police Service
<b>SARS</b>	South African Revenue Service
<b>SAT</b>	South African Tourism
<b>SCM</b>	Supply Chain Management
<b>SCOPA</b>	Standing Committee on Public Accounts
<b>SDF</b>	Spatial Development Framework
<b>SDIP</b>	Service Delivery Improvement Plan
<b>SDA</b>	Service Delivery Agreement
<b>SEDA</b>	Small Enterprise Development Agency
<b>SEFA</b>	Small Enterprise Finance Agency
<b>SETA</b>	Sector Education and Training Authority
<b>SEZ</b>	Special Economic Zone
<b>SITA</b>	State Information Technology Agency
<b>SME</b>	Small and Medium Enterprises
<b>SMME</b>	Small, Medium and Micro Enterprises
<b>SOE</b>	State-owned Enterprise
<b>SP</b>	Strategic Plan
<b>SPV</b>	Special Purpose Vehicle
<b>STATSSA</b>	Statistics South Africa
<b>TGCSA</b>	Tourism Grading Council of South Africa
<b>TNPA</b>	Transnet National Ports Authority
<b>TSD</b>	Trade and Sector Development
<b>TFDS</b>	Total Foreign Direct Spend
<b>UCT</b>	University of Cape Town
<b>UK</b>	United Kingdom
<b>UNWTO</b>	United Nations World Tourism Organisation
<b>VIP</b>	Vision Inspired Priority
<b>WCADI</b>	Western Cape Aquaculture Initiative
<b>WCFFI</b>	Western Cape Fine Food Initiative
<b>WCG</b>	Western Cape Government
<b>WCLA</b>	Western Cape Liquor Authority
<b>WCM</b>	World Class Manufacturing
<b>WCRP</b>	Western Cape Recovery Plan
<b>WCSD</b>	Western Cape Supplier Database
<b>WCTI</b>	Western Cape Tooling Initiative
<b>WCWIN</b>	Western Cape Water Innovation Network
<b>WRC</b>	Water Resource Commission
<b>Wesgro</b>	Western Cape Investment and Trade Promotion Agency
<b>WISP</b>	Western Cape Industrial Symbiosis Project
<b>W&amp;R SETA</b>	Wholesale & Retail Sector Education and Training Authority

### 3. FOREWORD BY THE MINISTER

In the year under review, the significant milestone of completing and adopting of the Western Cape Government's ambitious economic action plan, 'Growth For Jobs', or G4J, was achieved, which is certainly worth celebrating.

This Strategy aims to dramatically lift the provincial growth rate and to achieve breakout economic growth.

G4J is based on the very best data, countless hours of research, collaborations, calculations, discussions and an immense depth of experience, it is our map to a future where we have worked together to build a trillion-Rand jobs-rich, inclusive, sustainable, diverse, and resilient provincial economy growing by between 4 and 6% by 2035.

This Strategy sets out a comprehensive, challenging, and ambitious goal for the Western Cape to grow its economy, to generate confidence, hope and prosperity for all. At the very heart of G4J, is the understanding that it is the private sector, including the formal, informal, and township-based economies, and particularly, citizens, entrepreneurs and SMMEs, that create jobs and it is government's role to enable the private sector.

What sets G4J apart, it provides a long-term perspective with clear targets, framed within defined principles, which are the result of in-depth engagements with the private sector, because ultimately, our goal is to enable and grow the private sector.

At the end of the day, we know that South Africa and the Western Cape have everything we need to succeed if only we can get the fundamentals of growth right and if we work together to unlock her full and immense potential.

Change requires a vision, a strategy, and it requires action towards it to realise a better future for our country, and we must work toward it with determination.

Ultimately, the G4J Strategy is the Western Cape's bold step towards realising this better future.

My sincere vote of thanks goes to all DEDAT officials, under the leadership of Head of Department, Velile Dube, who have dedicated so much time and expertise to ensure that this strategy was completed, and going forward, to ensuring that our plans to enable the private sector to grow and create jobs are implemented.



**Ms Mireille Wenger**  
**Minister of Finance and Economic Opportunities**  
**Date: 31 August 2023**

## 4. REPORT OF THE ACCOUNTING OFFICER

### Overview of the operations of the Department

#### Achievements for the year

The financial year 2022/23 represents a crucial year in responding to the Western Cape Government's identified need for a strategy to dramatically lift the provincial growth rate and, to the extent that growth continues to falter in South Africa, to decouple the province's growth trajectory from that of the rest of the country.

Substantial research and engagements were undertaken which resulted in a strategy which sets out a comprehensive, challenging, and ambitious goal for the Western Cape to grow its economy by between 4% and 6% by 2035.

The strategy also intends to clarify how we would grow our economy, which is as important as the required growth itself. In this way, the eventual "Growth for Jobs" Strategy distinguishes itself from previous strategies, by providing a long-term perspective with clear targets, framed within defined principles. It is centred on systemic solutions that address key binding constraints and an enabling environment for the private sector that accelerates our economic growth.

During the last financial year, we continued implementation in support of our departmental priorities. Some highlights include:

- The RTRU established a R10 million Municipal EoDB Fund to pro-actively work in collaboration with local municipalities to improve business-facing services, institutional capacity (to implement EoDB) and regulatory reform in municipalities.
- The unit through its Business Helpline Service logged 519 cases, with a 91% resolution rate, and an 80% satisfaction rate.
- Wesgro facilitated R4.1 billion of committed investment into the province and facilitated 1 507 jobs as a result of the committed investments.
- An estimated R3.1 billion worth of trade agreements were signed during the 2022/23 financial year with 906 jobs being facilitated as a result of the trade agreements signed.
- The SMME Booster Fund 2022 supported interventions implemented by organisations that are geared at supporting SMMEs based in the Western Cape. Seven projects were supported, which provided support and assistance (directly or indirectly) to SMMEs to maintain and/or enhance sustainability, develop the capacity of the business and the owner/entrepreneur, increase efficiencies, and enable them grow and create jobs.
- The Enterprise Development unit also continued with the roll out of the nine SMME Booster Fund 2021 projects, which were being finalised during the 2022/23 financial year.
- The electricity master plans (EMPs) that were updated by the municipalities using grants from the MER Fund (completed: Swartland, George, Witzenberg and Bitou) can now be used by the municipalities to identify where they have grid capacity that can be made available to energy projects that need to be connected into the grid (for wheeling, SSEG or municipal IPP procurement purposes).
- The Skills Development and Innovation programme has leveraged R201 million from private sector and other government sources in support of experiential learning initiatives and skills development of unemployed youth. Private sector funding is utilised on accredited skills development programmes, on-the-job training, work readiness training and matching departmental stipend funding.

## Challenges for the year

Over the past year, the South African economy has been severely impacted by a range of global and local disruptions including a slowdown in global economic growth, geopolitical tensions, tightening monetary policy, unreliable infrastructure, and severe power shortages, among others. The outlook remains gloomy, with little to no growth expected in 2023. In line with this, in July 2023 the South African Reserve Bank (SARB) revised its growth outlook to 0.4%.

In addition, the severity of load-shedding, and failing rail, road, and port infrastructure has significantly impacted business confidence, with the manufacturing and consumer-facing retail sectors experiencing a sharp decline in optimism. The latest RMB/BER Business Confidence Index (BCI) declined from 36 in 2023Q1 to 27 in 2023Q2.

It is for these reasons that the WCG's economic role will be to build an enabling business environment to enhance competitiveness and accelerate economic and employment growth. This will be accomplished by pushing the boundaries of the constitutional mandate of the Western Cape, and by partnering with all levels of government, as well as the private sector to deliver enablers innovatively, efficiently, and at scale.

## Overview of the financial results of the Department:

### Departmental receipts

Departmental receipts	2022/2023			2021/22		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Tax Receipts</b>						
Casino taxes						
Horse racing taxes						
Liquor licences						
Motor vehicle licences						
<b>Non-Tax Receipts</b>	<b>388</b>	<b>47 691</b>	<b>(47 303)</b>	<b>371</b>	<b>21 565</b>	<b>(21 194)</b>
Sale of goods and services other than capital assets	388	348	40	371	1 144	(773)
Transfers received		687	(687)		694	(694)
Fines, penalties and forfeits						
Interest, dividends and rent on land		37	(37)		19	(19)
Sale of capital assets		31	(31)		54	(54)
Financial transactions in assets and liabilities		46 588	(46 588)		19 654	(19 654)
<b>Total</b>	<b>388</b>	<b>47 691</b>	<b>(47 303)</b>	<b>371</b>	<b>21 565</b>	<b>(21 194)</b>

The Department budgeted for an amount of R388 000 revenue for the 2022/23 financial year. The primary driver of this revenue was fees to be collected in lieu of tourist guide registrations.

As at the end of the financial year, an amount of R47.691 million of own revenue was collected.

Of this, tourist guide registration fees accounted for R348 000, while financial transactions in assets and liabilities accounted for R46.588 million, R37 000 was received for interest payments earned, a further R31 000 was received from the sale of obsolete assets to staff and R687 000 was received in relation to BankSETA.

The R46.588 million received for financial transactions in assets and liabilities mainly comprises of repayment of a township based entrepreneurship project and refunds of Wesgro surplus funds.

### Programme expenditure

Departmental receipts	2022/2023			2021/22		
	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
<b>Administration</b>	<b>58 544</b>	<b>57 911</b>	<b>633</b>	<b>55 805</b>	<b>54 841</b>	<b>964</b>
Integrated Economic Development Services	47 839	47 159	680	53 676	53 204	472
Trade and Sector Development	74 799	74 413	386	73 990	73 976	14
Business Regulation & Governance	10 636	10 431	205	9 580	9 392	188
Economic Planning	150 089	144 989	5 100	160 320	157 255	3 065
<b>Tourism, Arts &amp; Entertainment</b>	<b>71 909</b>	<b>71 874</b>	<b>35</b>	<b>74 597</b>	<b>74 161</b>	<b>436</b>
Skills Development & Innovation	96 214	96 106	108	71 931	70 567	1 364
<b>Total</b>	<b>510 030</b>	<b>502 883</b>	<b>7 147</b>	<b>499 899</b>	<b>493 396</b>	<b>6 503</b>

The Department has a final appropriation of R510.030 million for the 2022/23 financial year. Of this, the Department spent 98.6% of its appropriated funds as compared to 98.7% in the 2021/22 financial year.

It should be noted that all programmes contributed to the achievement of the spend ratio of 98.6%. However, Programme 5: Economic Planning, achieved a 96.6% spend as at the end of the financial year. This is due to the technical nature of the energy resilience suite of projects, delays were experienced in the implementation of the Municipal Energy Resilience (MER) suite of projects.

### Virements/Roll-overs

By the end of the 2022/23 financial year, three (3) virements were undertaken to defray over-expenditure across main divisions within the vote. These virements were applied as follows:

- Programme 1: Administration** shifted R129 000 to Programme 6: Tourism, Arts and Entertainment to accommodate an overspending on operational expenditures.

- ii. **Programme 1: Administration** shifted R358 000 to Programme 7: Skills Development and Innovation to accommodate additional placements of beneficiaries in work placement and supply to the Artisan Development programme.
- iii. **Programme 5: Economic Planning** shifted R265 000 to Programme 6: Tourism, Arts and Entertainment for the World Tourism Day Celebrations event hosted by the National Department of Tourism in the Western Cape.

During 2022 Adjustment Estimate realigned R4.619 million to the 2023/24 financial year as part of the Small Medium and Micro Enterprise (SMME) Booster project. These funds accommodated projects that were implemented over multiple years by beneficiaries. The SMME Booster project supports organisations that implement SMME support interventions to businesses based in the Western Cape. This re-alignment of funds will enhance governance standards within the Department as it prevented advance payments being made for delivery that would only have occurred in the 2023/24 financial year.

### Unauthorised, fruitless and wasteful expenditure

The Department did not incur any unauthorised, fruitless and wasteful expenditure for the year under review.

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

The priority focus areas for Horizon 1 of the Growth for Jobs Strategy are:

1. Driving growth opportunities through investment;
2. Stimulating market growth through exports and domestic markets;
3. Energy Resilience and a Transition to Net Zero Carbon;
4. Water security and resilience;
5. Technology and innovation;
6. Infrastructure and connected economy; and
7. Improved access to economic opportunities and employability.

### Public Private Partnerships (PPP)

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

### Discontinued activities/activities to be discontinued

No activities were discontinued during the 2022/23 financial year.

### New or proposed activities

Not applicable.

### Supply chain management

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

A large percentage of the Department's work is undertaken through the supply chain processes. As such, this is critical to the business of the Department. In the financial year under review, the SCM processes were critically assessed in order to combat waste and corruption as well as to improve efficiencies. Standard operating procedures and processes are in place to mitigate against the occurrence of irregular, fruitless and wasteful, and unauthorised expenditure, through the design and implementation of monitoring, preventative and corrective controls. The Internal Control unit performs oversight and maintains adherence to governance and compliance prescripts. These controls are incorporated in the current Finance Policy Manual and Delegation Framework.

During the 2022/23 financial year, the Department procured goods and services according to the procurement plan with a 43% deviation owing to projects having been cancelled and/or redirected as transfer payments.

The Department continuously maintains and manages moveable assets on the LOGIS system in accordance with minimum required information to be in the Fixed Assets Register. The year-end physical verification of all moveable assets commenced on 03 February 2023 and was completed on 14 February 2023. All moveable assets acquired in the year under review have been accounted for and accurately captured on the Asset Register as per the Asset Management Framework and the Public Finance Management Act.

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

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

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

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

Name	Designation	Nature	Estimated Value (R)	Relationship with receiver
Mark Apollis	Deputy Director	Exotic Tastes sauce samples	150.00	None
Thobeka Pongoma	Administrative Officer	Exotic Tastes sauce samples	150.00	None
Chantell van Niekerk	Acting Director	One Parker Pen and one USB drive	193.10	None
Melissa Joy Parker	Director	One Parker Pen and one USB drive	193.10	None
Rahima Loghdey	Director	Plastic folder with a notepad	250.00	None
Mervyn Hartman	Deputy Director	10 x Platters 17 x goodie boxes of breakfast 4 x Pizza Boxes of Cookies 8 x lt. of Juices 15 x Succulents plants	5 800.00	None
Melissa Joy Parker	Director	Paper Bag, Coffee Mug and Notebook	73.00	None
Jo-Ann Johnston	Deputy Director General	University branded apparel: • University-branded t-shirts X 4 • University-branded diary • University-branded multi-charger cable	1 949.56	None
Alfonzo Anthony Jacobs	Acting Deputy Director	1 x Box of Grapes 2 x Packets of Apples	200.00	None
Jo-Ann Johnston	Deputy Director General	TOKYO - Wireless charger & Bluetooth speaker	689.00	None

## Exemptions and deviations received from the National Treasury

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

## Events after the reporting date

There were no events after reporting date.

## Other

Not applicable.

## Acknowledgements or Appreciation

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

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

## Conclusion

We continue to forge ahead in the implementation of the cabinet-approved Growth for Jobs strategy. The Growth for Jobs Strategy is not the work of any one department. It represents an all-of-government, all-of-society strategy, and its success requires the energy, commitment, and allocation of resources from across government, the private sector and civil society.

It will also require a new mindset within the provincial government and a rethink of how government works. This is a challenge that we are ready to embrace in order for the Western Cape to flourish.

## Approval and sign off



**Mr Velile Dube**  
**Accounting Officer**  
**Department of Economic Development and Tourism**  
**Date: 30 August 2023**

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

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

- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2023.

Yours faithfully



**Mr Velile Dube**  
**Accounting Officer**  
**Date: 30 August 2023**

## 6. STRATEGIC OVERVIEW

### 6.1 Vision

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

### 6.2 Mission

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

The Department will support the implementation of the Jobs theme of the Western Cape Recovery Plan and the Provincial Strategic Plan (2019 - 2024), as merged into the Provincial Strategic Implementation Plan (PSIP).

During 2023/24, the Department will contribute to the last period of delivery on the 5-year PSP through the PSIP and alignment to the Growth for Jobs (G4J) Strategy. The G4J will be the overarching strategy guiding Department of Economic Development and Tourism (DEDAT). The G4J priority focus areas for the first horizon (up to 2026) are as follows:

- Creating Growth Opportunities through Investment;
- Stimulating Market Growth through Exports and Domestic Markets;
- Energy Resilience and a Transition to Net Zero Carbon;
- Water Security and Resilience;
- Technology and Innovation;
- Infrastructure and Connected Economy (including mobility and logistics, broadband and digital transformation); and
- Improved Accessibility to Economic Opportunities and Employability (skills and education, transport, housing, etc.).

### 6.3 Values

The core values of the Department are:

*Caring:* To care for those we serve and work with.

*Competence:* The ability and capacity to do the job we are appointed to do.

*Accountability:* We take responsibility.

*Integrity:* To be honest and do the right thing.

*Innovation:* To be open to new ideas and develop creative solutions to problems in a resourceful way.

*Responsiveness:* To serve the needs of our citizens and employees.

## 7. LEGISLATIVE AND OTHER MANDATES

### Constitutional mandate

#### Constitution of the Republic of South Africa, 1996

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

- Consumer Protection;
- Industrial Promotion;
- Tourism; and
- Trade.

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

### Other legislative and policy mandates

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

#### Broad-Based Black Economic Empowerment Act, 2003

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

#### Business Act, 1991 (Act 71 of 1991)

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

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

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

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

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

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

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

### **The Co-operatives Act, 2005 (Act 14 of 2005)**

The Act acknowledges the need for the registration of co-operatives, in accordance with national, provincial and local government transversal policy and statutory-regulatory frameworks, as well as the need for the development of a viable, autonomous, self-reliant and self-sustaining co-operative movement to promote community development and entrepreneurship, create employment and successful enterprises, eradicate poverty and improve the socio-economic wellbeing of the members of co-operatives in accordance with the co-operative principles.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## POLICY MANDATES

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

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

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

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

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

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

### Industrial Policy Action Plan (IPAP)

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

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

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

- Support the further strengthening of energy-efficient production and carbon mitigation efforts and measures in a manner that helps transition energy-intensive sectors of the economy so as to maintain business competitiveness and maintain and grow export opportunities.
- Understand, grasp and prepare for the foreseeable effects of the Digital Industrial Revolution and emergent disruptive technologies, collaboratively adapting SA's productive and services sectors to meet the challenges, including those relating to employment displacement.

### National Development Plan (NDP)

The key concepts of the NDP are:

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

### The South African Economic Reconstruction and Recovery Plan, 2020

The key concepts of the plan are:

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

This national recovery plan resonates with a number of themes within the jobs theme of the Western Cape Recovery Plan.

### National Evaluation Policy Framework, 2011

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

### National Tourism Sector Recovery Plan

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

## National Tourism Sector Strategy (NTSS)

Research indicates that there are still numerous opportunities for tourism growth in the country that are not being fully exploited. This has led the National Department of Tourism, under the direction of the Minister of Tourism, to initiate and manage an inclusive process to draft a National Tourism Sector Strategy to inspire and accelerate the responsible growth of the tourism industry from 2016 to 2026.

The NTSS proposes 5 pillars with specific focus areas which have a national, provincial and local perspective.

**Pillar 1: Effective Marketing** to deliver a coherent approach to promote South Africa to become top of mind destination and improved conversion rate.

**Pillar 2: Facilitate Ease of Access** to facilitate seamless travel and access to participate in tourism.

**Pillar 3: The Visitor Experience** to provide quality experiences for tourists (both domestic and international) to achieve customer satisfaction and inspire repeat visitation.

**Pillar 4: Destination Management** to provide sustainable development and management of the tourism sector.

**Pillar 5: Broad Based Benefits** to promote the empowerment of previously marginalised enterprises and rural communities to ensure inclusive growth of the sector.

## OneCape2040

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

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

## Provincial Strategic Plan (PSP) 2019 - 2024

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

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

## Provincial Strategic Implementation Plan (PSIP)

The Provincial Strategic Implementation Plan (PSIP) serves as the implementation strategy for the Provincial Strategic Plan 2019-24, Recovery Plan, and key provincial priorities. The Growth for Jobs Strategy, as the Province's overarching economic strategy, will supersede the Jobs Priority of the PSIP and Recovery Plan.

The Provincial Strategic Implementation Plan focuses on core interventions and indicators across the WCG that support its three priorities of 1) jobs; 2) safety; 3) well-being; and the enabler of innovation, culture and governance. As new strategic initiatives emerge and new commitments are made, they will be added to the PSIP, while completed or ineffective initiatives will be retired, as the PSIP is considered a living document.

**Table 2: Provincial Strategic Implementation Plan priorities and focus areas**

Provincial Strategic Implementation Plan priorities and focus areas in 2022/23					
Job creation: skills and employability and public sector job creation	Enabling environment	Sector development and competitiveness	Investment	Resource resilience	Infrastructure

### SA Connect

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

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

Other salient policies that influence the ICT sector include:

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

### Western Cape Broadband Strategic Framework (2012)

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

### Western Cape Green Economy Strategy Framework

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

### Western Cape Recovery Plan

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

The *Safety* pillar recognises that WCG is committed to making the Province a safer place for all residents and visitors and to address the causes and underlying risk factors that lead to violent and criminal behaviour. This can

best succeed through a whole-of-society approach that is built on strong collaboration and partnerships in which each individual, parent, organisation and institution plays their part in reducing violence.

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

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

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

### Growth for Jobs Strategy

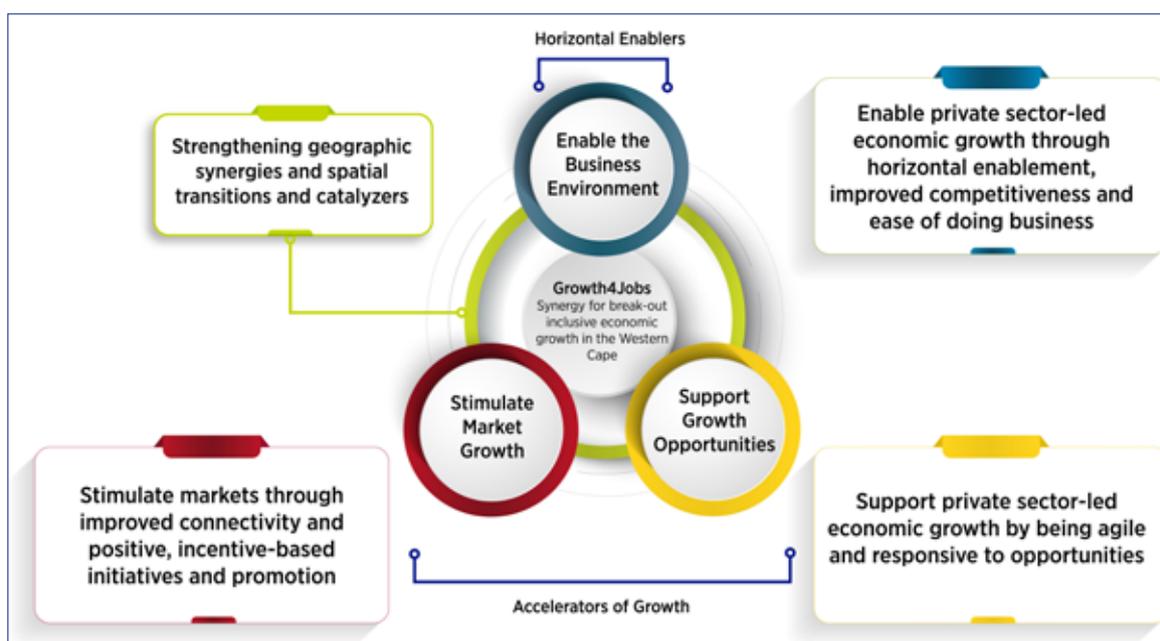
The Growth for Jobs (G4J) Strategy has a very clear vision of:

*A provincial economy that achieves break-out economic growth, resulting in sufficient employment and opportunity and an economy that is sustainable, resilient, diverse and thriving – generating confidence, hope and prosperity for all.*

With a goal that:

*By 2035, the Western Cape will be a R1-trillion inclusive economy in real terms and growing at between 4% and 6% per annum. This will be achieved through enabling a competitive business environment in which growth is driven through businesses exploiting opportunities.*

The Growth for Jobs Strategy recognises that an economy is a complex set of interacting elements, and, for this reason, synergies between individual components require and reinforce an enabling business environment that stimulates market growth and supports growth opportunities.

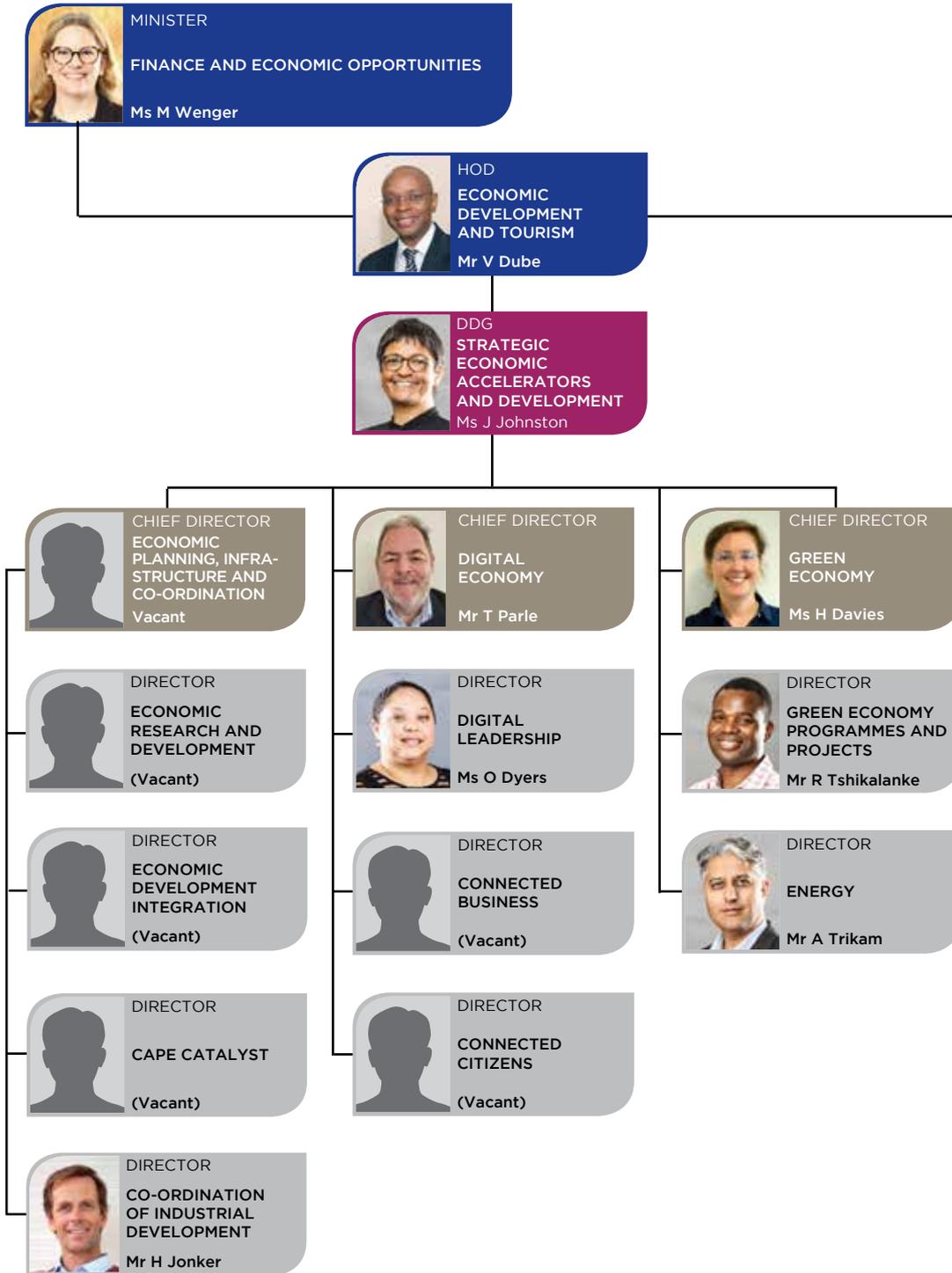


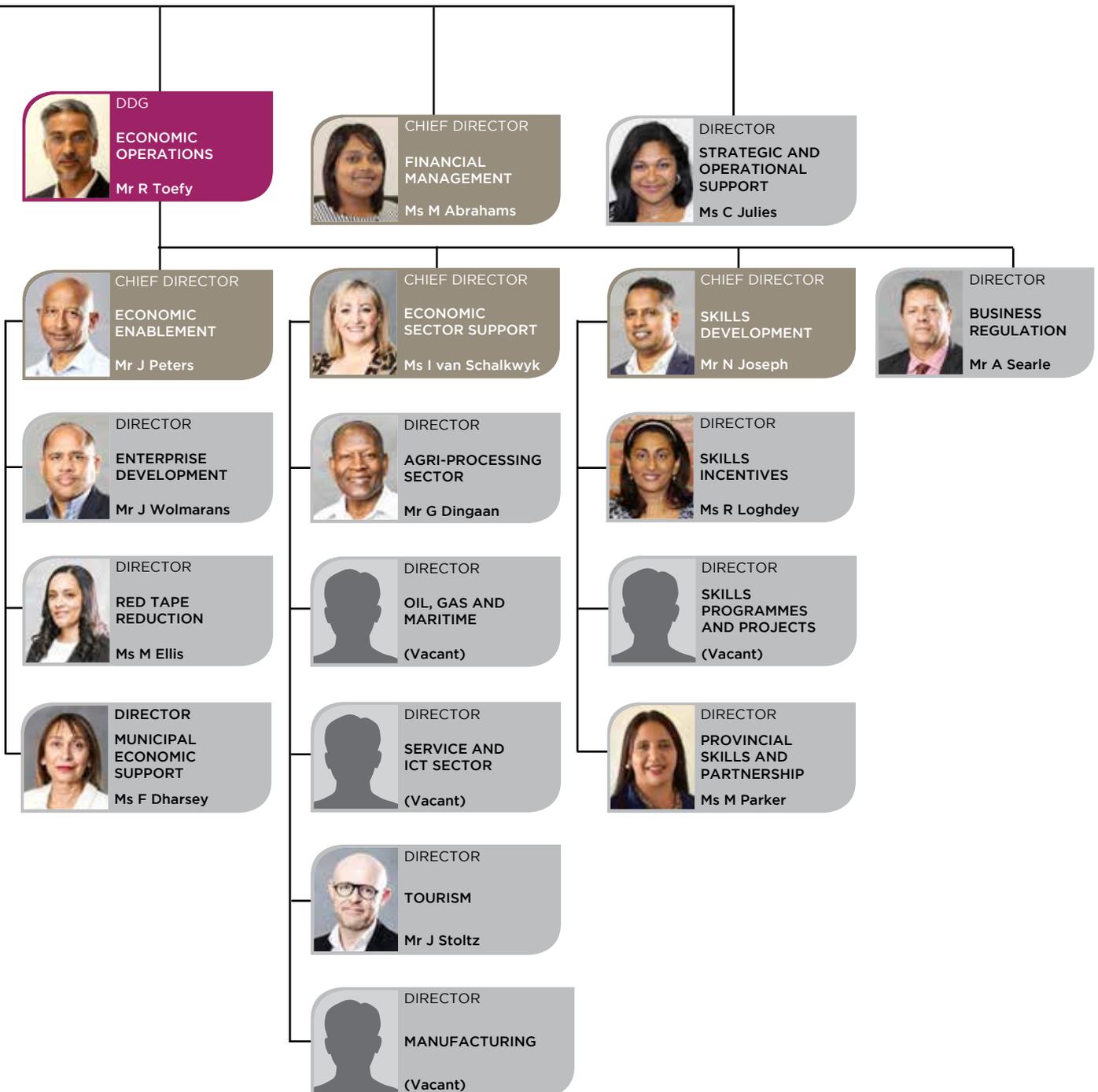
A process of analysis and engagement led to seven Priority Focus Areas (PFAs) for the Strategy being identified for implementation over the short and medium term. The seven PFAs concentrate on the key constraints in network industries and on the essential elements needed to raise total factor productivity and competitiveness.



The Department will align with the Growth for Jobs, while still also delivering on the PSIP.

## 8. ORGANISATIONAL STRUCTURE





## 9. ENTITIES REPORTING TO THE MINISTER

The table below indicates the entities that report to the Minister/MEC.

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







Part

B

# PERFORMANCE INFORMATION



## 1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 194 of the Report of the Auditor General, published as Part F: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service delivery environment

#### Main services and core functions

The primary focus of G4J Strategy is the enablement of private sector-led economic growth through creating a business environment conducive to growth. The prioritisation of 'horizontal enablers' is intended to overcome binding constraints on economic growth and ensure enablers provide support across the economy.

In this context, this Department's key focus areas are as follows:

- Enable private sector-led economic growth through horizontal enablement and improved competitiveness;
- Support private sector-led economic growth by being agile and responsive to opportunities; and
- Enable private sector-led economic growth by stimulating markets through positive, incentive-based initiatives and promotion.

#### Demands and changes in service

The G4J Strategy confirms that the Western Cape Government's (WCG) primary focus is to enable a conducive business environment, support growth opportunities and stimulate market growth. It has seven priority focus areas in horizon one that will enable the strategy to deliver successfully on the vision.

The objective is to ensure systemic and structural optimisation as this instils certainty and confidence for the private sector. Going forward, the WCG's role will be to build an enabling business environment to enhance competitiveness and accelerate economic and employment growth. This will be accomplished by pushing the boundaries of the constitutional mandate of the Western Cape, and by partnering with all levels of government, as well as the private sector to deliver enablers innovatively, efficiently, and at scale.

#### Performance environment

##### Global Economy Impact

Various global factors cloud prospects for South Africa and the Western Cape over the next year. In July 2023 the International Monetary Fund revised its global growth forecast downward to 3% in both 2023 and 2024<sup>1</sup>. The IMF warned of the risks to the global economy that arise from an intensification of the war in Ukraine and extreme weather-related events, triggering more restrictive monetary policy. Financial sector turbulence could resume as markets adjust to further policy tightening by central banks. China's recovery could slow, in part as a result of unresolved real estate problems, with negative cross-border spillovers. Sovereign debt distress could spread to a wider group of economies. On the upside, inflation could fall faster than expected, reducing the need for tight monetary policy, and domestic demand could again prove more resilient.

The risks outlined in global markets directly impact South Africa and the Western Cape through locally elevated inflation, depreciating rand and higher interest rates. Dissipation in these risks would improve growth prospects.

1. *International Monetary Fund. July 2023. The global recovery is slowing amid widening divergences among economic sectors and regions.*

## National Economic Review

Over the past year, the South African economy has been severely impacted by a range of global and local disruptions including a slowdown in global economic growth, geopolitical tensions, tightening monetary policy, unreliable infrastructure, and severe power shortages, among others. The outlook for this year is gloomy, with little to no growth expected in 2023. In line with this, in July 2023 the South African Reserve Bank (SARB) revised its growth outlook to 0.4%.

At the 20 July 2023 meeting, the South African Reserve Bank (SARB) left the repo rate unchanged at 8.25%, after increasing it ten consecutive times since November 2021. However, the Governor of the Reserve Bank has highlighted that the rate hikes may not just be over yet, hinting that inflation worries continue to linger. Notably, it is deemed unlikely that the SARB will lower rates any time soon as we continue navigating inflationary pressures and weak real GDP figures. Economists, however, are hopeful that improved inflation and a considerably stronger rand will halt further rate hikes, following the SARB's longest hawkish run since 2006. On the upside, economists expect rate cuts to materialise in 2024. This will bring about a welcome relief to indebted consumers, leaving more disposable income in their pockets. From a broader macroeconomy perspective, it has the potential to boost consumption and investment by firms.

The severity of load-shedding, and failing rail, road, and port infrastructure has significantly impacted business confidence, with the manufacturing and consumer-facing retail sectors experiencing a sharp decline in optimism. The latest RMB/BER Business Confidence Index (BCI) declined from 36 in 2023Q1 to 27 in 2023Q2.

## Western Cape Economy Outlook

The Western Cape economy is forecast to slow to 0.8% in 2023, after growing 2.7 % in 2022 (IHS, 2023). The economic climate remains a challenge for the Western Cape economy. However, tourism, renewable energy and Business Process Outsourcing offer growth opportunities.

The Western Cape BER Business Confidence Index improved by 5 index points from 34 to 39 index points in 2023Q1, showing a slight recovery in business confidence. However, year-on-year, provincial BCI has experienced a decline of 13 index points, from 52 to 39. At 39, the Western Cape BCI is still below the neutral point of 50 - discouraging for the provincial recovery trajectory and investment prospects.

Looking at the Quarterly Labour Force Surveys (QLFS) for the second quarter of 2023, the Western Cape labour market results were positive. Quarter-on-quarter, the Province saw an increase of 54 000 in employment, as well as an increase of 368 000 in employment year-on-year. The Western Cape has the lowest unemployment rate in the country. The Western Cape's official unemployment rate is 20.6%, which is considerably lower than the national unemployment rate of 32.6%. There are 715 000 unemployed individuals in the Western Cape, with a decline in the number of unemployed by 15 000 quarter-on-quarter and 176 000 year-on-year. The Province recorded the highest absorption rate of 54,5% in the country indicative of there being more employment opportunities in the Western Cape. Construction (103 000), transport (73 000), community and social services (71 000) and manufacturing (68 000) significantly contributed to the province's year-on-year employment increase.

The Western Cape's tourism sector continues to show a strong recovery post the COVID-19 pandemic. Cape Town International Airport (CTIA) data from ACSA for July 2023 shows a remarkable 36%, year-on-year increase in international passengers. This has effectively surpassed pre-Covid levels by 18.7%<sup>2</sup>, indicating a better winter season than in past years. The growth can be attributed to multiple direct flights between Cape Town and other major markets<sup>3</sup>. The lower rand also makes the Western Cape more competitive, attracting more tourists.

2. Wesgro. 2023. *Tourism Research Overview*.

3. ACSA. 2023. *Cluster 2 Recovery Report*.

Exports continues to expand after it was affected by the global pandemic. According to IHS, the Western Cape exports increased by 16.2% to 194 billion in 2022. As a result, exports as a percentage of GDP also increased to 21.3% in 2022, from 19.7% in 2021.

### Review of the financial year 2022/23

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

### Ease of Doing Business

Accelerating Ease of Doing Business (EoDB) was identified as one of the five priorities in DEDAT. The Red Tape Reduction Unit (RTRU) led and drove EoDB for the period under review and followed a two-pronged approach in tackling bottlenecks in the business environment:

- Reactive/responsive (through its response to cases lodged with its Business Support Helpline Service)
- Pro-active, which seeks to identify legislation, processes, communication and cultural deficiencies that represent barriers to business or efficiency in government.

The Case Management Programme is a long-standing intervention of the Unit, whereby clients/businesses engage with the Department on a business blockage and/or barrier, and cases are assigned to officials for resolution. The case management program allows the unit to expand its understanding of the identification of trends and systemic issues that prevail in specific sectors. For the period under review 519 cases were logged with a 91% resolution rate, and a 80% satisfaction rate. The satisfaction rate is measured through a survey done among clients accessing the Helpline. Feedback from the survey allows the unit to continually improve it's service.

The RTRU approached reducing red tape by implementing 19 projects addressing improvement measures to business facing services. One of the interventions of these 19 and a notable success, is the partnership with the Western Cape Liquor Authority (WCLA). The RTRU provided funding to the WCLA which will result in reducing the processing time per liquor licence application received in the short term. Phase 1 of the project focused on the automation of new licence applications. The intervention and partnership for the year under review focused on the automation of secondary applications in respect of existing licences.

Continuing its efforts to improve business facing services, and following the pilot Municipal EoDB Fund in 2021/22, the RTRU established a R10 million Municipal EoDB Fund to pro-actively work in collaboration with local municipalities to improve business-facing services, institutional capacity (to implement EoDB) and regulatory reform in municipalities. The unit implemented 16 projects across 11 municipalities. These projects range from digitisation of several municipal services, case management systems (similar to one used for the Business Support Helpline), updating of zoning maps as well as the optimisation of the current Building Plan processes at the Stellenbosch Local Municipality. These interventions contributed significantly to the EoDB environment in municipalities for businesses.

Some of the tangible successes includes funding improvement interventions that saw 14 business facing government services being digitised. The impact of this resulted in the streamlining of processes, digitising services, and enhancing operational efficiency for the ease of doing business in municipalities. The digitisation of business facing services covered a broad spectrum which includes (but not limited to) the digitisation of informal trading permitting process, business licensing application process and film permitting in selected municipalities.

Municipalities, as a result of the digitisation, have begun the transition to paperless processes, including communication and record-keeping which is now electronically archived. The R10 million fund was a big success

for the RTRU, businesses, citizens and municipalities alike. It resulted in red tape being reduced, with economic activity being enabled as a result of the projects funded. The contribution and collaboration of all stakeholders as part of the fund will enable improved service delivery to businesses and stimulate economic activity in various regions of our Province.

As part of the broader EoDB Culture programme, the Unit rolled out Lean Management Training across the Western Cape Government. The Department facilitated the training of identified officials from various departments in lean management. Forty-one officials across various departments such as the departments of the Premier (DotP), Environmental Affairs and Development Planning (DEA&DP), Agriculture and Human Settlements (now Infrastructure), were recipients of the training. The training was a remarkable success, and based on the post survey results, officials requested that senior managers in their departments attend. Officials identified key processes where Lean Management tools and methodologies were applied, reducing waste, saving resources and time for their specific department. Officials identified ways to improve key processes for the WCG that would result in saving time and costs, as well as improve the way services are delivered to citizens of the Province as a result of applying the lean management approach.

Building on the need to raise awareness around reducing red tape and the EoDB, the Unit facilitated the implementation of 16 interventions across the municipal and provincial sphere. Stakeholders included representatives from various municipalities, provincial departments as well as the South African Local Government Association (SALGA). Each of the awareness sessions had a pre and post survey element so that the Unit was able to understand the level of awareness in order to scale the nature of presentations in forthcoming years.

The Unit, as part of delivering on its mandate to assist businesses with red tape reduction interventions, hosted an intervention with the South African Revenue Service (SARS) regarding various tax incentives and benefits as part of Entrepreneurship Month. Various social media and communication interventions took place to improve access to information for businesses regarding the SARS, as well as compliance related information for emerging contractors as part of the mandate for the Construction Industry Development Board (CIDB). These interventions were critical to remove the barrier of access to information businesses and start-ups may encounter when competing in the economy. The Unit also had the opportunity to engage Youth Café Manager's from non-metro areas on the mandate of the Unit, the Business Support Helpline Service, and key compliance information available on the RTRU's website (including digital products to enable access to information).

The RTRU continued with the regulatory reform agenda by commenting on various pieces of draft legislation and policies such as the Copyright Amendment Bill, in addition to developing Model Policies and By-Laws as tools for municipalities to streamline selected by-laws. The Unit also continued its partnership with the City of Cape Town in the roll-out of Regulatory Impact Assessments (RIA) as a tool to ensure better regulation. The RTRU strengthened its relationship with the City of Cape Town by forming part of the project team to conduct a RIA for the City of Cape Town's Draft Mobile Business Policy. Mobile businesses were being regulated by the informal trading by-law and were being forced to comply with compliance requirements for formal businesses. The Unit, noting the City of Cape Town's (the City) introduction of the policy reviewed the policy and found a number of concerns impacting negatively on mobile businesses. An initial RIA was conducted in collaboration with the City to assess the potential impact on small business and the informal sector.

### Investments and exports priority

Investment in the Western Cape requires facilitation and promotion activities. DEDAT plays a role in creating a conducive environment for investors through sector development, catalytic infrastructure, and ease of doing business programmes, whilst the three public entities undertake investment promotion and facilitation to attract both green and brownfield investments and support existing firms with expansion initiatives. During the 2022/23 budget cycle, the finalisation of the investment and export strategies was a priority for the Department and its entities as critical inputs to the G4J Strategy. This will be finalised and launched in 2023/24. Investment and export

are both priority focus areas for G4J and the programmes for each area were expanded in the 2022/23 financial year with further support and focus which will be evident in future departmental activities across all programmes. Investment promotion prioritised and budgets were allocated mainly towards the three public entities, each of which play a critical role in investment promotion activities. Wesgro as the leading Investment Promotion Agency (IPA) of the Western Cape, supported by Saldanha Bay IDZ Licencing Company SOC Ltd, is legislated to encourage investment into a particular geographical area relating to specific sectors, like Atlantis SEZ who is legislated to attract green investment into the Province for a particular zone within the Cape Metro

### **Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro)**

Wesgro is the public entity responsible for export, investment and tourism promotion. The priorities for the entity are as follows:

#### *Investment promotion:*

This unit within Wesgro focused primarily on the development of a sound investment as well as business retention and expansion strategies. In this regard, the lobbying of the national government and other relevant stakeholders to develop policies and incentives that are relevant and responsive to the private sector's needs, and flexible enough to accommodate such needs. The strengthening of the investment recruitment missions' efforts through data quality improvement using reliable investment flow analysis tools and platforms. This emphasised improving the business environment for both local and foreign companies, as well as alignment with national initiatives to attract investment for new businesses or businesses that wanted to expand their current activities. For the 2022/23 financial year, Wesgro facilitated R4.1 billion of committed investment into the Province and facilitated 1 507 jobs as a result of the committed investments. More than 50% of the direct investments into the Province come from foreign investors, with Norway, Germany and the United States being the leading foreign investors in the Western Cape for the period under review.

#### *Export promotion:*

This unit focused on the provision of market intelligence to support decision-making processes by companies as well as the lobbying of the national government to select international markets for which support will be provided to companies by using sound market analysis and consulting the private sector.

The unit also focused on the provision of necessary support to companies through outward selling missions and attending international trade shows; the identification of trade barriers, both tariffs and Non-Tariff Barriers (NTBs); through advocacy and advising sectors and national government on the best solutions. Interventions included the promotion of trade agreements and assisting companies to acquire required compliance in-market certifications - including that of systems and processes. An estimated R3.1 billion worth of trade agreements were signed during the 2022/23 financial year with 906 jobs being facilitated as a result of the trade agreements signed.

#### *Destination Marketing Organisation (DMO - Tourism):*

The Department allocated R65 573 000 to Wesgro's destination marketing arm during the 2022/23 financial year. They focused on marketing and tourism trade promotion activities through partnerships in key source markets; digital maintenance and content creation for website and social media platforms; business events (meetings, conferences, incentive travel, and exhibitions); stakeholder management and engagements; air access and the activities for Airlift and route recovery post COVID-19 for both international and domestic arrivals in the Western Cape; cruises, through the Cruise Cape Town project; sport and adventure tourism promotion; culture and heritage promotion; food and wine tourism promotion and the Cape of Great Events promotion, to increase the impact of events in the Province and scale the event pipeline going forward. Wesgro achieved an estimated economic impact of R423,8 million through the conversion of 30 conference bids. They exceeded their annual targets for the number of joint marketing agreements secured as well as for the number of leisure event marketing agreements secured.

### Saldanha Bay IDZ Licencing Company SOC Ltd (Freeport Saldanha)

Despite the onslaught of the pandemic, which affected the Saldanha Bay IDZ Licencing Company (Freeport Saldanha) and caused delays and shifts in private and public sector investment into the economy, Saldanha Bay IDZ Licencing Company SOC Ltd (Freeport Saldanha) has considered sufficient robustness to withstand the needed changes to its Strategic Plan. A revised business framework was tabled and accepted by the Board for 2021 onwards because the fundamentals of the business' strategic priorities have not changed.

One of the policy trade-offs identified with the WCG in the revised business framework, is the strong focus on commercial self-sustainability, because in the event that the Company is not able to receive government funding, or receives reduced funds or rental as currently forecast, alternative measures must be put in place to mitigate the risk. The organisation's resources should be used to generate revenue for the financial sustainability of the company. This was initiated by methods, such as leveraging of capital assets of the special economic zone (SEZ), obtaining partners to develop the land assets and/or bring in own customers to set up in the SEZ, or obtain funding from alternative sources; and the Board and Management utilise the existing good corporate governance systems and processes to evaluate this risk pro-actively.

With the marketing and promotion of Saldanha Bay IDZ Licencing Company SOC Ltd (Freeport Saldanha), it is receiving a lot of interest from the market to lease office space. Improvements have been made to the Access Complex to ensure more spaces being ready for leasing. Challenges remain with load shedding and associated increased running costs. ICT fibre infrastructure, as part of the municipal fibre roll-out, has been prioritised.

The Project Leasing Facility's (PLF) pipeline remained a concern with the Independent Power Producing (IPP) programme experiencing delays on bid window 4b, 5 and 6 as per the initial forecast. Resources have been spent to rebuild the PLF pipeline although there were no immediate projects for the year. Abnormal cargo projects have long lead times and are expected to only land during 2023/24 financial year.

In response to the Market Demand Analysis of 2021, Saldanha Bay IDZ Licencing Company SOC Ltd (Freeport Saldanha) started to focus on developments in the energy market. Subsequently the Zone has received strong market interest in developing a green hydrogen hub in the area and Saldanha Bay IDZ Licencing Company SOC Ltd (Freeport Saldanha) has responded accordingly. Activities include working with national, provincial and local government to identify and prioritise the development of a green hydrogen sector. Highlights include:

- Announcement of a Memorandum of Understanding (MOU) between the Northern Cape and Western Cape Governments to collaborate on developing the West South African Development Community (SADC) Green Hydrogen corridor;
- Announcement of Strategic Integrated Projects (SIPs) for Saldanha. One project has already been gazetted and five projects are in the process of being gazetted, subject to further information required.
- Initiation of a major World Bank Study regarding Green Bunker Fuels in Saldanha (commissioned by the National Climate Commission);
- Hosting 'Re-industrialising Saldanha Day' as part of the South African Green Hydrogen (GH2) Summit (opened by Premier Winde and President Ramaphosa); and
- Sasol and ArcelorMittal South Africa (AMSA) signed a joint development agreement (JDA) to develop carbon capture technology to produce sustainable fuels and chemicals as well as revitalising ArcelorMittal's in-operative steel plant in Saldanha Bay to produce and export green steel.

Two other major GH2 project developers are well-advanced in securing space around Freeport Saldanha. The focus for Freeport Saldanha is to secure grant funding for environmental and spatial masterplan studies required to create an enabling environment for Green Hydrogen investments.

### Atlantis Special Economic Zone (ASEZ)

The Atlantis Special Economic Zone Company (ASEZ Co) continues to work with a pipeline of investors ranging from projects worth more than R1 billion to small companies that require limited space. The Entity purchased an empty factory that houses several small businesses in an initial phase; this purchase also realised the ASEZ Co's first revenue stream. Over the past financial year, they received R89 million in civil infrastructure funding from the Department of Trade, Industry and Competition (dtic), as well as R13.864 million towards top structure funding for investor Quantum V3. The ASEZ Co appointed a main contractor to start with the infrastructure construction phase in Quarter 1 of 2023/24. This main contractor is charged with sub-contracting 40 per cent of the work in the build phase to local contractors.

This is to be achieved through work packages that enable smaller contractors to compete and deliver - with the support of the main contractor. In addition, supplier development work was done with the construction sector. The ASEZ Community Stakeholder Network (CSN) was used to keep the community informed of the legal prescripts and processes that apply to construction tenders in public entities, and the requirements with which bidders must comply.

The investigation into the re-activation of a rail link between the Atlantis industrial area and the Port of Cape Town indicated a strong rationale for the re-opening of the line. The ASEZ, Transnet and the City are collaborating towards the investment being made to make this rail link functional. The ASEZ also continued working with various entities in the green economy and Greentech space towards designing and building the ASEZ as a green star precinct and as an innovation space. As a first of its type, the ASEZ will implement an operating model that enables the private sector to co-fund infrastructure development in an SEZ.

In addition to the work done towards community participation in the construction phase, the ASEZ continued a range of other skills and enterprise development programmes that span a wide scope, from learners to school leavers to Further Education and Training (FET) training to upskilling persons already in employment or their own business. The ASEZ reached an agreement with the National Business Initiative and KfW, the German Development Bank, to work together on a skills development programme - a project that is likely to result in externally funded bespoke training, small business support and incubation facilities being built in Atlantis.

### Enterprise Development

Enterprise development was identified as a strategic priority and the interventions undertaken by the Unit focused support to implement the *Jobs* theme of the Western Cape Recovery Plan and the Department's five-year strategic plan that contributes to job creation and economic growth.

The initiatives undertaken by the unit include the following:

The Small, Medium and Micro Enterprises (SMME) Booster Fund 2022 (the Fund) supported interventions implemented by organisations that are geared at supporting SMMEs based in the Western Cape. The Programme is supportive of growing and enhancing the sustainability of SMMEs that includes rural, urban, township-based, youth, people with disability and women-owned SMMEs. Seven projects were supported, which provided support and assistance (directly or indirectly) to SMMEs to maintain and/or enhance sustainability, develop the capacity of the business and the owner/entrepreneur, increase efficiencies, and enable them to grow and create jobs.

The unit continued with the roll out of the nine SMME Booster Fund 2021 projects, which were being finalised during the 2022/23 financial year. The projects have been successfully implemented to date.

The Business Development Support Programme provided ten Small and Micro Enterprises (SMEs) with the required non-financial support (including equipment and machinery, market collateral, financial systems, etc.) to contribute to the sustainability and growth of the businesses. The programme is a collaborative initiative between the Enterprise

Development unit within the Department of Economic Development and Tourism (DEDAT) and the Drakenstein municipality to implement a project aimed at supporting entrepreneurs trading in Drakenstein.

The Long Street Kiosks Programme continued its support to five Small and Micro Enterprises (SMEs) with machinery and equipment to enhance the business capacity and capability.

The Unit assisted the Department of Transport and Public Works (DTPW) in implementing their Contractor Information Sessions (CIS) in conjunction with agencies and organisations such as SARS, local municipalities, and the Construction Industry Development Board (CIDB). Workshops were held in areas such as Kuils River, Ashton, Grabouw and Mossel Bay.

## Skills Development

Skills development in the Department has evolved from skilling unemployed youth with skills in demand and hoping that those unemployed youth find employment to supporting employment through experiential learning programmes that provide the required experience and skills transfer concurrently. While this model has proven most effective in transitioning unemployed youth into employment, the model is extremely costly. Acknowledging the constraints on departmental funding, the Programme has leveraged more than R201 million from private sector and other government sources in support of experiential learning initiatives and skills development of unemployed youth. Private sector funding is utilised on accredited skills development programmes, on the job training, work readiness training and matching departmental stipend funding.

It is worth noting that the Department's skills budget is gender responsive with more than 60% of beneficiaries supported have been female and it is responsive to the plight of the most marginalised communities as the majority of beneficiaries hail from neighborhoods characterised with some of the highest unemployed rates in the Province. Regarding the Programmatic Annual Performance Plan target of supporting unemployed youth with skills development and the facilitating of employment of 2 500 unemployed youth. The Programme over-delivered on its annual target by more than 87%, in part the over-achievement was possible mainly by funding leveraged from external sources.

In terms of driving systemic change, the Programme has strengthened academic outcomes through the development of new curricula or delivery modalities in basic and higher education that are better aligned to industry requirements.

## Resource Resilience

During the 2022/23 fiscal year, the Municipal Energy Resilience (MER) initiative continued to spearhead the energy resilience efforts of the Province. The objective of the MER initiative was to improve energy resilience in municipalities across the Western Cape through facilitating, supporting and positioning for the implementation of energy infrastructure development (public and private) for economic growth, energy affordability, and/or municipal financial sustainability to contribute towards the target of 500MW of new generation capacity by 2025. In 2022/23 the MER initiative was restructured into the following components: municipal procurement, private sector enablement, enabling infrastructure, enabling systems and strategic development and management (these were subsumed into the new Western Cape Energy Resilience Programme at the end of the financial year). The municipal procurement component continued to provide support with the focus on Stellenbosch Municipality and supported an MER Fund which enabled 13 foundational energy studies in eight municipalities. The private sector enablement component focused on facilitating energy investment for private sector businesses, wider adoption of Small-Scale Embedded Generation (SSEG/rooftop solar Photovoltaic (PV)) and the promotion of wheeling in municipal networks. The enabling infrastructure work looked at grid infrastructure upgrade requirements including battery storage. The enabling systems component looked at a) initiating the exploration of setting up a municipal pooled buying facility to enable multiple municipalities to procure power from multiple IPPs; b) investigated funding and financing aspects through meeting with various stakeholders in the market and supporting other mapping of availability and access to funding; and c) demand and supply enablement (primarily electric vehicles)

and localisation elements (through the Atlantis SEZ). The strategic development and management component looked at regulatory and legislative inputs including how the electricity landscape in South Africa is transitioning from a monopoly to competitive market, centralised and large scale power to decentralised and distributed power generation. This entailed commenting on legislation such as ERA Schedule 2 licencing exemption, exclusion for Solar PV from NEMA, the climate change bill, energy users and suppliers block exemptions and State of Disaster regulations. Other aspects of this component includes as well as work towards the development of a long term electricity plan for the Western Capening and gas and the development of green hydrogen in the Western Cape and engaging with stakeholders in relation to LNG.

Given the work done previously on SSEG and the growing need for alternative energy given load shedding, rooftop PV system installations increased substantially to 210MW of registered rooftop PV in the Western Cape by the last quarters of 2022/23 financial year. This represents R2.1 billion worth of investment and around 535 jobs. Direct support has also been provided to 218 businesses and organisations on water and energy matters with more than 9 652 downloads of the four 2022 Market Intelligence Reports (MIR) covering Energy Services, Utility-Scale Renewable Energy, Water and Electric Vehicles. These MIRs allow for positioning of market players in the growing energy and water sectors.

## 2.2 Service delivery improvement plan

WCG Departments have not reported on the SDIP 2021/22 Part B Reporting in the Annual Report last year due to a DPSA directive (Service Delivery Improvement Plans DPSA Circular no 1 of 2021). In this circular DPSA informed all national and provincial departments that they were consulting various stakeholders to review the current SDIP Directive (2008) and aiming at aligning the SDIP to departments' Strategic Planning and Annual Performance Plans Framework.

WCG Departments will not be reporting on the SDIP 2022/23 Part B, as the DPSA has finalised the refined draft SDIP Directive (1 April 2023) and template during the 2022/23 financial year and informed all national and provincial departments to submit approved 2023-2025 SDIPs to DPSA on 31 March 2023 (Service Delivery Improvement Plans DPSA Circular No 14 of 2022).

SDIP 2023/24 Part B Reporting by WCG departments would be required during the 2024/25 financial year, as approved 2023-2025 SDIPs would be in place to report on.

## 2.3 Organisational environment

The Department's Workforce Plan 2021-2026 serves as a vehicle to ensure that the Department utilises and develops its human capital optimally to ensure agility and integrated service delivery. This takes place through the identification of and developing the required organisational capacity, values and competency-based recruitment practices and the development and implementation of the transition to a new way of work/departmental citizen-centric implementation plan.

The Department is currently engaging with the Chief Directorate: Organisational Development on the development of a service delivery model in line with the Department's strategic focus areas and an effective change management implementation plan and strategy to assist employees to adapt to the "new way of work". Departmental organisational structure and human resources will be aligned subsequent to the conclusion of the G4J Strategy.

The process of upskilling is being addressed through an envisaged skills audit that will identify the skills currently within the Department, and what is required to ensure optimal service delivery within priority areas aligned with the G4J Strategy. This process will be managed internally, and in consultation with the Directorate: People Empowerment within the Corporate Services Centre.

The Department established a Gender Equality forum that meets bi-annually to address gaps and interventions highlighted within the Public Service Women in Management meeting which aims to address gender mainstreaming in an ever-changing environment. The Department prides itself on the opportunity to support and provide reasonable accommodation for people with disabilities by working closely with the Corporate Services Centre to ensure that matters relating to accessibility is addressed through its Gender Equality Strategic Framework Plan and Job Access Strategic Framework Plan.

Ongoing interventions are rolled out for employees to raise awareness around human rights (including the Priority Groups), in terms of sexual harassment, disability and gender inequality gaps. The Department is addressing its human rights obligations to residents and the identified Priority Groups through various measures, including the following:

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

The Office of the Consumer Protector (Programme 4) targets various consumer groups, including the youth, the elderly, women, and persons with disabilities through their consumer education interventions. The interventions are conducted across the Province and focus on consumer rights awareness and basic financial literacy for citizens.

Tourism Sector Transformation (Programme 6) targets women and youth through the development of tourist guides as part of the registration and development service to the guiding community.

The Skills Development and Innovation Programme (Programme 7) drives the creation of an enabling environment to facilitate a better match between the supply of and industry demand for skills. The Programme actively pursues partnerships to influence decision and policy makers who have the mandate in the education and post school means to drive systemic change that allows access to youth and the current workforce to relevant workplace skills to become employable.

Matters related to Information and Communications Technology (ICT) are managed through the Department's ICT Steering Committee. The ICT Steering Committee seeks to maximise efficiency and productivity in the workplace through the appropriate use of the ICT for maximum impact on service delivery. The secondary objective is to support the move for the Department to become data-driven and evidence-led in our decision making based on data analytics.

## 2.4 Key policy developments and legislative changes

None was identified.

### 3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

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

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

Outcome	Outcome indicators and progress
Increased Rand value of investment	<p><b>Indicator:</b> Rand value of investment</p> <p>5-year target: R5 billion</p>
	<p><b>Progress with respect to Strategic Plan:</b></p> <p><b>Investment</b> In terms of 5-year strategic outcomes, Wesgro has exceeded the mid-term mark. Of the 5-year target of R14.71bn of committed investments, Wesgro has already achieved R14.49bn.</p> <p>Wesgro facilitated R4.1 billion of committed investments into the Province for the 2022/23 financial year. An amount of R102m was registered as an investment in infrastructure in the ASEZ for the 2022/23 financial year. The Saldanha Bay IDZ Licencing Company SOC Ltd has facilitated investment to the value of R229m for the financial year. Together, these three entities realised R4.6-billion-rand worth of investment into the Province.</p> <p><b>Export</b> In terms of the 5-year outcome: the target for the rand value of trade agreements is R16.70bn- R25.04bn and R1.36bn and R3.09bn for Outward Foreign Direct Investment (OFDI). The target met over the three years is R9.8bn and R1.86bn for OFDI. For the 2022/23 financial year, Wesgro signed trade agreements to the value of R3.1bn.</p>
Increased exports	<p><b>Indicator:</b> Rand value of exports.</p> <p>5-year target: R17bn.</p>
	<p><b>Progress with respect to Strategic Plan: From 2020/21 – 2022/23</b> A total value of R9.8bn of trade agreements were signed by Wesgro from 2020/21 until 2022/23.</p>
Improved tourism safety perception	<p><b>Indicator:</b> Percentage change in tourist safety perception.</p> <p>5-year target: Improve the visitor safety perception by 25% over five years.</p>
	<p><b>Progress with respect to Strategic Plan:</b> Outcome discontinued (See Annexure A in the tabled APP 2022/23). The output indicator linked to this outcome was formally discontinued due to the impact of COVID-19 on international tourist numbers coupled with budget cuts to the tourism safety programme.</p>

Outcome	Outcome indicators and progress
Improved employability of beneficiaries supported	<p><b>Indicator:</b> A percentage of beneficiaries supported reporting a change in employability 5-year target: 70% of beneficiaries surveyed have improved their employability.</p> <p><b>Progress with respect to Strategic Plan:</b> The Skills Development Programme undertook two research surveys to determine the improvement of employability of beneficiaries. Results from the two surveys range between 81% and 78% of respondents that felt that the programme improved their employability. The research was conducted with beneficiaries from various financial years who were part of the programme between 2020-2022.</p>
Improved Ease of Doing Business	<p><b>Indicator:</b> Total benefits to the economy as a result of red tape reduction and/or ease of doing business improvement interventions. 5-year target: By 2025, R5bn worth of economic benefits to the provincial economy.</p> <p><b>Progress with respect to Strategic Plan:</b> Over the mid term, R1.85bn in total benefits to the economy have been quantified as a result of red tape reduction and/or ease of doing business improvement interventions, improving the ease of doing business.  During 2022/23, an independent assessment reported R541m in economic savings or benefits due to the implementation of three interventions in the Western Cape.</p>
Resource resilience of the economy improved	<p><b>Indicator:</b> Energy Security: No. of megawatts of lower carbon electricity produced in the Western Cape. 5-year target: 500 MW of lower carbon electricity produced in the Western Cape.</p> <p><b>Progress with respect to Strategic Plan:</b> The Municipal Energy Resilience initiative has been the flagship programme that would contribute towards the 5-year target of 500MW of lower carbon energy produced in the Western Cape. Part of the initiative has been to support municipalities in enabling Small Scale Embedded Generation (rooftop solar PV). In this regard 162MW of the target has been registered in the Province. Additionally, the initiative has moved towards implementing pioneering projects for municipal procurement of independent power producer (IPP) procurement, focusing on Stellenbosch Municipality as a building block for further IPP procurement. The MER initiative also supported renewable energy developers towards increased private sector generation and increased generation in the national Renewable Energy Independent Power Producer Procurement Programme (REIPPPP). Since 2020, two wind farms from bid window 4 of the REIPPPP have reached commercial operation date in the Western Cape. These are Perdekraal (107MW) and Excelsior (31MW) providing a combined capacity of 138 MW. Additionally, 785 MW of projects in the Western Cape were awarded preferred bidding status in bid window 5.</p> <p><b>Indicator:</b> Water Security: Improvement in water efficiency of selected water-intensive sectors. 5-year target: 20% improvement in the water efficiency of four water intensive sectors.  In-year changes to the 2020-25 Strategic Plan as tabled during 2021: This 5-year target was changed to: 20% improvement in the water efficiency of one water intensive sector.</p>

Outcome	Outcome indicators and progress
Resource resilience of the economy improved	<p><b>Progress with respect to Strategic Plan:</b></p> <p>Work was done under Priority Focus Area 4: Water Security &amp; Resilience towards the development of the Growth for Jobs Strategy. This included workshops hosted and leading to the development of key water demand and supply interventions geared towards securing water future. The goal of the PFA is to double the amount of water available for secondary and tertiary economic sectors (primarily from non-productive use) by 2035 and honour existing allocations to agriculture. In addition to the work done under PFA 4, DEDAT supported DLG to convene a water indaba held in March 2023 as an opportunity to share and learn from the ideas and experiences of academics, government, industry experts and innovators in the overall goal of establishing a water resilient Province.</p>
Improved financial governance	<p><b>Indicator:</b></p> <p>Unqualified Audit Opinion.</p> <p>5-year target: Unqualified Audit Opinion</p> <p><b>Progress with respect to Strategic Plan:</b></p> <p>Financial management obtained an unqualified audit for the past two financial years (2020/21 &amp; 2021/22). The unit has ensured that processes are managed effectively and efficiently in order to maintain its high level of financial governance.</p>
Functional 'M&E system' that provides strategic support to the Department	<p><b>Indicator:</b></p> <p>Compliance of 'M&amp;E System' with M&amp;E policy and frameworks.</p> <p>5-year target: Full compliance with use of M&amp;E information in strategic management.</p> <p><b>Progress with respect to Strategic Plan:</b></p> <p>By year three of the Strategic Plan, the Department's progress on this 5-year target is on track. Since 2020, the following cumulative performance on outputs can be reported, which, if continues, should support the Department to reach its planned 5-year outcome by 2024/25:</p> <ul style="list-style-type: none"> <li>• DEDAT's non-financial performance reporting – 'clean' audits for 2020/21, 2021/22;</li> <li>• DEDAT's performance indicators – compliant with frameworks and assessments externally conducted by DPME and DoTP's Provincial Data Office;</li> <li>• Outcomes monitoring – 3 assessment reports;</li> <li>• Outputs monitoring - 11 reports;</li> <li>• M&amp;E capacity-building - 10 customised sessions; and</li> <li>• Presentations to DEDAT top management on cumulative performance - annually.</li> </ul>
An improved environment conducive to fair business practice and informed consumers	<p><b>Indicator:</b></p> <p>Monetary value of savings accrued to consumers.</p> <p>5-year target: R1.2 million.</p> <p><b>Progress with respect to Strategic Plan:</b></p> <p>The 5-year target is to ensure that a minimum of R1.2m worth of 'savings' find its way into the pockets of affected consumers. The OCP is on track to reach this target and as at the end of the <b>2022/23</b> financial year a cumulative total of <b>R1 483 706.36</b> has so far been successfully returned to affected consumers due to the assistance provided. The specific saving amount for the 2022/23 financial year was R456 784.31.</p>

## Departmental contribution to MTSF, PSP and WC Recovery Plan

In 2022/23, the Department successfully delivered the Growth for Jobs Strategy, which supersedes the Western Cape Recovery Plan, and becomes the Western Cape Government's apex strategy. The Growth for Jobs Strategy, inclusive of an approved strategic framework, was led by a team of predominantly DEDAT officials. The Strategy was completed by 31 March 2023 and prepared for Cabinet approval in the 2023/24 financial year.

## 4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

### 4.1 Programme 1: Administration

#### Purpose

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

#### Programme structure

Sub-programmes	Purpose
Sub-programme 1.1: Office of the Head of Department	<ul style="list-style-type: none"> <li>To manage and direct the Departmental transversal administrative programmes that give leadership to the Department.</li> <li>To effectively maintain an oversight function of the whole Department's mandate and function.</li> </ul>
Sub-programme 1.2: Financial Management	<ul style="list-style-type: none"> <li>To provide an effective financial management function.</li> <li>To ensure implementation of the PFMA and other related financial regulations and policies.</li> <li>To provide planning and budgeting support to the Department.</li> <li>To make provision for the maintenance of assets.</li> </ul>
Sub-programme 1.3: Corporate Services	<ul style="list-style-type: none"> <li>To provide a strategic support function to the Department.</li> <li>To ensure the rendering of ICT, human capital, corporate assurance, legal and communication support services to the Department.</li> <li>To render communication services to the Department.</li> <li>To monitor and evaluate Departmental performance.</li> <li>To develop and manage knowledge and information systems, records and co-ordinate ICT.</li> </ul>
Institutional Outcomes	
Programme 1 contributes to the following institutional outcomes	<ul style="list-style-type: none"> <li>Improved Financial Governance</li> <li>Functional 'M&amp;E system' that provides strategic support to the Department</li> <li>Improved ease of doing business</li> </ul>

## Sub-programme 1.2: Financial Management

### Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 1.2: Financial Management								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Improved financial governance	Processed payments to creditors within 30 days	1.1 Number of days for the processing of payment to creditors	Payment to creditors within 24 days	Payment to creditors within 25 days	30 days	17.16 days	12.84 days	Due to the sound management of the payment processes (proper systems and monitoring in place), Financial Management was successful in maintaining a strong governance environment as well as upholding a high level of service delivery by exceeding the turnaround time with regards to the payment to creditors.
	Cumulative expenditure as a percentage of the budget (Actual Expenditure/ Adjusted budget)	1.2 Percentage cumulative expenditure achieved (Actual expenditure/ Adjusted budget)	99.2% (R530 711 000)	99% (R493 396 000)	98% (R510 030)	99% (R502 883)	1%	The Department exceeded its target due its rigorous effort in driving expenditure.
	Efficiency interventions successfully implemented	1.3 Number of financial efficiency interventions implemented	5	6	2	3	1	Financial Management reviewed its procedures and implemented efficiency measures which contributed to exceeding its target.

Sub-programme 1.2: Financial Management								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
	Financial manual training sessions conducted	1.4 Number of financial manual training sessions conducted	13	12	12	13	1	Training interventions undertaken during the year have been tailored according to the current and pressing issues that the Department experiences as well as per the demand for such interventions by the Programmes.
	Customer service satisfaction achieved	1.5 Percentage of customer service satisfaction achieved	-	74%	70%	79%	9%	This target has been exceeded due to Finance's commitment to improving governance through compliance, stakeholder support and service delivery.
	External audit recommendations implemented	1.7 Percentage of external audit recommendations implemented	100%	100%	100%	100%	-	-

### Summary of Sub-programme 1.2 achievements

<p>Purpose Significant achievements</p>	<ul style="list-style-type: none"> <li>• To provide an effective financial management function.</li> <li>• To ensure implementation of the PFMA and other related financial regulations and policies.</li> <li>• To provide planning and budgeting support to the Department.</li> <li>• To make provision for the maintenance of assets</li> </ul>
<p>Significant achievements</p>	<p>The 2022/23 financial year saw Financial Management successfully achieve on the following:</p> <p>The Department reached a spending ratio of 99%, which exceeded its expenditure target, as set for the end of the financial year. This achievement was made possible through the collaborative approach undertaken in providing hands-on assistance to programmes where required.</p> <p>It is through this same dedication and the constant strive for efficiencies, that financial management was able to successfully implement efficiency measures that:</p> <ul style="list-style-type: none"> <li>• Reduced the administrative burden as well as the lead time taken linked to the finalisation of all official travel and accommodation requests within the Department;</li> <li>• Implementing a conflict-of-interest policy where it sets out the parameters for managing conflicts of interests that may arise in the delivery of the Department's mandate; and.</li> <li>• The development of a strategic intervention document, that is in alignment to G4J Strategic Framework to guide the development of each strategy owners' Strategic Intervention and reduce duplication between interventions.</li> </ul> <p>Further to this, there cannot be efficient and effective service delivery without capacity development. Financial management maintained its commitment to achieving its training targets based on the demand for training intervention and ensuring training is provided on key business processes where there has been legislative changes.</p> <p>An essential priority for Financial Management is the payment of suppliers in less than 30 days turnaround time. Through maintaining a strong governance environment and upholding a high level of service delivery, Financial management was able to achieve process payments within a turnaround time of 17.16 days.</p> <p>To ensure that Financial Management maintains good internal customer service, it is committed to the re-orientation towards a customer centric support service. Financial Management achieved a 79% customer satisfaction rate, demonstrating the quality of services provided and the commitment to enhancing the working relations with programmes.</p> <p>Therefore, taking into account the above achievements, the services rendered by the unit, ensures that the Department can be responsive to its citizens it serves. The endeavour to ensure efficiency in all its processes ensures that financial management institutes timely actions that leads to driving service delivery within the Department.</p>
<p>Outcome(s)</p>	<p>Improved Financial Governance</p>
<p>Summary of contribution to outcome (s)</p>	<ul style="list-style-type: none"> <li>• The strengthening of the compliance environment.</li> <li>• Enhancing the dissemination of financial information.</li> <li>• Re-orientation towards a citizen centric support service.</li> </ul>

Contribution to strategic priorities	<p>The initiatives undertaken by financial management are aligned to VIP 5, which focuses on Governance Transformation. The driving of efficiency within Financial Management is integral towards achieving the purpose of striving for improved governance and service delivery. These are achieved through review of policies and procedures, simplifying processes and innovation.</p> <p>Financial Management is integrally linked to both <b>Priority 6: Capable, Ethical and Developmental State</b> within the Medium Terms Strategic Framework (MTSF) and <b>Vision Inspired Priority (VIP) 5: Innovation and Culture</b> within the Western Cape Provincial Strategic Plan.</p> <p>Both the MTSF and PSP recognizes that to improve the lives of the average citizen and resident of the Province, the administrative and governance processes and systems need to be strengthened. Financial Management will therefore focus on developing the mantra that good governance is service delivery. In this regard, the driving of efficiency through improving our standards, processes and practices has been of critical importance.</p>
Response to priority groups	Not applicable.

#### Strategy to overcome areas of underperformance

Not applicable.

## Sub-programme 1.3: Corporate Services

### Departmental Performance Monitoring

#### Outcomes, outputs, output indicators, targets and actual achievements

Departmental Performance Monitoring								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Functional 'M&E system' that provides strategic support to the Department	Outcomes monitored	1.8 Number of Outcomes Monitoring Reports produced	1	1	1	1	-	-
	Non-financial performance information system managed	1.9 Number of Output Monitoring reports produced	4	5	2	2	-	-

Departmental Performance Monitoring								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
	M&E capacity building conducted	1.10 Number of M&E capacity building sessions conducted	4	3	2	3	1	An additional request from DEDAT's Skills division for M&E-related training for ADP project staff resulted in the higher than planned performance.

**Summary of Performance Monitoring achievement**

Purpose	To monitor and evaluate Departmental performance.
Significant achievements	<p>Guided by the Government-wide M&amp;E System Framework (GWM&amp;ES, 2007), APP 2022/23 and Operational Plan 2022/23, the effort to institutionalise M&amp;E in the Department was maintained over 2022/23. All planned targets were achieved through the delivery of the following outputs:</p> <ul style="list-style-type: none"> <li>• Authored three reports titled, 'DEDAT progress on support to businesses, 2021/22', 'Monitoring project performance - artisanal training 2022/23', and 'Progress on DEDAT's 5-year investment outcome, 2022/23'.</li> <li>• Delivered three tailored M&amp;E capacity-building sessions for project staff from the Skills, EODB and LED units. The intent was to improve awareness, knowledge and management capability to apply M&amp;E tools such as SMART indicators, project monitoring or logic models.</li> <li>• Managing the non-financial performance reporting function by supporting the Accounting Officer to timeously submit five mandatory DEDAT Performance Reports to DPME as per legislated timeframes.</li> <li>• Supported the attainment of a DEDAT target for unqualified audit opinions by ensuring that non-financial performance information adheres to auditing norms and standards for 2021/22 and 2022/23.</li> <li>• Providing advice to managers in generating and developing performance indicators as part of producing the DEDAT APP 2023/24.</li> </ul> <p>Further M&amp;E-related reviews, reports or outputs were produced in 2022/23 to ultimately strengthen M&amp;E's benefit and use as a strategy management tool.</p> <p><i>DEDAT indicator frameworks 2022/23, 2023/24</i></p> <ul style="list-style-type: none"> <li>• Updated quarterly so that aggregated performance on outputs and outcomes, aligned to the Strategic Plan and APPs over 2020-2023 could be communicated to management.</li> <li>• A provisional 2023/24 framework was drafted to incorporate the Draft G4J Strategy's transversal output and outcome indicators.</li> </ul>

Significant achievements	<p><i>G4J Strategy</i></p> <ul style="list-style-type: none"> <li>• Report produced, “Linking DEDAT’s 2023/24 draft output indicators to the G4J transversal performance indicators, March 2023”.</li> <li>• Commentary delivered on the G4J Theory of Change Scope of Work.</li> <li>• Economic Think Tank – G4J ToC task-team meeting attendance.</li> <li>• Various G4J co-planning and theme-specific Theory of Change work-shops and DEDAT – G4J Strategy alignment workshops attended.</li> </ul> <p><i>Theories of Change</i></p> <ul style="list-style-type: none"> <li>• Developed and shared for departmental projects including the Digital Economy, Red Tape Reduction and Artisan Development initiatives.</li> <li>• Developed a DEDAT Skills programme Theory of Change which was included in DEDAT’s Funding Application to the Jobs Fund.</li> </ul> <p><i>Outcomes monitoring</i></p> <ul style="list-style-type: none"> <li>• While outcomes are due in 2025, the unit continued to audit DEDAT’s outcomes performance for selected outcomes. In addition to monitoring our progress on the consumer savings, unqualified audit and functional M&amp;E system outcomes, tracking programmatic performance on the transversal investment outcome also commenced in 2022/23.</li> </ul> <p><i>Evaluation</i></p> <p>Notwithstanding the existing challenges in resourcing evaluations in DEDAT, the M&amp;E unit was commended by the DOTP’s Evaluation Unit for being selected to present at the prestigious national M&amp;E conference, SAMEA.</p> <p>In this regard we presented the draft findings of a DEDAT-student project; viz, a ‘Design Evaluation of DEDAT’s Work and Skills programme,’ and the intent is to continue exploring other mechanisms to continue building internal capacity for evaluation, suitable for environments where resource constraints exist.</p>
Outcome(s)	Functional ‘M&E system’ that provides strategic support to the Department
Summary of contribution to outcome (s)	<p>By 2022/23 (Year 3 of current 5-year term) progress on the 5-year target of ‘compliance of the M&amp;E system with M&amp;E policy and frameworks,’ is on track and is supported by the delivery of the following cumulative outputs:</p> <ul style="list-style-type: none"> <li>• Unqualified non-financial performance information audit opinions in 2020/21 and 2021/22.</li> <li>• DOTP’s assessment of DEDAT’s performance indicators as compliant to provincial guidelines, since 2020/21.</li> <li>• Three outcomes monitoring reports.</li> <li>• Eleven reports assessing performance on departmental outputs or projects.</li> <li>• Ten customized M&amp;E-specific capacity building sessions.</li> </ul>

Contribution to strategic priorities	<p>Various frameworks require government departments to be results-focused on how we deliver and report progress on our strategic goals. M&amp;E is a key management process necessary to measure, report and improve governmental performance. To this end the unit strives for M&amp;E processes to contribute to the over-arching departmental priorities for,</p> <ul style="list-style-type: none"> <li>• Transversal management and governance (G4J Strategy, March 2023).</li> <li>• Capable, ethical and development state (MTSF, 2019 – 2024).</li> <li>• Mainstreaming of M&amp;E systems (Provincial Strategic Plan, 2019-2024).</li> </ul>
Response to priority groups	Not applicable – M&E focuses on building internal staff’s M&E skills.

### Departmental Communications

#### Outcomes, outputs, output indicators, targets and actual achievements

Departmental Communications								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Improved ease of doing business	Strategic economic communication agendas	1.11 Number of strategic economic communication agendas developed	-	5	4	5	1	<p>Delivering impact with immediacy, DEDAT has identified the following PFAs and cross cutting enablers as appropriate and within its scope:</p> <ol style="list-style-type: none"> <li>1. Energy sustainability;</li> <li>2. Exports;</li> <li>3. Investment; and</li> <li>4. Access to opportunities and employability (skills and entrepreneurship).</li> </ol> <p>An additional strategic economic communication agenda was developed on the transversal enablers (ease of doing business and technology and innovation) that are critical to the above selected PFAs.</p>

### Summary of Departmental Communications achievements

Purpose	To render communication services to the Department.
Significant achievements	<p>Within the Departmental context strategic economic communication is defined as “focused efforts by the Western Cape Government to understand and engage key audiences to create, strengthen, or preserve conditions contributing to a favourable degree of business confidence”.</p> <p>This in 2022/23 entailed the development of strategic economic communication agendas, representing a synthesis of economic intelligence derived from and responsive to G4J identified economic priority focus areas. These are synthesised into clear communication agendas which inform the implementation of future campaigns and the development and execution of narratives, messages or themes to be used in supporting lobbying, promotion efforts and associated communications by the WCG in economic priority areas.</p> <p>Five strategic economic communication agendas were developed in alignment with PFA’S, namely:</p> <ol style="list-style-type: none"> <li>1. Energy sustainability;</li> <li>2. Exports;</li> <li>3. Investment;</li> <li>4. Access to opportunities and employability (skills and entrepreneurship); and</li> <li>5. Tansversal enablers (ease of doing business and technology and innovation).</li> </ol>
Outcome(s)	Improved ease of doing business
Summary of contribution to outcome (s)	Clear, concise, certain and continuity of communications is vital to ensure that the Department’s role as a leader in all matter’s “economy” is ensured. As a credible partner for businesses in the Western Cape whether (new or existing) the Department through its communications efforts promotes a Western Cape Government that is creating an enabling environment that is “Open for business” and creates opportunities for jobs.
Contribution to strategic priorities	The Jobs theme of the Western Cape Recovery Plan is in alignment with the Provincial Strategic Plan (PSP). The primary priorities of the Department, aligned to the Jobs theme of the Western Cape Recovery plan, are: accelerating the ease of doing business; boosting private sector investment and promoting exports; enterprise development; scaling up work opportunities; and ensuring economic resilience. The five strategic agendas respond to the identified priorities above and are therefore aligned to the Provincial policies identified.
Response to priority groups	Not applicable.

### Linking performance with budgets

During the 2022/23 financial year, Programme 1: Administration was allocated a financial resource envelope of R58.544 million. Of this, R41.497 million was allocated to Compensation of Employees, R12.975 million to Goods and Services, R3.490 million to payments for Capital Assets and R485 thousand to Transfers and Subsidies. During the Financial year, 98.9% of the allocated budget was expended.

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

- Compensation of Employees amounted to R40.917 million or 70.7% of total expenditure;
- Goods and Services amounted to R12.930 million or 22.3% of total expenditure;
- Payments for Capital Assets amounted to R3.487 million or 6.0% of total expenditure; and
- Transfers and subsidies amounted to R482 thousand or 1.0% of total expenditure.

Sub-programme Name	2022/2023			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the HoD	6 070	5 982	88	5 455	5 172	283
Financial Management	36 440	36 129	311	34 232	33 827	405
Corporate Services	16 034	15 800	234	16 118	15 842	276
<b>Total</b>	<b>58 544</b>	<b>57 911</b>	<b>633</b>	<b>55 805</b>	<b>54 841</b>	<b>964</b>

#### Strategy to overcome areas of underperformance

Not applicable.

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

Not applicable

## 4.2 PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

#### Purpose

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

#### Programme structure

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

## Sub-programme 2.1: Enterprise Development

Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 2.1: Enterprise Development								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Improved ease of doing business	Businesses supported through entrepreneurship promotion and/or businesses development support interventions	2.1 Number of businesses supported with business development support interventions	220	272	240	270	30	The Enterprise development unit was requested to assist the Department of Transport and Public Works (Department of Infrastructure) to assist with the implementation of their Contractor Development Programme. In assisting business through this Programme, the planned performance target was over achieved.
	Independently owned business established through township initiatives	2.1.1 Number of independently owned business entities established through township initiatives	-	-	3	4	1	The unit onboarded more informal businesses than was initially anticipated. This resulted in an additional request for assistance with formal registration.
	Funds leveraged	2.1.2 Value of funding leveraged to enhance support to SMMEs in the Western Cape	-	-	R8m	R8 689 680,00	R689 680,00	The funding committed by partners exceeded the initial expectations of the Department.

### Summary of Sub-programme 2.1 achievements

Purpose	To contribute to the creation of an enabling business environment that empowers small business and entrepreneurs to develop and grow.
Significant achievements	<p>This Unit implemented various initiatives to strengthen the Department's responsiveness to SMMEs, and with partners to accelerate economic recovery and contribute to creating a more enabling environment for businesses.</p> <p>The SMME Booster Fund 2022 supported seven projects which assisted 191 businesses. Assistance provided to these businesses included specialist training and accreditations, provision of equipment and machinery, business skills training, access to market assistance and market linkages, coaching and business mentoring. The businesses that were supported through the seven organisations were located in areas such as Mitchells Plain, Grabouw, Mosselbay, Langa, Khayelitsha, Hermanus, Robertson, Elsies River, Merweville, and Bellville. The SMME Booster Fund 2022 saw the launch of the WomHub business incubator and the South African Agri Academy Food-Path.</p> <p>The Unit continued with the roll out of the SMME Booster Fund 2021 projects, which were being finalised during the 2022/23 financial year. The projects have been successfully implemented to date.</p> <p>The Department in partnership with the Drakenstein municipality piloted a support programme for Small and Micro Enterprises (SMEs) through the Business Development Support Programme. Businesses were supported with the required non-financial support (including equipment and machinery, marketing collateral, financial systems, etc.) based on an assessment conducted which will contribute to their sustainability and growth. The programme formalised four informally operating businesses in partnership with Seda.</p> <p>The Long Street Kiosks programme supported five Small and Micro Enterprises (SMEs) with machinery and equipment to enhance the operations of the business. The businesses included Finest Frozen Yoghurt, Imbizo African Coffee Company, Hotchefs, Ikamva Youth Entrepreneurship and Ground Culture.</p> <p>The Unit partnered with the Departments of Transport and Public Works via the Contractor Information Sessions (CIS) in supporting businesses to become compliant and identify business opportunities in the public sector. Workshops were held in Kuils River, Ashton, Grabouw and Mossel Bay. The initiative assisted 79 businesses.</p>
Outcome(s)	Improved ease of doing business
Summary of contribution to outcome (s)	The initiatives of the Unit (e.g., SMME Booster Fund) and the associated impact contributed towards the achievement of the Department's outcome.
Contribution to strategic priorities	Initiatives implemented by the Enterprise Development unit was geared towards achieving the strategic priorities of government with a focus on growing SMMEs and enabling the business ecosystem which contributed towards job creation and business expansion as a key priority of government. The initiatives are aligned to the Medium-Term Expenditure Framework, Provincial Strategic Plan and the Western Cape Recovery Plan. The interventions implemented by the Sub-directorate focused on supporting businesses to develop their capacity and operations which enabled them to grow and create jobs.
Response to priority groups	The SMME Booster Fund 2022 strongly accentuated the focus on businesses that are owned by women, youth and people living with disabilities. To this end, businesses supported through the Fund were youth owned (36%), women-owned (59%) and people living with disabilities (1%).

### Strategy to overcome areas of underperformance

Not applicable.

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

### Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 2.2: Regional and Local Economic Development								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Improved ease of doing business	Businesses assisted through municipal support interventions	2.2 Number of businesses assisted through municipal support interventions	-	50	50	54	4	The Department was able to assist four more businesses with the existing intervention.
	Co-ordination interventions supported to strengthen district economic delivery	2.3.1 Number of co-ordination interventions supported to strengthen district economic delivery	-	-	4	4	-	-

### Summary of Sub-programme 2.2 achievements

Purpose	To create opportunities for jobs and inclusive growth across districts and local economies.
Significant achievements	<p>This unit implemented the Economic Recovery Partnership Programme to strengthen the Department's responsiveness to, and with, partners to accelerate economic recovery and create a more enabling environment for business across municipalities. Specifically, the Sub-programme:</p> <ul style="list-style-type: none"> <li>• In partnership with Hessequa, Langeberg, Mossel Bay and Swellendam municipalities, drove the establishment of new (or upgraded existing) trading spaces for SMMEs and informal traders in towns that allows local small businesses to grow and participate in creating jobs. The Unit exceeded its planned target of 50 businesses assisted and was able to render support to four additional businesses at these new facilities. Of the 54 businesses assisted with trading spaces and training support, 16% are youth and 50% are women.</li> <li>• Provided a co-ordination support function to the Department by providing guidance with district and local economic recovery plans and JDMA Implementation Plans, and with WCG-aligned efforts to support Integrated Development planning (IDP), Municipal Spatial Development Framework planning (MSDFs), Human Settlement planning (HSPs), and Areas-based Team (ABTs) planning for the Safety priority. District plans were monitored and successfully tabled with the national government as prescribed. The Unit developed a spatial mapping of the Department's delivery footprint across the Province and operationalised district economic clusters to ensure platforms for engagement and support are activated and that responsiveness to local level queries is maintained that promotes strengthening the municipal interface with national and provincial government. The Unit focused its</li> </ul>

### Summary of Sub-programme 2.1 achievements

Significant achievements	<p>interventions on being responsive to the service delivery needs of municipalities along with providing a co-ordination support function to the Department that gives effect to the Joint District and Metro Approach (JDMA) and the district development model.</p> <p>Implemented two business network partnership projects to create linkages and build relations between local municipalities and its local private sector in a district. These projects (one in the Overberg and the other in Saldanha Bay) start to strengthen and expand the role of local private sector players (like local business chambers, organized business, or sector-specific bodies, etc.) to do peer exchange on how to support small businesses in localities and how to work with their local municipalities. These business network partnership projects co-opt the business sector as an active player in the local ecosystem of economic activity, growth plans and jobs of a municipalities and supports municipalities to build business engagement platform to work on joint local priorities. This initiative delivered a mapped ecosystem per region, collaboration plans and case study to be used to share with other regions.</p>
Outcome(s)	Improved ease of doing business
Summary of contribution to outcome (s)	The targets achieved address empowering municipal and local private sector in regions to create an environment that makes it easier for local small businesses to do business, stimulate economic activity and create jobs in the more rural areas of the Province. It also addresses improving the effectiveness of the Department to deliver on its priority, ease of doing business.
Contribution to strategic priorities	<p>The Unit's initiatives were developed to advance Vision Inspired Priority 2: Growth and Jobs and promote spatial transformation of Vision Inspired Priority 4. Specifically, in the Medium-Term Strategic Framework the Unit's work aligns to accelerating "ease of doing business" as a key pillar, and the priority of Jobs in the Western Cape Economic Recovery Plan.</p> <p>The projects implemented were deliberately focused on acknowledging that the private sector is the generator of jobs, and it is the role of the Department and its municipal support unit to assist in creating enabling conditions for jobs and livelihoods across regions in municipalities.</p>
Response to priority groups	The Unit in collaboration with the Enterprise development unit utilised the SMME Booster Fund 2021 to drive and accentuate the focus on businesses that are owned by women, youth and people living with disabilities. To this end, businesses supported through the municipal Booster projects include one that are (16%) youth-owned and (50%) women-owned.

### Strategy to overcome areas of underperformance

Not applicable

## Sub-programme 2.4: Red Tape Reduction

### Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 2.4: Red Tape Reduction								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Im-proved ease of doing business	Cases resolved	2.5 Percentage of cases resolved	-	91% (639/703)	85%	91%	6%	The effectiveness of DEDAT's efficiency in resolving cases has resulted in a higher resolution rate than initially forecasted.
	Improvement measures to business-facing government services implemented	2.7 Number of improvement measures to business-facing government services implemented	-	-	15	19	4	The unit was able to report on additional improvements within its existing budget.
	Regulatory and/or policy reforms proposed to municipalities	2.8 Number of regulatory and/or policy reforms proposed to municipalities	-	-	10	10	-	-
	Ease of doing business capacity-building interventions conducted	2.9 Number of ease of doing business capacity-building interventions conducted to improve awareness on EoDB	-	-	15	16	1	On request by the Cape Agulhas Municipality, the unit was able to provide an additional awareness intervention.
	Business interventions conducted that enable compliance	2.10 Number of business interventions conducted that enable compliance	-	-	5	9	4	The unit over-achieved due to additional request, interventions and partnerships over and above what initially forecasted in line with the unit's capacity.
	Regulatory and/or or policy reforms proposed to national and/or WCG departments or its entities	2.11 Number of regulatory and/or policy reforms proposed to national and/or WCG departments or its entities	-	-	4	9	5	This indicator is demand led. The unit was requested to provide commentary on behalf of DEDAT.

### Summary of Sub-programme 2.4 achievements

Purpose	To improve the business environment by reducing the regulatory burden on businesses through improved legislation, processes and communication.
Significant achievements	<p>The Unit implemented interventions that contributed to reducing red tape and the development of an Ease of Doing Business environment for economic growth and recovery in both Western Cape Government, as well as the municipal context for the Province.</p> <p><b>A. Percentage of cases resolved</b></p> <p>The Business Support Helpline Service recorded 519 cases being logged by businesses, resulting in a 91% resolution rate for the Department. The satisfaction rate, after surveys were conducted with assisted businesses, stands at 80%.</p> <p><b>B. Number of improvement measures to business-facing government services implemented</b></p> <p>The Unit funded the implementation of improvement measures to several business facing government services.</p> <p><b>1. Western Cape Liquor Authority (WCLA)</b></p> <p>The Unit funded, in partnership with the WCLA, the development, implementation, integration and testing of various modules towards the realization of an eLicence online portal. By creating an on-line platform and streamlining client services, the WCLA will significantly expand on its service delivery footprint within the Western Cape and improve citizen experience and ease of doing business through enhanced efficiency of procedures and administrative systems.</p> <p><b>2. R10 million Municipal Ease of Doing Business Fund</b></p> <p>The Unit funded multiple projects across various municipalities aimed at streamlining processes and the digitisation of business facing government services, with the primary objective of improving operational efficiencies within municipalities. The interventions which were successfully implemented and concluded makes provision for the following business facing government services within the below listed municipalities:</p> <p>2.1 Langeberg Municipality: Development of an electronic Town Planning and Building Control Geographic Information System (GIS).</p> <p>The GIS software system together with the licenses was procured and delivered to the Municipality. The procurement of the GIS enables electronic applications to be received, captured and processed through the various departments within the Municipality.</p> <p>2.2. Prince Albert Municipality: Collaborator system enhancements.</p> <p>Digitisation of Wayleave Applications:</p> <p>With Wayleave applications, consultants, engineering, and telecommunications companies can now submit wayleave applications digitally.</p> <p>Business Licensing applications:</p> <p>Businesses within the Prince Albert area are now able to register an application for a new business premises digitally.</p> <p>Informal trading Permits applications:</p> <p>Informal traders are now able to complete an application digitally. A new business process has also been created on-premises.</p> <p>2.3 Drakenstein Municipality: Digitisation of Tourism Signage Applications.</p> <p>This intervention speaks to the development of an online Tourism Signage Application process, in order to optimise the existing data model and business processes within the software system used by the municipality, in delivering a less costly and cumbersome process.</p>

Significant achievements	<p>2.4 Swellendam Municipality: Geographic Information Systems implementation: This intervention speaks to the implementation of a Geographic Information System (GIS) to integrate the town planning applications and building plan submissions portal into a single consolidated system.</p> <p>2.5 Knysna Municipality: Citizen Mobile App Enhancements – Digitisation of Business-Facing Government Services. Business License Applications process: Enhancements were made for users to be able to request information for submitting applications for a business license permit at the municipality.</p> <p>Building Control Business process enhancements: Initially users were able to submit applications via the Collaborator portal. However, the Building Control application process was reviewed and enhanced to cater for additional main building types.</p> <p>2.6 Bitou Municipality: Citizen Mobile App: Digitisation of Business-Facing Government Services. Outdoor Dining business process: This refers to the development of the digital application process followed for the granting of rights for outdoor seating/tables and chairs in a public area for commercial purposes. Business can now apply for outdoor dining permits digitally.</p> <p>Business License Application business process: Businesses within the Bitou municipality are now able to apply for a new business premises digitally. This enables businesses to complete an application form online via a Portal.</p> <p>2.7 Mossel Bay Municipality: Digitisation of Business-Facing Government Services. Upgrade of the existing Online Building Control Module and Portal: Businesses can now upload Building Plan applications with multiple attachments on the same supporting document type.</p> <p>Development of module for Business License Applications: Businesses within the Mossel Bay area are now able to register an application for a new business premises digitally.</p> <p>Development of module for Outdoor Dining Permit Applications: Restaurants and related events companies are now able to complete an application form via an online portal. Business can now apply for outdoor dining permits digitally.</p> <p>Development of module for Film Permit Applications: Companies and individuals within the Mossel Bay area can now submit an application for film permits via the online portal. The digitised film permitting application now also makes provision for larger productions.</p> <p>Development of modules for Events Permit Applications: Businesses and individuals within the Mossel Bay area can now submit an application for Events permits via the online portal. Lastly, additional fields were added for economic development statistics.</p>
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Significant achievements	<p><b>C. Number of regulatory and/or policy reforms proposed to municipalities</b> Regulatory Impact Assessments (RIA) with the City of Cape Town (the City)</p> <ol style="list-style-type: none"> <li>1. Early Childhood Development (ECD) Policy The Unit identified various municipal compliance barriers that Early Childhood Development Centres (ECDs) faced preventing them from becoming registered. The Unit, in identifying that the root cause of the barriers was the ECD policy and proposed to the City that the ECD policy be reviewed, and that an RIA be conducted as an attempt to improve the quality of the policy. The Unit collaborated with the City in conducting the review of the policy and finalising the initial RIA. The final RIA is close to completion which includes a cost benefit analysis of the impact of compliance on ECDs in becoming registered. The overall benefit and impact will allow ECD's to qualify for government subsidies and external funding opportunities, thus creating and sustaining jobs.</li> <li>2. Draft Mobile Business Policy (the policy) The Unit proposed a RIA to the City of Cape Town on the Policy which would allow mobile businesses access to opportunities currently regulated by the informal trading by-law. An initial RIA was conducted by the Unit in collaboration with the City and the recommendations were submitted to the City's policy unit.</li> <li>3. Economic Overlay Zone – Stellenbosch Municipality The Unit, through its Municipal Ease of Doing Business Fund, ensured the development of an Economic Overlay Zone and draft regulations to be included as an addendum to the Stellenbosch Municipality's Zoning Scheme by-law. Through this intervention both events organisers and the Stellenbosch Municipality (the Municipality) will benefit in many ways i.e., event permit applications will become land use compliant, faster approval times in granting events applications, and a reduction in the complexity in the manner in which applications are processed. The introduction of the economic overlay zone will bring about regulatory reform for the Municipality by removing restrictions and enabling the ease of doing business.</li> <li>4. Improved Film and Event Permitting In recognition of the role and contribution of the film and events sectors to the economy of the province, the Unit developed regulatory tools that would reduce the time and costs often associated with the processing of film and event permits by municipalities. The project will assist Western Cape municipalities with regulatory tools to improve their events permitting regime through the adoption of a standardised approach.  Two model policies: the Standard Municipal Film Permitting Policy and Standard Municipal Event Permitting Policy were developed by the Unit as a result of the project. The policies were then followed up by two model by-laws: the Standard Municipal Film Permitting By-law and the Standard Municipal Event Permitting By-law. All four interventions sought to provide municipalities across the Western Cape with the necessary policy and legislative framework that would enable them to improve their respective film and event permitting regimes.</li> </ol>
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5. Model SMME Policy

To assist in creating an enabling environment for SMME development at local government level, the Unit developed a model policy to improve the policy environment for small businesses in the Western Cape. The model policy will be piloted with a pre-selected number of municipalities based on their response to the Municipal EoDB Fund. The policies, if adopted, will inform the municipality's approach to supporting the development and growth of SMME's within their regions. It is envisaged that the policy will be scaled to other municipalities in future.

**D. Regulatory and/or or policy reforms proposed to national and/or WCG departments or its entities**

Regulatory reform proposals

The Unit commented on a number of policies and legislation to improve the overall business environment of the Western Cape to ensure legislation supports a more effective and business friendly regulatory environment. These are outlined below:

1. Comments on National Labour Migration Policy (NLMP)

Comments were submitted to the Department of Employment and Labour (DoEL) with regards the NLMP, which has a fundamental role to play in achieving South Africa's goals in terms of skills acquisition, employment creation and retention for all workers, national and foreign. Comments on Draft Employment Services Amendment Bill.

2. Comments on Draft Employment Services Amendment Bill:

As with the NLMP, comments were submitted to The DoEL on the draft Bill to ensure sufficient controls are put in place in regulating the recruitment of foreign nationals in identified economic sectors.

3. Comments on National Integrated Small Enterprise Development Masterplan:

Comments were submitted to the Department of Small Business Development to ensure that the Masterplan represented a coordinated strategic approach to supporting and developing small enterprises.

4. Comments on Draft Legal Sector Codes:

Comments were submitted on the Draft Legal Sector Codes, which set out a new framework for determining B-BBEE compliance in the legal sector. Concerns were duly raised around the efficacy of the Codes in addressing the need for transformation the legal sector, at the cost of economic expediency.

5. Comments on Draft Block Exemption Regulations for Small, Micro and Medium-sized Businesses:

Comments were submitted on the Draft Block Exemption, a necessary regulatory intervention that would serve the purpose of exempting categories of agreements or practices relating to SMMEs from the application of sections 4(1) and 5(1) of the Competition Act 89 of 1998 (the Act).

6. Comments on Draft Mobile Business Policy:

Recommendations were made to the City of Cape Town on the cross-departmental implementation of the Draft Mobile Business Policy, which aim to support the growing mobile business sector by putting measures in place that would make it easier for such businesses to obtain permits and operate.

	<p>7. Comments on South African Shipping Company Bill: Comments were submitted to the Department of Transport on the first draft of the South African Shipping Company Bill, which aims to establish a national carrier for the country as a means of building South African strategic national shipping capacity and capability.</p> <p>8. Comments on Economic Regulation of Transport Bill: Comments were submitted to the national Department of Transport on the Economic Regulation of Transport Bill, which purports to stimulate economic growth in South Africa by promoting an effective, efficient, and productive transport sector.</p> <p>9. Comments on Copyright Amendment Bill: Comments were mitted to the Department of Trade, Industry and Competition on The Copyright Amendment Bill has been developed over a number of years to bring alignment between South Africa’s copyright law, the digital era, as well the developments at a multilateral level.</p> <p><b>E Number of ease of doing business capacity-building interventions conducted to improve awareness of the EoDB</b> In order to improve awareness on the EoDB, the Unit played a strong advocacy role during the financial year, with a total of 16 advocacy and awareness interventions taking place with both provincial, as well as municipal officials. For each intervention, a pre and post presentation survey was held to gauge the awareness of officials around the EoDB.</p> <p><b>F Number of business interventions conducted that enable compliance</b> The Unit strengthened its mandate by ensuring key compliance requirements to compete in the economy were shared via interventions such as webinars, social media and presentations. A big success was the webinar hosted with SARS around tax incentives for small businesses.</p>
Outcome(s)	Improved ease of doing business
Summary of contribution to outcome (s)	The removal of red tape will lead to cost savings/economic benefits to businesses, WCG government and municipal officials. Cost savings may take the form of savings in terms of time and/or actual cost and/or complexity if recommendations are adopted and implemented successfully. This rand value will be quantified during FY 2023/24.
Contribution to strategic priorities	According to the Medium-Term Strategic Framework, the Unit’s work is rooted in the in the priority “More decent jobs sustained and created”. Additionally, the Unit’s interventions find relevance in the provincial strategic plan, Vision Inspired Priority 2: Growth and Jobs. Lastly, “accelerate ease of doing business” is a key pillar in the Province’s Economic Recovery plan under the Jobs priority as well as being a key focus area in the Department’s economic recovery plan.
Response to priority groups	The Unit targeted the priority groups of women, youth and persons with disabilities as part of its awareness interventions around red tape reduction, and the ease of doing Business with municipalities and WCG departments. Of the 16 interventions implemented by the Unit, 40% of the attendees were women, with 12% being youth for the designated priority groups being targeted.

### Linking performance with budgets

During the 2022/23 financial year, an amount of R47.839 million was allocated to the Programme of which the actual expenditure amounted to R47.159 million. This translates into actual expenditure of 98.6% of the Programme's total budget. An overview of the funds spent per economic classification is as follows:

- Compensation of Employees accounted for R17.893 million or 37.9% of total expenditure;
- Goods and Services accounted for R10.840 million or 23.0% of total expenditure;
- Transfers and Subsidies accounted for R17.766 million or 37.7% of total expenditure; and
- Payment for Capital Assets Expenditure amounted to R660 thousand or 1.4% of total expenditure.

Sub-programme Name	2022/2023			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Enterprise Development	19 986	19 534	452	23 052	22 942	110
Regional and Local Economic Development	7 324	7 313	11	16 720	16 718	2
Red Tape Reduction	20 529	20 312	217	13 904	13 544	360
<b>Total</b>	<b>47 839</b>	<b>47 159</b>	<b>680</b>	<b>53 676</b>	<b>53 204</b>	<b>472</b>

### Strategy to overcome areas of underperformance

Not applicable.

### Programme 2: Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

Not applicable

## 4.3 PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

### Purpose

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

### Programme structure

Sub-programmes	Purpose
Sub-programme 3.1: Trade and Investment Promotion	To provide resources to the tourism, trade and investment promotion public entity to enable it to deliver on its mandate, as defined in the Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996), (as amended).
Sub-programme 3.2: Sector Development	To stimulate economic growth in tradable sectors through tangible programmes, industry support measures and the implementation of plans and strategies that will result in economic growth and job creation through the growth of export activities and increased investments in prioritised sectors of the Western Cape economy.
Institutional Outcomes	
Programme 3 contributes to the following institutional outcomes	<ul style="list-style-type: none"> <li>Increased exports</li> <li>Increased Rand value of investment</li> </ul>

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

#### Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 3.1: Trade and Investment Promotion								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Increased exports	Oversight of Wesgro Trade Promotion	3.1 Number of Trade Promotion oversight reports compiled	4	4	4	4	-	-
Increased Rand value of investment	Oversight of Wesgro Investment Promotion	3.2 Number of Investment Promotion oversight reports compiled	4	4	4	4	-	-

### Summary of Sub-programme 3.1 achievements

Purpose	To provide resources to the tourism, trade and investment promotion public entity to enable it to deliver on its mandate, as defined in the Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996), (as amended).
Significant achievements	<p>The Department provides operational funding to Wesgro for trade and investment promotion activities via a transfer payment agreement. The Department has effectively exercised its oversight role over the entity through extensive reviews of Wesgro's business plans, regular meetings between Wesgro and DEDAT teams as well as quarterly reviews of Wesgro's performance and expenditure.</p> <p>The Entity's performance has been supported and specific achievements by Wesgro include:</p> <ul style="list-style-type: none"> <li>• 83 trade agreements signed for the financial year by Wesgro's Export - Promotion team;</li> <li>• Estimated rand value of trade agreements signed to the amount of R3.1 billion;</li> <li>• 906 jobs facilitated from trade agreements signed;</li> <li>• Fourteen committed investments projects for the financial year by Wesgro's Investment-Promotion team;</li> <li>• R4.1 billion worth of committed investments; and</li> <li>• 1 507 jobs facilitated into the Province as a result of committed investments.</li> </ul> <p>The Programme is developing a logistics capability to facility cargo flow as a strategy to encourage investment in exportable commodities, economic growth and job creation.</p>
Outcome(s)	<p>Increased exports</p> <p>Increased Rand value of investment</p>
Summary of contribution to outcome (s)	<p>The Programme is responsible for the oversight in the Entity in order to ensure that the investment and export promotion mandate, which is executed by Wesgro, is done in accordance with the APP, TPA and business plans.</p> <p>The achievements of Wesgro over the last financial year have contributed to increasing the foreign direct investment and directing domestic investment into the Western Cape which is critical not only for achieving the five-year outcomes but also economic recovery post COVID-19.</p>
Contribution to strategic priorities	<p>The boosting of export and investment activities is aligned with the South African Economic Reconstruction and Recovery Plan (2021) as well as the NDP (2013).</p> <p>Wesgro Trade and Investment-promotion contributed to the achievement of VIP 2, the PSP and the WC Recovery plan with a specific focus on boosting exports, investment and job creation, through:</p> <ul style="list-style-type: none"> <li>• 83 trade agreements signed and 906 jobs facilitated from trade agreements signed; and</li> <li>• 14 investment projects realized and 1 507 jobs facilitated.</li> </ul> <p>Through its oversight function, the Department ensures that there is alignment between Wesgro's and DEDAT's strategic priorities that are outlined in Wesgro's business plans.</p> <p>The Department conducted quarterly oversight of Wesgro's performance through various mechanisms in order to monitor performance and review. Oversight reports were submitted on a quarterly basis by the Programme in this regard.</p>
Response to priority groups	Not applicable

### Strategy to overcome areas of underperformance

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

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

## Sub-programme 3.2: Sector Development

Outcomes, outputs, output indicators, targets and actual achievements – as revised in the in-year changes retabbling process

Sub-programme 3.2: Sector Development									
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23 until date of retabbling	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Increased exports	Sector enablement initiatives supported	3.4 Number of PDIA action plans developed	-	-	6	-	-	2022/23 APP retabbed with no performance due for quarters 1 and 2	Indicator discontinued due to unsuccessful request for funding via the Provincial Transversal Support Fund.

Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 3.2: Sector Development									
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations	
Increased exports	Sector enablement initiatives supported	3.3 Number of sector enablement initiatives supported	9	8	4	4	-	-	

### Summary of Sub-programme 3.2 achievements

Purpose	To stimulate economic growth in tradable sectors through tangible programmes, industry support measures and the implementation of plans and strategies that will result in economic growth and job creation through growth of export activities and increased investments in prioritised sectors of the Western Cape economy.
Significant achievements	<p><b>Agri-processing sector</b></p> <p>During 2022/23, the after effects of COVID-19 and the national lockdown regulations were still felt in the value chains of global industries, and they posed a challenge to the growth and development of the Agri-processing sector. Thus, the Department's Agri-processing unit went on to undertake engagements with various stakeholders and role-players to assess the impact and mechanisms that the industry is incorporating into their business models to address any lagging effects of the national lockdown regulations. In the latter part of 2022, the regular power outages posed another challenge to businesses that has already been under severe strain, thus strengthening the outreach by the Agri-processing unit to engage with various companies. With the interactions with the stakeholders, the Agri-processing unit tried to gather intelligence and undertake desktop sub-sector analysis, mapping export barriers and market requirements to get a sense of the impact of the stages of national lockdowns and the lack of international trade.</p> <p>The Agri-processing unit convened meetings and participated in platforms with industry associations, entities, and other government departments such as: Department of Forestry, Fisheries and Environment (DFFE), Department of Small Business Development (DBSD), Department of Trade, Industry and Competition (DTIC), South African Revenue Services (SARS), WC Department of Agriculture (DOA), AquaSA; SA Fruit Juice Association; SA Olive Association and WESGRO, to deepen dialogues, building on an understanding of important industry issues. The outcomes from the sector engagements will feed into the sub-sectors analysis that the Agri-processing unit is performing continuously, as data and market intelligence are frequently changing. It has also helped in shaping the approach with the upcoming medium term opportunities analysis to be done in 2023/24 which is in line with the product complexity mapping exercise of the Provincial export strategy.</p> <p>The continued engagement with strategic stakeholders and partners in specific food-processing sub-sectors enabled the Agri-processing unit to identify opportunities for collaboration to address challenges and implement interventions that will grow and develop the Agri-processing sector in the Province as well as nationally. Strengthening of partnerships around food processing sub-sectors assisted in establishing networks with industry, academic institutions, government agencies, relevant government departments, and other supporting organisations to co-operate around high opportunity trends and areas for joint action.</p> <p><b>Manufacturing sector</b></p> <p>The Manufacturing sector was negatively affected in the 2022/23 financial year by factors that included slow economic growth, infrastructure deficiencies, inflation and interest rates as well as the detrimental impact of load-shedding on the sector which cost the country an estimated R900-million a day per stage of electricity outages. However, the manufacturing industry development unit continued to facilitate and participate in interventions to create opportunities to grow the industry.</p> <p>These interventions include:</p> <ol style="list-style-type: none"> <li>i. The formal signing ceremony to launch the Steering Committee for the Mossel Bay Oil and Gas Forum. The Forum will facilitate programmes to grow and develop the oil and gas &amp; energy sector in the Garden Route region.</li> </ol>

## Significant achievements

- ii. Establishment of the Western Cape Ship Repair Forum to address the challenges and identified the opportunities for the development of the ship repair industry with the focus on the following:
  - Infrastructure upgrading;
  - Operational efficiencies; and
  - Marketing of capacity and capabilities.
- iii. Assisted and supported Phoenix Marine in collaboration with City of Cape Town, Wesgro and the South African Boatbuilding Export Council to acquire a 5-axis milling machine to enhance the capabilities of the boatbuilding and other related industries.
- iv. Participated in the development of the Oceans Economy Masterplan that was co-ordinated by the Department of Environment, Forestry and Fisheries (DEFF) in collaboration with the Department of Trade, Industry and Competition (DTIC) as well as workshops hosted for the Western Cape Oceans Economy Working Group.
- v. Facilitated stakeholder engagements with companies and strategic partners in the Clothing, Textile, Footwear and Leather (CTFL) sector which resulted in the uptake of students from Northlink College for on-the-job training by Cape Union Mart.

The interventions and projects for the next financial year (2023/24) will be aligned with the Growth for Jobs (G4J) Strategy that will aim to provide support and assistance to manufacturers to increase exports.

**Logistics**

The focus for the short term was to promote collaboration in the container logistics chain for Port of Cape Town, because this is where most of the export cargo from the Western Cape (fruit and wine) is conveyed. Applied research was also conducted on urgent elements of logistics development.

The provincial intervention to promote collaboration among primary agencies in the port container logistics chain was successful in many ways. Weekly operations co-ordination meetings are being held. Commodity export co-ordination meetings are being held every two weeks during the deciduous fruit and citrus export seasons respectively; and quarterly strategic planning engagements are held. The Minister of Finance and Economic Opportunities hosts a port logistics stakeholder engagement every year where progress is discussed regarding priorities that were jointly agreed upon and where new priorities are considered.

Applied research was conducted on the growth potential of the container logistics chain and on the root causes of transporter congestion. Evidence has been obtained that cargo can potentially grow by 26% in the next five years and 20 000 new jobs can be created in the process. Emphasis is being placed on achieving this high-growth scenario. The root causes of transporter congestion have been analyzed and the results were presented to primary agencies in the logistics chain. A project management plan to implement the recommendations is currently being prepared.

A prototype container logistics dashboard was developed for Port of Cape Town and one of the priorities going forward is continuously enhance the dashboard as a management tool to improve capacity and efficiency in the container logistics chain. This is expected to contribute towards the high-growth scenario for Western Cape exports and the creation of 20 000 new jobs referred to above.

Outcome(s)	Increased exports
Summary of contribution to outcome (s)	For the 2022/23 financial year, the focus of the Agri-processing unit was on engagements with sector bodies, industry associations, value chain role-players, companies, etc. The approach was to use all the information gathered from the engagements with the sector bodies to engage government entities for collaboration and partnerships to address some of the challenges and barriers of entry for Agri-processors to penetrate and participate in the international markets.
Contribution to strategic priorities	The Sub-programme is aligned with the National Development Plan, IPAP, Sector Master Plans as well as the South African Economic Reconstruction and Recovery Plan. The Sub-programme facilitated sector support Initiatives in line with VIP 2 as well as the Jobs theme in the Western Cape Recovery Plan.
Response to priority groups	Not applicable.

### Strategy to overcome areas of underperformance

Not applicable.

### Linking performance with budgets

During the 2022/23 financial year, an amount of R74.799 million was allocated to the Programme of which the actual expenditure amounted to R74.413 million. This translates into actual expenditure of 99.5% of the Programme's total budget. An overview of the funds spent per economic classification is as follows:

- Compensation of Employees accounted for R10.529 million or 14.1% of total expenditure;
- Goods and Services accounted for R1.679 million or 2.2% of total expenditure; and
- Transfers and Subsidies accounted for R62.205 million or 83.6% of total expenditure.

Sub-programme Name	2022/2023			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Trade and Investment Promotion	62 113	62 113	-	62 113	62 113	-
Sector Development	12 686	12 300	386	11 877	11 863	14
<b>Total</b>	<b>74 799</b>	<b>74 413</b>	<b>386</b>	<b>73 990</b>	<b>73 976</b>	<b>14</b>

### Programme 3: Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

Not applicable

## 4.4 PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

### Purpose

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

### Programme structure

Sub-programmes	Purpose
Sub-programme 4.1: Consumer Protection	To develop, implement, and promote measures that ensure the rights and interests of all consumers.
<b>Institutional Outcomes</b>	
Programme 4 contributes to the following institutional outcome	An improved environment conducive to fair business practice and informed consumers

### Sub-programme 4.1: Consumer Protection

#### Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 4.1: Consumer Protection								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
An improved environment conducive to fair business practice and informed consumers	Consumer education interventions conducted	4.1 Number of consumer education interventions conducted	329	292	200	215	15	The demand for OCP services continued to increase marginally during the year. The OCP as a citizen centric service within the Department is obligated to respond to these requests for service.

Sub-programme 4.1: Consumer Protection								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
	Com-plaints resolved within 90 days	4.2 Percentage of complaints resolved within 90 days (Total complaints resolved within 90 days/Total complaints received)	87%	93% (1 250/ 1 342)	75%	94%	19%	This target is demand led and is dependant on a number of factors outside the control of the Programme. The nationally agreed standard for case resolutions is 75% within a period of 90 days. The Western Cape has continued to use this benchmark during the current financial year. A number of matters that were lodged with the OCP could be resolved at the first stage of intervention. This resulted in a faster number of case resolutions within a shorter period of time. In addition, the OCP has implemented a system of dispute resolution meetings with affected parties. This has resulted in positive outcomes since more matters are now expeditiously resolved compared to virtual engagements. These factors contributed towards the overachievement.

Sub-programme 4.1: Consumer Protection								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
	Consumer Affairs Tribunal established	4.3 Establishment of the Consumer Affairs Tribunal	-	-	Tribunal established	Tribunal not established	(Tribunal not established)	The Programme completed all of the required legislative obligations to appoint Tribunal members. Interviews were scheduled for 23 March 2023 with appointments to be confirmed by 30 March 2023. However, a probity check of candidates prior to the interviews revealed that the majority of candidates were unsuitable for appointment. The consequence was that the interviews and appointment process could not be finalised.

**Summary of Sub-programme 4.1 achievements**

Purpose	To develop, implement, and promote measures that ensure the rights and interests of all consumers.
Significant achievements	<p><b>Consumer Education outputs:</b></p> <p>The Sub-programme has, despite resource and other constraints, managed to exceed the target set for conducting consumer education campaigns within the Province. The campaigns that were conducted focused on important consumer protection topics that were relevant for all consumers, especially in light of the challenging economic conditions caused by the downturn in the economic conditions within the country. A vast number of consumers continued to experience financial hardship due to increased interest rates and the effects of inflation. This resulted in many affected consumers experiencing challenges with debt management since credit providers would still pursue the debt owed despite the personal circumstances of consumers. The interventions from the Sub-programme were therefore crucial since consumers could by virtue of the conducted interventions, engage with relevant stakeholders and obtain support via the interventions of the Sub-programme. A total of 215 interventions were conducted during 2022/23, the majority of which took the format of workshops and/or information sessions.</p>

Significant achievements	<p><b>Complaints Management outputs:</b></p> <p>The Sub-programme has performed well within the complaints management component. A total of 1 289 complaints were received from consumers during the 2022/23 financial year and a total of 1 203 were resolved within the target of 90 days. The Unit has therefore managed to ensure that 94% of consumer complaints lodged for investigation were resolved within a period of 90 days. The resolution of these matters reflects a finalisation of the dispute and is not necessarily a resolution in favour of the consumer. All disputes are finalised on the basis of factual and legal merit and invariably some matters submitted by consumers are not resolved in their favour since they lack merit. The results achieved by the Unit, however, indicate that the turnaround time for the resolution of disputes was above average and is commendable.</p>
Outcome(s)	An improved environment conducive to fair business practice and informed consumers
Summary of contribution to outcome (s)	The Programme's interventions within the consumer education and alternative dispute resolution sphere have contributed towards establishing a fair transactional environment between business and consumers. The services have also contributed towards ensuring that effective and efficient citizen focused service delivery has taken place. Consumers have via the Programme, been allowed to access effective consumer redress at no cost to themselves. Business has also benefitted from the service since expensive and time-consuming litigation has been avoided.
Contribution to strategic priorities	The Programme has made an effective contribution towards the Department's strategic priorities including the MTSF, PSP and the WCRP especially in light of the work done with consumers that experienced financial challenges in light of the negative economic conditions within the country. The Programme ensured that assistance was provided to citizens either by way of providing information and guidance on how to address certain matters or by channeling consumers to other regulatory authorities that could provide direct assistance. The Programme has also, through its Complaints Management unit, ensured that the transactional environment between consumers and business is regularised in a fair and transparent manner.
Response to priority groups	The Sub-programme has initiated specific consumer education interventions where priority categories of consumers are identified. In this regard the Sub-programme's consumer education interventions were attended by 2 808 women, 2 282 youths, 92 persons with disabilities and 410 elderly citizens. The interventions focused on specific consumer protection topics that were relevant to the identified target group.

#### Strategy to overcome areas of underperformance

The Programme could unfortunately not complete the establishment of the Western Cape Consumer Affairs Tribunal within the 2022/23 financial year. The provincial legislation (Western Cape Consumer Affairs Act, 2002) provides for a regulated process for the appointment of members to the Consumer Tribunal. The Programme had completed all of the regulated processes required for the nomination, verification and interviewing of nominees. It unfortunately transpired during the probity evaluations of nominations (conducted prior to interviews) that certain nominees were unsuitable for consideration. The consequence of this was that a new process had to be initiated for new nominees. This was due to the fact that a limited number of nominees were deemed suitable for appointment. The Programme has started with the new process and it is expected that the members of the Tribunal will be appointed within the new financial year.

### Linking performance with budgets

During the 2022/23 financial year, an amount of R10.636 million was allocated to the Programme of which the actual expenditure amounted to R10.431 million. This translates into actual expenditure of 98.1% of the Programme's total budget. An overview of the funds spent per economic classification are as follows:

- Compensation of Employees accounted for R8.698 million or 83.4% of total expenditure, and
- Goods and Services accounted for R1.366 million or 13.1% of total expenditure.
- Payments for Capital Assets accounted for R358 thousand or 3.4% of total expenditure.

Sub-programme Name	2022/2023			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Consumer Protection	10 636	10431	205	9 580	9 392	188
<b>Total</b>	<b>10 636</b>	<b>10 431</b>	<b>205</b>	<b>9 580</b>	<b>9 392</b>	<b>188</b>

### Programme 4: Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

Not applicable

## 4.5 PROGRAMME 5: ECONOMIC PLANNING

### Purpose

The purpose of this Programme is to provide support to the provincial leadership and enable economic growth through the generation and co-ordination of economic research and planning, and through the active support of key economic thematic drivers and enablers that will stimulate economic growth across the economy and within sections of the economy.

### Programme structure

Sub-programmes	Purpose
Sub-programme 5.1: Economic Policy and Planning	To support the development of provincial economic policies and strategies.
Sub-Programme 5.2 Research and Development	To conduct economic research. <i>Note: The outputs of Sub-Programme 5.1 and 5.2 are combined in the Annual Performance Plan and will be reported as such in the Annual Report</i>
Sub-programme 5.3: Knowledge Management	To facilitate the co-ordination of the economic eco-system and economic advocacy.
Sub-programme: 5.4: Monitoring and Evaluation	<i>The activities for Sub-programme 5.4: Monitoring and Evaluation were incorporated into Sub-programme 5.2: Research and Development.</i>
Sub-programme 5.5: Enabling Growth Infrastructure and Initiatives (aka Catalytic Initiatives)	To develop and/or stimulate an enabling economic environment through catalytic interventions and infrastructure.

Sub-programmes	Purpose
Sub-programme 5.6: Broadband for the Economy (aka Digital Economy)	To support and stimulate the usage, readiness and accessibility of digital technology by citizens and businesses.
Sub-programme 5.7: Green Economy	To stimulate the development of the green economy and associated industries and to facilitate improved resource resilience to enhance the competitiveness and resilience of the whole economy.
Institutional Outcomes	
Programme 5 contributes to the following institutional outcomes	<ul style="list-style-type: none"> <li>• Increased exports</li> <li>• Increased Rand value of investment</li> <li>• Resource resilience of the economy improved</li> </ul>

## Sub-programme 5.1: Economic Policy and Planning and Sub-Programme 5.2 Research and Development

Note: The outputs of Sub-programmes 5.1 and 5.2 are combined in the table below

### Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 5.1: Economic Policy and Planning Sub-Programme 5.2 Research and Development								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Increased exports	Economic research on policy and planning reports developed	5.1 Number of research reports developed	10	5	5	5	-	-

### Summary of Sub-programmes 5.1 and 5.2 achievements

Purpose	5.1 To support and develop provincial economic policies and strategies. 5.2 To conduct economic research.
Significant achievements	<p><b>Growth Diagnostic</b></p> <p>The Unit played a key role in the development of a Growth Diagnostic, which informed the Growth for Jobs Strategic Framework. The Growth Diagnostic looked at an indepth analysis of the Western Cape economy and what could be done to grow the economy.</p> <p><b>Growth for Jobs Strategic Framework</b></p> <p>The Unit played a key role in the development of the Growth for Jobs Strategic Framework, which informed the Growth for Jobs Strategy. The Growth for Jobs Strategic Framework formed the foundation for the development of the Growth for Jobs Strategy and implementation plan for the Western Cape.</p>

Significant achievements	<p><b>Growth for Jobs Strategy</b> The Unit played a key role in the development of the Growth for Jobs Strategy, which was readied for Cabinet approval in the beginning of the 2023/24 financial year.</p> <p><b>Economic Intelligence</b> The Units produced many high-quality reports that shared economic intelligence, which included strategic analysis of the Quarterly Labour Force Survey; analysis of South Africa's greylisting, as well as analysis of trends in high frequency data.</p>
Outcome(s)	Increased exports
Summary of contribution to outcome (s)	The Unit played a key role in the development of the Growth Diagnostic, Growth for Jobs Strategic Framework as well as the Growth for Jobs Strategy, which identifies growing exports as one of the Priority Focus Areas in order to grow the economy of the Western Cape.
Contribution to strategic priorities	The Unit's role in supplying data and supporting governance is geared towards what has been identified as an enabler that supports all the strategic priorities.
Response to priority groups	<p>As espoused in the National Development Plan (NDP), it is not possible to achieve social and economic transformation, which prioritises women, youth and persons with disabilities, without a capable state. A capable state operates in a strategic and informed way to ensure that society and the economy thrives.</p> <p>In it's role as a support function, the Unit assists in the building of a capable state by enabling evidence-based planning, strategy and policy development to support growth of the economy and job creation for all, including priority groups.</p>

#### Strategy to overcome areas of underperformance

Not applicable.

## Sub-programme 5.3: Knowledge Management

### Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 5.3: Knowledge Management								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Increased Rand value of investment	Partnerships established and strengthened	5.2 Number of partnerships established/ strengthened	25	15	15	15	-	-

### Summary of sub-programme 5.3 achievements

Purpose	To facilitate the co-ordination of the economic eco-system and economic advocacy.
Significant achievements	<p>DEDAT leveraged WCG's relationships with key economic stakeholders within the eco-system-sharing information and economic intelligence, building partnerships and leveraging resources towards a common objective of weathering the negative economic impact of the pandemic and building resilience.</p> <p>In this respect, the following has been achieved in terms bolstering the WCG vaccination drive and supporting the private sector:</p> <ul style="list-style-type: none"> <li>• Forged a partnership with the USAID to pilot the "Boost for Business" workplace vaccination certification campaign.</li> <li>• Partnered with Wellth-ai.com supporting them in their on-site vaccination programme.</li> </ul> <p>DEDAT fostered provincial government-wide partnerships to promote innovation in the public sector through:</p> <ul style="list-style-type: none"> <li>• The Innovation champions initiative.</li> <li>• Partnered with the Department of the Premier (DOTP) as part of their innovation drive in the public sector: Innovation for Impact.</li> </ul> <p>To drive innovation in the private sector DEDAT:</p> <ul style="list-style-type: none"> <li>• Partnered with the Technology and Innovation Agency (TIA) and the Craft and Design Institute (CDI) to implement the Design Innovation Seed Fund (DISF) – a fund aimed at supporting the development of concepts into commercial products.</li> <li>• Partnered on the WCG Drone/UAV Initiative, engaging with key industry stakeholders to foster collaboration and support the growth and development of the drone industry in the WC.</li> </ul> <p>DEDAT strengthened relationships with National SOEs in support of transport infrastructure planning and delivery via a partnership with Transnet and co-ordinated work between national government, the WC and Northern Cape, as well as private sector, in support of the green hydrogen sector and export project via a partnership with ArcelorMittal South Africa Limited (AMSA) (Hydrogen).</p> <p>DEDAT was the leading department for the co-ordination and management of the Economic Cluster, responsible for implementing the Western Cape Government Recovery Plan Jobs Theme and later the Growth for Jobs (G4J) Strategy. As part of the G4J Strategy development process DEDAT:</p> <ul style="list-style-type: none"> <li>• Established the G4J Think Tank and related governance structures to co-ordinate the Economic Cluster departments and their entities.</li> <li>• Forged partnerships with corporate private sector stakeholders to. Accelerate Cape Town (ACT), the Afrikaanse Handelsinstituut (AHI), Cape Higher Education Consortium (CHEC), the Cape Chamber of Commerce and Industry (CCCI) and Green Building Council of South Africa (GBCSA).</li> </ul> <p>To this end, DEDAT will continue co-ordinating, facilitating and supporting the partnerships between the Economic cluster departments, their entities and, where necessary, private sector stakeholders to ensure that the objectives of the G4J Strategy are realized.</p> <p>Lastly, as part of DEDAT's Governance management (e.g. Public Entities) function, the partnership with the Western Cape Economic Development Partnership (EDP) was strengthened allowing the EDP to foster partnerships to enhance economic recovery and job creation efforts in the WC and provide partnering practice in settings where government, business and community work together to solve challenges in the economy.</p>

Outcome(s)	Increased Rand value of investment
Summary of contribution to outcome (s)	Support Investment and exports eco-system towards growth and job creation. The Sub-programme contributes to the investments and exports outcome and seeks to build capability, capacity and competitiveness of the economy for the purposes of investment recruitment and export growth.
Contribution to strategic priorities	By supporting and partnering with business and other economic stakeholders the Sub-unit seeks to protect investment and support the competitiveness of business. This is aligned to the 'Investments and exports' strategic priority of the MTSF, PSP and WC Recovery Plan as well as the objectives of the G4J Strategy.
Response to priority groups	Not applicable.

#### Strategy to overcome areas of underperformance

Not applicable.

### Sub-programme 5.4: Monitoring and Evaluation

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

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

#### Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 5.5: Enabling Growth Infrastructure and Initiatives								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Increased rand value of investment	Catalytic infrastructure projects supported	5.3 Number of catalytic infrastructure projects supported	5	5	3	3	-	-

### Summary of Sub-programmes 5.4 and 5.5 achievements

Purpose	To develop and/or stimulate an enabling economic environment through catalytic interventions and infrastructure.
Significant achievements	<p>Saldanha Bay IDZ Licencing Company SOC Ltd (Freeport Saldanha)</p> <ul style="list-style-type: none"> <li>• Saldanha Bay IDZ Licencing Company SOC Ltd is working with the Western Cape's Department of Economic Development and Tourism (DEDAT) to promote and build the West SADC Green Hydrogen Corridor.</li> <li>• Saldanha Bay IDZ Licencing Company SOC Ltd considers itself critical and is providing support to various projects to complete feasibility studies and reach financial close in the next 1-2 years, especially the gazetted green hydrogen SIPs projects.</li> <li>• Saldanha Bay IDZ Licencing Company SOC Ltd has been participating in a number of donor studies via the GIZ, World Bank and other national as well as provincial entities to advance the establishment of a Green Hydrogen Hub.</li> </ul> <p>In relation to land investor anchor projects in the zone:</p> <ul style="list-style-type: none"> <li>• Two investor discussions are underway to issue in principle agreements for 17ha of land in total.</li> <li>• An Expression of Interest (EOI) was published to the market to lease development rights for 20ha of land for 50 years.</li> <li>• FSIDZ is working closely with four anchor projects to reach financial close and or to commence construction.</li> <li>• The Cape Oceans Terminal Early Works SEZ application was successful, and the commencement of construction is imminent.</li> <li>• FSIDZ is working with four catalytic and three pilot green hydrogen projects to proceed towards feasibility studies. Potential investment values and job creation estimates are not yet available from investors.</li> </ul> <p>Freeport Saldanha received infrastructure funding to the value of R229 784 492 during the year under review.</p> <p>Atlantis Special Economic Zone</p> <ul style="list-style-type: none"> <li>• The ASEZ Co finalised the preparation for the construction phase, and the contractors were expected on site in May 2023. The entity engaged more than 50 companies interested in the ASEZ, with key pipeline companies expected to be approved for investment in the first half of the 2023/24 financial year.</li> <li>• The ASEZ Co received infrastructure funding to the value of R102 948 163 during the year under review.</li> </ul>
Outcome(s)	Increased Rand value of investment
Summary of contribution to outcome (s)	<p>Infrastructure funding of R102 948 163 for the ASEZ.</p> <p>Infrastructure funding of R229 784 492 for Saldanha Bay IDZ Licencing Company SOC Ltd.</p>
Contribution to strategic priorities	In supporting the ASEZ and Saldanha Bay IDZ Licencing Company SOC Ltd (Freeport Saldanha) to recruit investment (and create 1 875 jobs in the Saldanha Bay IDZ), the Sub-directorate aligns to the 'Investment and export' Strategic Objective of the MTSF, PSP and WCRP, as well as the Growth for Jobs Strategy.

Response to priority groups	<p>The ASEZ’s skills and enterprise development programmes continue to address both youth and women. In the skills area, programmes work with high school learners as well as young people in apprenticeships and in preparation for trade tests. The ASEZ supported 11 technical skills development initiatives in 2022/23, reaching 290 participants, 60% of whom were female; it also hosted a green tech career expo that drew 200 learners.</p> <p>It also continues providing support to small businesses that have woman owners. Over the past financial year, which focused on working with SMMEs in the construction sector, approximately 40% of the participants in the enterprise development programmes offered were women.</p> <p>Saldanha Bay IDZ Licencing Company SOC Ltd supports various skills and enterprise development programmes. Seventy learners are currently enrolled in artisanal apprenticeships for occupation specific trades.</p> <p>Through the Innovation Campus, and in partnership with Sasol, Saldanha Bay IDZ Licencing Company SOC Ltd runs an Energy Transition Programme locally in the hydrogen space. The Schools Development Programme has been run successfully over the past view years in collaboration with the Western Cape Education Department.</p>
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**Strategy to overcome areas of underperformance**

Not applicable.

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

**Outcomes, outputs, output indicators, targets and actual achievements**

Sub-programme 5.6: Broadband for the Economy								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Increased Rand value of investment	Digital economy projects supported	5.4.1 Number of persons supported with digital literacy skills	-	-	70	78	8	The Service provider conducted three training courses i.e. IC3, Job Readiness and Mobile Literacy. In the recruitment process the enrolled participants were more than the target to allow for attrition, resulting in the over achievement in this indicator.

Sub-programme 5.6: Broadband for the Economy								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
		5.4.2 Number of persons supported with seed-stage business skills	-	-	15	-	(15)	Funds were transferred late in the financial year. The planning and design of the project was only completed in February 2023. The procurement of a service provider and recruitment of participants was concluded late in March 2023. The actual implementation of the programme is now scheduled for Q1 of 2023/24 FY.

*Note: Indicators 5.4.1 and 5.4.2 were included during the in-year changes process to the 2022/23 APP and subsequently tabled in the Provincial Parliament of the Western Cape. The work of the Digital Economy sub-programme has been given policy direction through the G4J Strategic Framework and the DG Circular 57 to expand access to ICT connectivity and digital skills training. Hence, budget has been assigned for this in the second half of the year.*

#### Summary of Sub-programme 5.6 achievements

The Annual Performance Plan for 2022/23 stated that there was a policy shift away from the focus on the digital and tech economy within the Department as a key driver of economic growth, and that in the 2022/23 financial year, the Sub-programme may be transitioning its set of five projects over to new owners – either within DEDAT or to external stakeholders.

In response to the above, the Digital Economy team progressed several of the Ease of Doing Business initiatives started in the Department in the 2021/22 financial year and achieved the following:

1. Through our own work and that of Operation Vulindlela in the Presidency, standard draft by-laws for wayleaves for telecommunications purposes were promulgated via a Government Gazette. These are being considered for adoption by Western Cape municipalities.
2. Hosted the first Western Cape Drone Forum, bringing together key stakeholders in the industry from the public sector and private sector, with view towards creating a regulatory sandbox area where business and other concepts can be tested.
3. Launched three interactive business guides to provide entrepreneurs with vital information on the steps, contacts, costs and timeframes to open new businesses in the areas of (i) food and beverage retail, (ii) clothing retail and (iii) commercial cleaning.

Following the Budget Adjustments process in the third quarter, the Digital Economy team was given responsibility for two funded projects, thereby re-activating the Sub-programme within the Department. These programmes were:

**Western Cape Liquor Authority's business automation programme:** The second phase of the Western Cape Liquor Authority's business automation programme was funded by the Department's Programme 2 with the project being managed by the Digital Economy unit. This work was completed in March 2023, on-time, to budget and to the customer's satisfaction, with the formal launch taking place on 1 April 2023. The launch of this second phase allows

citizens to make various applications for new licence types online, including payments. This complements the first phase of work centred on licence renewals which went live in October 2022. This project will be reported under Programme 2.

**I-CAN Centre in Elsies River:** The second funded project was supporting the I-CAN Centre in Elsies River to provide digital literacy skills and seed stage business skills training with a focus on youth, creation of a maker space and improving their infrastructure.

The Digital Economy team also conducted baseline research in various including scarce skills visas, exchange controls and technology skills at schools. These are informing several key initiatives identified in the Growth for Jobs Strategy, and for implementation in the coming financial year.

In addition to the above, several members of the Digital Economy team provided vital skills to the MER programme, including support for MER Funds to eight municipalities, securing a service provider for the Municipal Pooled Buying, Municipal Revenue Modelling Study, Financial and Funding Systems, and the Energy Infrastructure and Energy Storage projects.

Other activities executed by the Digital Economy team included the decommissioning of the I-CAN Learn OMS and LMS systems, work with a third party for the transfer of JUMP, and the development of relationships in the Innovation area. The team also provided inputs to the Department's strategy and the Provincial economic strategy leading to the Technology & Innovation PFA (Priority Focus Area) of the Growth for Jobs Strategy.

#### Summary of Sub-programmes 5.6

Purpose	To support and stimulate the usage, readiness and accessibility of digital technology by citizens and businesses.
Significant achievements	<ol style="list-style-type: none"> <li>1. Three interactive business guides launched.</li> <li>2. Draft bylaws for wayleaves published in a government gazette via Operation Vulindlela.</li> <li>3. Hosted the first Western Cape Drone Forum, gaining significant brand equity for the Western Cape in this emerging sector.</li> <li>4. Managed project for funding to the Western Cape Liquor Authority for phase 2 of their business automation programme.</li> <li>5. Managed funding for the I-CAN Elsies River Centre allowing for innovative training for youth.</li> </ol>
Outcome(s)	Increased Rand value of investment
Summary of contribution to outcome (s)	<p>Due to the late activation of the Digital Economy sub-programme within the financial year, the effects of contribution towards the outcome target will only take place in the future. The I-CAN and Drones projects are specifically geared to improving the competitiveness of local businesses.</p> <p>The wayleaves and Western Cape Liquor Authority projects contribute towards improving business environment enablement to achieve greater investment.</p>
Contribution to strategic priorities	<p>The projects and focus of the Digital Economy unit advances the VIP 2, specifically in relation to the "ease-of-doing-business" pillar as identified in the Recovery Plan.</p> <p>Additionally, it pre-emptively aligns with the Growth for Jobs Strategy, specifically the Technology &amp; Innovation pillar as a priority focus area. The contribution towards addressing productivity can be seen in the I-CAN and Drones projects.</p>
Response to priority groups	Support of youth in the training provided at the I-CAN Elsies River Centre.

#### Strategy to overcome areas of underperformance

Not applicable.

## Sub-programme 5.7: Green Economy

Outcomes, outputs, output indicators, targets and actual achievements – as revised in the in-year changes retabbling process

Sub-programme 5.7: Green Economy									
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23 until date of retabbling	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators/ Annual Targets
Resource resilience of the economy improved	Businesses supported in resource resilience	5.6 Number of businesses supported in resource resilience	-	-	500	-	-	2022/23 APP retabbed with no performance due for quarters 1 and 2	Due to the reduction in the budget allocation for this project, the targets had to be adjusted.
	Water resilience projects supported/delivered	5.9 Number of water resilience projects supported/delivered	-	-	2	-	-	2022/23 APP re-tabled with no performance due for quarters 1 and 2	The energy crisis is a priority area being managed by the Department and as a result all internal capacity has been pivoted to focus on energy.

### Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 5.7: Green Economy								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Resource resilience of the economy improved	Businesses supported in resource resilience	5.6 Number of businesses supported in resource resilience	-	-	200	218	18	The energy crisis resulted in an increase of businesses needing assistance.

Sub-programme 5.7: Green Economy								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
		5.7 Number of municipalities provided with resource resilience support	-	-	25	25	-	-
	Energy resilience projects supported	5.8 Number of energy resilience projects supported	-	-	5	5	-	-
	Water resilience projects supported/delivered	5.9 Number of water resilience projects supported/delivered	-	-	-	-	-	-

**Summary of Sub-programmes 5.7**

Purpose	To stimulate the development of green industries and to facilitate resource resilience to enhance the competitiveness and resilience of the whole economy.
Significant achievements	<p><b>High Energy Users</b></p> <p>Through engaging with a large number of private sector high electricity users in the Province, the study was able to provide a concise and valuable view of the current and future status of a large portion of the energy usage in the Western Cape. The work provides a quantifiable base of current and future energy consumption of the major private sector municipal customers in the Province, contributed significantly towards the wheeling revenue impact assessment and will contribute to other projects such as the Western Cape Integrated Resource Plan (WCIRP). A specific highlight was the contribution of this project to the Premier’s Energy Bosberaad in November 2022, where the service provider was able to present some interim findings of the user engagements and two large private sector energy users were given the opportunity to present on their approach to improving their energy resilience and support needed from the public sector to unlock these plans.</p> <p><b>Drafting of standardized Use-of-Systems Agreements for electricity wheeling</b></p> <p>The Use-of-Systems project focused on the analysis of existing wheeling agreement documents that gave insight into the complications (and associated costs) being experienced by both municipalities and the private sector in the implementation of wheeling. A successful stakeholder engagement workshop was held where general acceptance of key clauses in the draft agreements was gained. Standardised documents were developed which will be easily adaptable by applying the user guide and through capacity-building workshops planned for 2023/24.</p>

Significant achievements	<p><b>Municipal Wheeling Revenue Impact Assessment</b></p> <p>A modelling tool was developed which allows municipalities to explore and evaluate the impact of various wheeling penetration scenarios on their revenue. The model used data from George and Overstrand Municipalities, but was designed for broader rollout, which will follow capacity-building workshops with Western Cape municipalities. The modelling tool is expected to be used by municipalities beyond the Western Cape through other municipal training programmes in the country (run by external organisations).</p> <p><b>Municipal Pooled Buying</b></p> <p>The municipal pooled buying mechanism is being explored to enable multiple municipalities to procure power from multiple IPPs (aimed at reducing risks and costs). The options analysis for a pooled buying facility was advanced, and will lead into the development of a business case for a pooled buying mechanisms in the 2023/24 financial year. The business case will enable an informed decision on the establishment of a pooled buying mechanism, which is required given the significant investment and long-term commitment that will be required of the participants.</p> <p><b>MER Fund - supporting Foundational Energy Studies</b></p> <p>The electricity master plans (EMPs) that were updated by the municipalities using grants from the MER Fund (completed: Swartland, George, Witzenberg and Bitou) can now be used by the municipalities to identify where they have grid capacity that can be made available to energy projects that need to be connected into the grid (for wheeling, SSEG or municipal IPP procurement purposes). This will facilitate private sector projects and will enable municipalities wishing to embark on municipal procurement to build site and cost considerations into their specifications. The cost of supply studies (CoSS) also funded through the MER Fund (Mossel Bay, Overstrand, Witzenberg and Bitou) can be used by municipalities to calculate appropriate tariffs for wheeling where projects may need to use the municipal grid and to calculate SSEG feed-in tariffs for projects connected to the municipal grid. Appropriate tariff setting is key both to protecting municipal revenue and to incentivising the implementation of alternative energy systems. Both the EMPs and CoSS can be used in the municipal infrastructure planning work, which is already underway, and, together with the results from the high energy electricity users' study, will help to identify and prioritise investment into municipal grid strengthening and expansion.</p> <p><b>MER Co-ordination</b></p> <p>The MER team has worked extensively on communicating the intentions and progress of the MER Initiative to improve public visibility, raise awareness, provide policy certainty, build capacity, develop interest and inspire municipalities, all of which is all aimed at improving energy resilience, enabling improved business confidence and investment attraction and building the WCG brand. A quarterly MER forum was held that included the City of Cape Town and ten municipalities that enabled energy-related information sharing and capacity building between all groups.</p> <p>In addition, the team also managed to address 218 queries, supported all 25 Western Cape municipalities, and established the panel of energy service providers, including expanding the panel during the second round of requests for participation.</p> <p><b>MER Enabling Infrastructure</b></p> <p>This component of work resulted in the collective increase of the knowledge base and contextualization of the Western Cape grid infrastructure and energy storage options. Additionally, key relationships have been built with strategic stakeholders. The WCG is now better equipped to determine the energy infrastructure and energy storage requirements for the Province.</p>
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Significant achievements	<b>MER Communications</b> The 110% Green website has gone through continual updates to improve the overall user experience by changing the look and feel of the website and by updating any outdated information and loading new and relevant information. The new 'contact us form' that was introduced on 13 March 2023 has already attracted quite a few new enquiries from the public, businesses, potential investors, energy developers, and suppliers. The revamp of the form was done to enable businesses/organisations raising queries, offering services or proposals, support etc. to provide more focused information to enable more effective filtering and prioritisation of viable projects, technologies, etc.
Outcome(s)	Resource resilience of the economy improved
Summary of contribution to outcome (s)	All the work underway will contribute to the ability of and confidence in private sector and public sector players using energy more wisely and implementing alternative energy systems, thus contributing to improved resource resilience.
Contribution to strategic priorities	The work of the green economy (with the focus being on the MER initiative) has all contributed to the resource resilience (energy and water) strategic priorities of the provincial strategic.
Response to priority groups	Not applicable.

#### Strategy to overcome areas of underperformance

Not applicable.

#### Linking performance with budgets

During the 2022/23 financial year, an amount of R150.089 million was allocated to the Programme of which the actual expenditure amounted to R144.989 million. This translates into actual expenditure of 96.6 % of the Programme's total budget. An overview of the funds spent per economic classification is as follows:

- Compensation of Employees accounted for R30.677 million or 21.2% of total expenditure,
- Goods and Services accounted for R12.507 million or 8.6% of total expenditure,
- Transfers and Subsidies accounted for R101.805 million or 70.2% of total expenditure.

Sub-programme Name	2022/2023			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Economic Policy and Planning	8 551	8 385	166	6 183	6 157	26
Research and Development	7 233	7 168	65	8 935	8 487	448
Knowledge Management	15 211	15 210	1	17 106	17 105	1
Enabling Growth Infrastructure and Initiatives	87 783	87 757	26	91 245	91 181	64
Broadband for the Economy	8 618	8 486	132	9 263	9 249	14
Green Economy	22 693	17 983	4 710	27 588	25 076	2 512
<b>Total</b>	<b>150 089</b>	<b>144 989</b>	<b>5 100</b>	<b>160 320</b>	<b>157 255</b>	<b>3 065</b>

#### Programme 5: Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

Not applicable

## 4.6 PROGRAMME 6: TOURISM, ARTS AND ENTERTAINMENT

### Purpose

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

### Programme structure

Sub-programmes	Purpose
Sub-programme 6.1: Tourism Planning	To develop and co-ordinate the strategic tourism agenda.
Sub-programme 6.2: Tourism Growth and Development	To facilitate the growth and development of the tourism industry. To enhance the quality of the visitor experience to the destination through the provision of quality tourism support services.
Sub-programme 6.3: Tourism Sector Transformation	To provide for the efficient registration and regulation of tourist guides. To protect the reputation of the destination through improved visitor safety and integrated destination management.
Sub-programme 6.4: Tourism Destination Marketing	To provide resources to the tourism, trade and investment promotion public entity to enable it to deliver on its mandate as defined in the Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996) as amended.
Institutional Outcomes	
Programme 6 contributes to the following institutional outcome	<ul style="list-style-type: none"> <li>Increased exports</li> <li>Improved Tourism Safety Perception</li> </ul>

### Sub-programme 6.1: Tourism Planning

#### Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 6.1: Tourism Planning								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Increased exports	Tourism sector development initiatives implemented	6.1 Number of tourism sector initiatives reports developed	2	2	2	2	-	-

### Summary of Sub-programme 6.1 achievements

Purpose	To develop and coordinate the strategic agenda.
Significant achievements	<p>Although the completion of Tourism Blueprint 2030 was placed on hold pending the finalisation of G4J, the Unit continued to provide strategic support to the sector through:</p> <ul style="list-style-type: none"> <li>• Ad hoc research to build sector intelligence; and</li> <li>• Capacity development of municipalities in respect of the management of local tourism.</li> </ul> <p>Much effort also went into creating strategic engagements with the private sector, particularly around pressure points faced by the industry as it prepared for a busy 2022/23 summer season.</p> <p>The Unit co-ordinated a Tourism Industry Dialogue which was hosted by Minister of Finance and Economic Opportunities, Mireille Wenger. The engagement focussed on the state of season readiness of the tourism industry in anticipation of the 2022/23 summer season. Key role players were invited to the session to participate as panel member to discuss the state of readiness of the Cape Town CBD in respect of safety, attractiveness, and vibrancy. The interactive panel sessions centred around destination readiness and access as well as workforce readiness.</p> <p>The unit conducted industry snap-poll surveys to gather a sense of industry sentiment on certain matters facing the industry. The following surveys were conducted:</p> <ul style="list-style-type: none"> <li>• Halal tourism survey;</li> <li>• Tourism skills survey; and</li> <li>• Educational tourism survey.</li> </ul>
Outcome(s)	Increased exports
Summary of contribution to outcome (s)	The Sub-programme provides intelligence and institutional support to the industry with a view towards accelerating industry recovery and thereby realise the exports earning potential of the industry.
Contribution to strategic priorities	The Sub-programme contributes towards the realisation of VIP 2. By creating a conducive ecosystem for the recovery of the tourism industry, the employment potential of the industry can be maximised.
Response to priority groups	Not applicable.

### Strategy to overcome areas of underperformance

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

## Sub-programme 6.2: Tourism Growth and Development

### Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 6.2: Tourism Growth and Development								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Increased exports	Tourism products developed	6.3 Number of progress reports on the implementation of the tourism product development programme	2	2	2	2	-	-

### Summary of Sub-programme 6.2 achievements

Purpose	To facilitate the growth and development of the tourism industry. To enhance the quality of the visitor experience to the destination through the provision of quality tourism support services.
Significant achievements	<p>The Tourism Growth and Development Unit compiled and submitted two reports on the implementation of the tourism product development programme.</p> <p><b>Event Support:</b> The Unit supported World Tourism Day on the 27th of September 2022 by contributing R300 000 to the event organised and co-hosted with the National Department of Tourism. Minister Wenger gave the keynote welcome address at this event.</p> <p>DEDAT and Wesgro supported the Formula E/e-Prix event in February 2023. In partnership with other provincial departments, DEDAT and Wesgro collectively provided R3 000 000 financial support. The Department also served on various committees leading up to the event. The Unit also represented the Department on the Western Cape Events Forum and the 2023 Netball World Cup Provincial Working Committee.</p> <p><b>Nature-Based Tourism:</b> The Tourism Unit had regular strategic meetings with CapeNature, SANParks and the SATSA Adventure Chapter to discuss matters of alignment. Projects of alignment included infrastructure development, quality assurance and marketing.</p> <p><b>Tourism Product Development Fund:</b> The DEDAT project management team conducted site visits to all of the Tourism Product Development Fund beneficiaries as part of the oversight mechanism to ensure that the projects were completed as set out in the transfer payment agreements. A comprehensive close-out report was written featuring information such as the application, evaluation and transfer payment processes followed. It also provided detail on the 15 selected beneficiaries' projects and the business impact of each. The report concluded with photo evidence of the site visits conducted.</p> <p><b>Quality Assurance:</b> The Tourism Unit instituted bi-monthly engagements with the Tourism Grading Council of South Africa (TGCSA) due to the concern around service quality in the tourism industry.</p>
Outcome(s)	Increased exports

Summary of contribution to outcome (s)	Supported the Province to recover tourism earnings and hence achieve increased exports over the long-term in support of the achievement of VIP 2. Financial and strategic support to events and tourism organisations allowed organisations to attract more tourists and contributed to the Western Cape's economy.
Contribution to strategic priorities	Through the support provided to events and nature-based tourism, DEDAT supported the tourism industry in line with the National Tourism Sector Recovery Plan as well as the PSP's vision inspired priority 2: Growth and jobs.
Response to priority groups	Not applicable.

### Strategy to overcome areas of underperformance

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

## Sub-programme 6.3: Tourism Sector Transformation

### Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 6.3: Tourism Sector Transformation								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Increased exports	Tourist guides developed	6.4 Number of tourist guides developed	43	35	25	89	64	Besides the accredited CATHSSETA Culture and Nature site guide training on the West Coast, an intervention was held with PRASA for International Tourist Guide Day.
	Tourist guides registered	6.5 Number of individuals registered (as tourist guides)	502	697	600	1 500	900	The unit has no control over how many tourist guides register within a financial year. The overachievement can be contributed to recovery after COVID-19. Many guides did not renew their registration during the previous two financial years.

Sub-programme 6.3: Tourism Sector Transformation								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
	Individuals/ tourism-related businesses inspected or monitored	6.6 Number of individuals/ tourism-related businesses inspected or monitored (tourist guides)	20	72	100	110	10	The Department has no control over the number of tourist guides who are encountered during field inspections hence the slight overachievement could not be mitigated.
	Tourism establishments/ individuals supported by the tourism safety unit	6.7 Number of tourism establishments/ individuals supported	389	306	100	139	39	Due to the rapid recovery of international tourists, the Programme experienced an increase in the number of incidents involving tourists which then necessitated support from the Unit. This is a demand-based service and overachievement cannot be mitigated against.
	Oversight over the establishment of the Tourism Safety Law Enforcement Unit in partnership with City of Cape Town	6.8 Number of oversight reports on the establishment of the Tourism Safety Law Enforcement Unit	4	4	1	1	-	-
	Tourism Safety Strategy Implemented	6.9 Number of Tourism Safety Strategy Implementation Reports	4	2	2	2	-	-

### Summary of Sub-programme 6.3 achievements

Purpose	To provide for the registration and regulation of tourist guides. To protect the reputation of the destination through improved visitor safety and integrated destination management.
Significant achievements	<p><b>Tourism regulations:</b> During this financial year 1 500 tourist guides (new and renewals) were registered in the Western Cape. This is a positive sign that there is recovery in the sector after COVID-19. The number of tourist guides registered equate to pre-COVID-19 registration numbers. In addition, the unit inspected 110 tourist guides across the Western Cape and developed 89 tourist guides in the West Coast and Cape Metropole.</p> <p><b>Tourism safety:</b> With the rapid recovery of tourism, risks associated with safety and security have returned. This is particularly of concern given deteriorating socio-economic conditions. For this reason, DEDAT convened engagements with industry on tourism safety as well as peak season preparedness. As an out-come from these engagements a season readiness plan was developed and implemented for the 2022/23 season. Activities included a social media campaign targeting domestic travellers with tourism safety tips. The campaign resulted in more than 3.7 million delivered impressions on social media.</p>
Outcome(s)	Increased exports Improved Tourism Safety Perception
Summary of contribution to outcome (s)	The Tourism Regulations unit supports an estimated 6 000 strong tourist guiding community. Tourist guides form an important component of the tourism ecosystem that results in export earnings for the Province. Tourism safety is the biggest risk factor facing the recovery of the industry. Initiatives to improve the tourism safety ecosystem will result in the Province realizing the export potential of the tourism industry.
Contribution to strategic priorities	The Sub-programme contributes to the achievement of VIP 2.
Response to priority groups	Of the 89 Tourist Guides developed in the financial year, 53 were women and 20 youth.

### Strategy to overcome areas of underperformance

Not applicable.

## Sub-programme 6.4: Tourism Destination Marketing

### Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 6.4: Tourism Destination Marketing								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Increased exports	Oversight of Wesgro's Tourism Destination Marketing Function	6.11 Number of Tourism Destination Marketing Oversight Reports	2	2	2	2	-	-

### Summary of Sub-programme 6.4 achievements

Purpose	To provide resources to the tourism, trade and investment promotion public entity to enable it to deliver on its mandate as defined in the Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996) as amended.
Significant achievements	<p>The Tourism Growth and Development Unit compiled and submitted two Tourism Destination Marketing Oversight Reports.</p> <p>Regular meetings and document reviews were undertaken during the year as part of DEDAT's oversight role.</p> <p>Wesgro DMO achieved the following:</p> <ul style="list-style-type: none"> <li>In total, Wesgro achieved an estimated economic impact of R423,8 million through the number of bids converted. While this number does not meet the annual target of R530 million it is still R159,8 million more than the previous financial year.</li> <li>International and domestic travel largely recovered during the financial year under review. Nineteen against a target of 15 joint marketing agreements were secured, 51 leisure event marketing agreements were secured against an annual target of 35 and 30 bids were secured against an annual target of 15.</li> </ul>
Outcome(s)	Increased exports
Summary of contribution to outcome (s)	The R423,8 million estimated economic value for the financial year, achieved by Wesgro DMO, contributed to the Department's outcome of increased exports.
Contribution to strategic priorities	<p>Wesgro DMO contributed to the achievement of VIP 2 (boosting the economy and job creation), the PSP (Exports) as well as the National and Provincial Recovery Plans (which prioritises international, regional and domestic markets) through:</p> <ul style="list-style-type: none"> <li>Securing 30 conference bids with a total estimated economic value of R423,8 million</li> </ul> <p>Conducting various marketing and sales activities such as attending trade and road shows, hosting post-show tours for hosted buyers and running marketing campaigns to attract more tourists to the Western Cape.</p>
Response to priority groups	Not applicable.

### Strategy to overcome areas of underperformance

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

### Linking performance with budgets

During the 2022/23 financial year, an amount of R71.909 million was allocated to the Programme of which the actual expenditure amounted to R71.875 million. This translates into actual expenditure of 100.0% of the Programme's total budget. An overview of the funds spent per economic classification is as follows:

- Compensation of Employees accounted for R7.027 million or 9.8% of total expenditure,
- Goods and Services accounted for R1.218 million or 1.7% of total expenditure, and
- Transfers and Subsidies accounted for R63.576 million or 88.5% of total expenditure.

Sub-programme Name	2022/2023			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Growth and Development	8 334	8 301	33	16 196	15 763	433
Tourism Sector Transformation	2	0	2	-	-	-
Tourism Destination Marketing	63 573	63 573	0	58 401	58 398	3
<b>Total</b>	<b>71 909</b>	<b>71 874</b>	<b>35</b>	<b>74 597</b>	<b>74 161</b>	<b>436</b>

### Programme 6: Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

Not applicable

## 4.7 PROGRAMME 7: SKILLS DEVELOPMENT AND INNOVATION

### Purpose

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

### Programme structure

Sub-programmes	Purpose
Sub-programme 7.1: Provincial Skills and Partnership	To co-ordinate partnerships and collaborations with stakeholders, at national, provincial and local level to drive systemic changes with the aim of increasing the supply of relevant skills aligned to the current and future skills demands of priority growth sectors in the Province.
Sub-programme 7.2: Skills Programmes and Projects	To facilitate/support unemployed or underemployed youth to access jobs.
Sub-programme 7.3: Skills Incentives	To leverage funding opportunities along the skills pipeline.
Institutional Outcomes	
Programme 7 contributes to the following institutional outcome	<ul style="list-style-type: none"> <li>Improved employability of beneficiaries supported.</li> </ul>

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

#### Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 6.1: Tourism Planning								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Improved employability of beneficiaries supported	Skills Development Initiatives supported	7.2.1 Number of skills development initiatives supported to address the skills mismatch between the skills supply and industry skill needs	-	-	4	5	1	Driven by industry requirements, needs and collaboration with Western Cape Education Department and higher education, it presented additional opportunities to develop new curricula and/or modalities in the renewable energies, mechanical technologies, retail, finance and accounting domains. As a result, the Sub-programme was able to overachieve in its annual target of four curricula developed.

### Summary of Sub-programme 7.1 achievements

Purpose	To co-ordinate partnerships and collaborations with stakeholders, at national, provincial and local level to drive systemic changes with the aim of increasing the supply of relevant skills aligned to the current and future skills demands of priority growth sectors in the Province.
Significant achievements	<p>The Sub-programme addresses systemic challenges facing the skills ecosystem by co-ordinating, lobbying and influencing the various role players such as Basic Education, Post-school training providers, three spheres of government and industry to work closer together for the support of Skills Development Initiatives. These initiatives focused on refining or amending curriculum, as well as adopting new innovative training modalities to improve the quality, relevance, and access of skills offerings to best address industry skills requirements that will lead to more employment opportunities.</p> <p>The Skills Development initiatives supported during the financial year aimed to address the skills mismatch between the skills supply and industry skill needs which include new curriculum developed and new training modalities to maximise relevance to the workplace, including partnering with the industry and public partners.</p> <p>The Sub-programme leveraged financial and non-financial public and private sector resource to develop to influence academic instruments. The Sub-programme facilitated engagements between educators, industry, and public partners to increase the exposure to the workplace so that they are more in tune with the requirements of the workplace and can appropriately interpret curriculum content and guide learners.</p> <p>This included mechanisms to enhance teaching pedagogies to empower both educators/lecturers/learners exposing them to industry relevant training need, to more industry practical related exposure that will improve the quality, relevance, and access of skills address industry's requirements that will lead to more employment opportunities.</p> <p>APP collaborations highlighting the significant achievements include the on-going work to drive curricula/training modalities to better align skills supply to match industry skills needs:</p> <p>The Growth for Jobs Strategy highlights the need to support individuals in Science, Leveraging SETA funding towards the new Mathematics and Science Educator capacity building, tutoring support for learners as well as career awareness initiatives to help improve the teaching pedagogies that will result in better educational outcomes for these key subjects to improve articulation into post-school linked to occupations in high demand linked to these subjects.</p> <p>Introducing new training modalities into the Technical Automotive field at Technical High Schools by piloting new technical modalities and establishing working groups between industry and academia to shape these initiatives aimed at capacity-building Mechanical educators and learners to gain exposure to industry trends and standards. This also included support by the partners to assist with the adjudication at the Provincial WCED School competition with the adjudication for to help the schools align to industry standards and practice.</p> <p>Co-ordinating two Premier's Council on Skills (PCS) held as the Provincial Human Resource Development Council formal engagement platform that includes partners across the skills ecosystem. This included the co-developed new Solar PV technician qualification as well as a newly established Solar PV Training centre on the West Coast region, in partnership with merSETA and public TVET colleges in the Province based on a new dual vocational training modality.</p>

Significant achievements	<p>The second PCS focused on the establishment of an international partnership between the Department, the public TVET colleges and the International partners via the Joint Action Plan (JAP) entered into with the Free State of Bavaria and the Province has realised new collaborative initiatives to support the capacity building of academia to implement this dual modality including upskilling of educators, lecturers on digital learning applications, improving soft skills and the collaborations in key growth sectors.</p> <p>In addition, the Sub-programme also led key inter-departmental and industry partnerships supporting innovative collaborative projects. This includes the WCED and the Department of Cultural Affairs and Sport (DCAS) YearBeyond project by co-funding experiential learning of unemployed youth placed at NGOS implementing school support initiatives to improve educational outcomes. The collaborative project received a first runner up award by the Public Service Innovation award for “Replication of Adaptation of Innovative Solutions and a Bronze award as best collaborative project at the Premier’s Service Excellence Awards.</p> <p>Facilitating SETA collaboration to fund towards experiential learning in the Clothing and Textile sector for the next financial year which will support industry and the unemployed youth to gain access to skills training and workplace experience in key occupations required in the sector to lead to employment.</p>
Outcome(s)	Improved employability of beneficiaries supported
Summary of contribution to outcome (s)	The partnership network established via our established engagement platforms as well as direct partnerships facilitated leveraged access to industry and public resources to influence and refine content linked to curricula and/or training modalities to encompass more industry-related practical skills with the aim to better shape career pathways that will lead to improving the employability of youth.
Contribution to strategic priorities	In line with DEDAT’s 2020 - 2025 five-year strategy, well-aligned with the Provincial Strategic Plan and the Western Cape Recovery Plan, the Sub-programme has focused on addressing the skills gaps identified by industry and facilitated partnerships required to develop new curricula and delivery modalities that will best address industry’s skills needs. In addition, this has helped support youth to improve their access to career pathways, access to economic opportunities and improving their employability.
Response to priority groups	The collaborations focused on youth to access opportunities to improved career awareness, additional tutorial support, practical training better aligned to industry skills needs with the aim to better articulation into post-schooling. Opportunities for youth to improve their access to job training, post-school institutional training were also realised to improve their employability. The new training modalities also allowed lecturers/educators/learners to be exposed to industry relevant training needs. These include women and youth.

#### Strategy to overcome areas of under performance

Not applicable.

## Sub-programme 7.2: Skills Programmes and Projects

### Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 6.1: Tourism Planning								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Improved employability of beneficiaries supported	Beneficiaries supported through skills interventions	7.3 Number of beneficiaries supported through skills interventions	4 153	2 429	2 500	4 684	2 184	The Programme over-delivered on its annual target by 87%, in part, due to a significant over-achievement in external funding leveraged that was purposed in support of skills development.

### Summary of Sub-programme 7.2 achievements

Purpose	To facilitate/support unemployed or underemployed youth to access jobs.
Significant achievements	<p>The Sub-programme has overachieved on its target of supporting 2 500 unemployed youth through skills interventions by 87% or 2 184 persons. The primary instruments for supporting unemployed youth was via experiential learning initiatives coupled with accredited skills programmes. Experiential learning initiatives facilitated employment opportunities at mainly private sector firms that provided on the job training.</p> <p>The Sub-programme's support to skills development in the BPO sector resulted in the sector improving global competitiveness, which has led to an increase in 7 900 net new jobs servicing offshore BPO destinations. The net new jobs resulted in an increase of more than R2.7 billion in foreign revenue earned by BPO firms domiciled in the Western Cape.</p>
Outcome(s)	Improved employability of beneficiaries supported
Summary of contribution to outcome (s)	Beneficiaries' employability were improved though on-the-job experiential learning opportunities and skills transfers through mainly accredited skills programmes.
Contribution to strategic priorities	PSP, MTSF, and the Western Cape Recovery plan focus on jobs, a priority directly supported by the Sub-programme through incentivising employment opportunities to unemployed youth in the Province.
Response to priority groups	The beneficiaries supported in this financial year are 100% youth and women make up 67% of the supported youth.

### Strategy to overcome areas of underperformance

Not applicable.

## Sub-programme 7.3: Skills Incentives

### Outcomes, outputs, output indicators, targets and actual achievements

Sub-programme 6.1: Tourism Planning								
Outcome	Output	Output indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Improved employability of beneficiaries supported	Funds Leveraged	7.4 Value of funds leveraged	R105 564 039.19	R143 327 713	R50m	R201 699 123	R151 699 123	Increased funding leveraged efforts and available funding from external sources.

### Summary of Sub-programme 7.3 achievements

Purpose	To leverage funding opportunities along the skills pipeline
Significant achievements	The Sub-programme Skills incentives has over-achieved due increased efforts in leveraging funding from external sources and the Programmes excellent track record in over-delivering on funders' requirements. The sub-programme over-achieved on its target of R50 million by 303%, and in rand terms, by R151 699 123.
Outcome(s)	Improved employability of beneficiaries supported
Summary of contribution to outcome (s)	Funding leveraged, from external sources was a key reason for the 88% over-achievement in the number of beneficiaries supported with skills development initiatives. Funding leveraged was mainly for stipends for unemployed youth from marginalized communities.
Contribution to strategic priorities	PSP, MTSF, and the Western Cape Recovery plan focus on jobs, a priority directly supported by the Sub-programme through incentivising employment opportunities to unemployed youth in the Province.
Response to priority groups	Not applicable.

### Strategy to overcome areas of underperformance

Not applicable.

### Linking performance with budgets

During the 2022/23 financial year, an amount of R96.214 million was appropriated to the Programme to support interventions aimed at closing the gap between skills supplied and those demanded by the economy. The actual expenditure amounted to R96.106 million, this translates to actual expenditure of 99.9% of the Programme's total budget. An overview of the funds spent per economic classification is as follows:

- Compensation of Employees accounted for R11.595 million or 12.1% of total expenditure.
- Goods and Services accounted for R6.328 million or 6.6% of total expenditure.
- Transfers and Subsidies accounted for R78.114 million or 81.3% of total expenditure, with the bulk earmarked for stipend payments to beneficiaries to support experiential workplace learning.
- Payments for Financial Assets accounted for R69 thousand or 0.1% of total expenditure.

Sub-programme Name	2022/2023			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Provincial Skills and Partnerships	7 359	7 297	62	6 753	6 514	239
Skills Programmes and Projects	84 847	84 809	38	60 328	59 208	1 120
Skills Incentives	4 008	4 000	8	4 850	4 845	5
<b>Total</b>	<b>96 214</b>	<b>96 106</b>	<b>108</b>	<b>71 931</b>	<b>70 567</b>	<b>1 364</b>

**Programme 7: Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions**

Not applicable

## 5. TRANSFER PAYMENTS

### 5.1 Transfer payments to public entities

Name of Public Entity	Key outputs of the public entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity (R'000)	Achievements of the public entity
<b>Programme 3: Trade and Sector Development</b>				
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	Operational funding in support of Wesgro Trade and Investment promotion activities	62 113	62 113	Wesgro facilitated R4.1 billion of committed investments into the province and signed R3.1 billion worth of trade agreements for the 2022/23 financial year.
<b>Programme 5: Economic Planning</b>				
Atlantis Special Economic Zone (ASEZ)	Operational funding for the entity	39 182	36 845	<p>R102,9 million was received for infrastructure development, and construction was set to commence in Q1 of 2023/24.</p> <p>The ASEZ Co signed a lease with the investor in respect of whom R13.84 million was received for top structure funding (included above), and designs were prepared for the construction of a new facility for the investor.</p> <p>The ASEZ Co purchased a building in the Zone which houses one tenant, with whom the second lease was signed.</p>
Saldanha Bay Industrial Development Zone Licensing Company	Operational funding for the entity	41 977	41 977	<p>The planning and preliminary design for SEZ 5 facility has been completed. The facility covers a footprint of 1500m<sup>2</sup> and includes storage space. The Cartol Pump Station project has been in progress over the last quarter of 2022 through to the first quarter of 2023. The Project has reached the Practical Completion stage on 01 March 2023. The contract for the design and build of SEZ 4 facility was formally awarded to the qualifying bidder in January 2023. The design of the SEZ 4 facility is underway.</p> <p>This facility accommodates small warehouse operations with a focus on small-scale productions/manufacturing</p> <p>The construction of the "Eastern Access Road" is nearing Practical Completion</p>

Name of Public Entity	Key outputs of the public entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity (R'000)	Achievements of the public entity
<b>Programme 6: Tourism, Arts and Entertainment</b>				
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	Operational funding in support of Wesgro's tourism destination marketing activities	63 573	63 573	Wesgro achieved an estimated economic impact of R423,8 million through the conversion of 30 conference bids.  Wesgro DMO exceeded their annual targets for the number of bid secured, number of joint marketing agreements secured as well as for the number of leisure event marketing agreements secured.

## 5.2 Transfer payments to organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2022 to 31 March 2023.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with sections 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
<b>Programme 1: Administration</b>						
South African Broadcasting Corporation (SABC)	Departmental Agency	Renewal of Television Licences within the Department	Yes	7	7	N/A
<b>Programme 2: Integrated Economic Development Services</b>						
Edge Growth	Private Company	To support a mentorship programme called the Sanlam Foundation ESD Accelerator Programme	Yes	R1 003	R1 232	N/A
ASISA Foundation	Non-profit Institution	To support the ASISA Foundation Trust FLAME Programme	Yes	R3 430	R3 035	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2023.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
SA Agri Academy	Non-profit Institution	To support the SMME Development Programme (Training and Coaching)	Yes	R1 325	R647	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2023.
WomHub	Private Company	To support the Incubator programme targeting women-owned SMMEs in STEM.	Yes	R2 820	R2 393	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2023.
Bicycle Empowerment Network (BEN)	Non-profit Institution	To support the BEN SMME Support Programme	Yes	R1 978	R1 821	The duration of the project extends over two financial years.
Reconstructed Living Lab	Non-profit Institution	To support the Innovation and Enterprise Programme	Yes	R1 410	R1 405	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2023.
Productivity SA	Departmental Agency	To support the Kaizen – Continuous Improvement Project	Yes	R1 314	R339	The duration of the project extends over two financial years and a portion of the funding was transferred in March 2023.
Langeberg Municipality	Municipality	To support the development, improvement and upgrade of the Langeberg Municipality informal trading sites	Yes	R2 221	R1 230	Final commitments against the construction and upgrade of Bonnievale & Montagu informal trading areas was invoiced and spent in April 2023.
Western Cape Liquor Authority	Statutory Body	Funding in support of creating an online platform and streamlining client services	Yes	R2 227	R2 227	Development of e-licence profile and platform.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
<b>Programme 5: Economic Planning</b>						
Western Cape Economic Development Partnership (WCEDP)	Non-profit Institution	To support the operations of the WCEDP	Yes	R15 210	R15 165	The unspent amount is verified and allocated for April 2023.
Bitou Municipality	Municipality	To support the Cost of Supply Study and the updating of the Electrical Master Plan	Yes	R600	R1 350	N/A
Stellenbosch Municipality	Municipality	To support the implementation of renewable energy and energy resilience projects in the Municipality.	Yes	R1 184	R1 405	The procurement process was delayed to incorporate any relevant outcomes of the Mini IRP into the CoSS and EMP ToR. Furthermore, the awarded bidder for the CoSS quoted less than the amount expected by the Municipality.
Swartland Municipality	Municipality	Foundational Energy Studies: Electricity Master Plan	Yes	R0	R400	N/A
Overstrand Municipality	Municipality	Foundational Energy Studies: Cost of Supply	Yes	R0	R375	N/A
George Municipality	Municipality	Foundational Energy Studies: Electricity Master Plan	Yes	R0	R400	N/A
Mossel Bay Municipality	Municipality	Foundational Energy Studies: Cost of Supply	Yes	R0	R500	
Cape Aghulhas Municipality	Municipality	To support the implementation of renewable energy and energy resilience projects in the Municipality.	Yes	R625	R60	Due to the procurement process delays and the awarded bidders for the projects quoting less than the expected amounts by the Municipality.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
Witzenberg Municipality	Municipality	To support the implementation of renewable energy and energy resilience projects in the Municipality.	Yes	R1 762	R1 761	N/A
ICAN Elsies River	Non-profit Institution	To support the operations of the ICAN Elsies River.	Yes	R990	R562	The bulk (95%) of the January 2023 tranche was spent before year end. Per the agreement, the second tranche was paid late March 2023, hence the unspent funds which are planned to be spent by 30 June 2023.
<b>Programme 7: Skills Development and Innovation</b>						
Households	Households	Stipends paid to learners for Artisan Development Programme	Yes	R14 728	R13 645	Advanced payments were made to ensure that beneficiaries were not disadvantaged due to financial year end closure which could delay stipend payments.
Households	Households	Stipends paid to learners for BPO	Yes	R52 932	R50 745	Advanced payments were made to ensure that beneficiaries were not disadvantaged due to financial year end closure which could delay stipend payments.
Households	Households	Stipends paid to learners for the Experiential Work Placement Supply Project	Yes	R10 402	R9 075	Advanced payments were made to ensure that beneficiaries were not disadvantaged due to financial year end closure which could delay stipend payments.

## 6. CONDITIONAL GRANTS

### 6.1 Conditional grants and earmarked funds paid

Not applicable.

### 6.2. Conditional grants and earmarked funds received

The table/s below details the earmarked funds received during for the period 1 April 2022 to 31 March 2023.

Department who transferred the grant	Department of Economic Development and Tourism
Purpose of the grant	Specifically, and exclusively geared towards supporting Wesgro's export growth, trade and investment promotion initiatives. The conditional funding was provided to the public entity to promote activities to position the Western Cape as a primary investment destination and facilitate investment into the Western Cape. The entity is also mandated to use the funding to grow our export activities and market the Western Cape commodities to global markets. In addition the entity utilised the funding to position the Western Cape as a global and domestic tourism destination.
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• 50 - 70 trade agreements signed</li> <li>• 15- 20 investment projects realised</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• 83 trade agreements signed</li> <li>• 14 investment projects realised</li> </ul>
Amount per amended DORA	N/A
Amount received (R'000)	R62 113
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R62 113
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Quarterly oversight reports.

<b>Department who transferred the grant</b>	<b>Department of Economic Development and Tourism</b>
Purpose of the grant	Saldanha Bay Industrial Development Zone Licencing Company SOC Ltd
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• 3 standard operating protocols in place.</li> <li>• 28-day turnaround time on building plans.</li> <li>• 8 signed tenants and operator lease agreements.</li> <li>• 2 contractors and professional panels maintained.</li> <li>• 3 partnership agreements established.</li> <li>• 3 generic agreements maintained by trade unions for negotiations with investors.</li> <li>• 30% available space tenanted.</li> <li>• 100% zero dependency on provincial operational financial support.</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• 3 standard operating protocols in place.</li> <li>• 11 signed tenants and operator lease agreements.</li> <li>• 2 contractors and professional panels maintained.</li> <li>• 6 partnership agreements established.</li> <li>• 3 generic agreements maintained by trade unions for negotiations with investors.</li> <li>• 35% available space tenanted.</li> </ul>
Amount per amended DORA	N/A
Amount received (R'000)	R41 977
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R41 977
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Shareholder meetings and structured engagements with the entity.

Department who transferred the grant	Department of Economic Development and Tourism
Purpose of the grant	Supporting the Atlantis Special Economic Zone
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• 4 ASEZ operational board meetings.</li> <li>• 2 commercial property management leases signed.</li> <li>• 2 top structure applications.</li> <li>• 2 Living Lab Strategies for Energy, Water and Waste.</li> <li>• 4 Quarterly investor pipeline maintained.</li> <li>• 2 signed investment commitments.</li> <li>• 1 Investor Marketing Plan.</li> <li>• 2 Signed MOAs with partners.</li> <li>• 7 Skills Development initiatives providing 180 persons with training.</li> <li>• 6 enterprise development initiatives supported, benefiting 30 enterprises.</li> <li>• 5 community project initiatives.</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• 4 Board meetings as required; one additional special Board meeting</li> <li>• 2 leases signed with investors</li> <li>• 1 top structure application submitted.</li> <li>• 2 Living Lab Strategies approved: Water and Waste.</li> <li>• Investor pipeline maintained - 59 investors engaged in total.</li> <li>• No new investment commitments signed.</li> <li>• Investor Marketing Plan implemented.</li> <li>• 2 MOAs signed with partners - Wesgro and the Korea-Africa Foundation.</li> <li>• 7 Skills Development initiatives supported or undertaken, reaching more than 280 persons.</li> <li>• 6 enterprise development initiatives supported or undertaken, benefiting 40 enterprises.</li> <li>• 5 community project initiatives undertaken.</li> </ul>
Amount per amended DORA	N/A
Amount received (R'000)	R39 182
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	39 182
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Quarterly report and exco meetings

<b>Department who transferred the grant</b>	<b>Provincial Treasury</b>
Purpose of the grant	<p>Municipal Energy Resilience (MER) earmarked fund</p> <p>To improve energy resilience (energy security, energy affordability, and low carbon) in municipalities across the Western Cape through facilitating, supporting and positioning the implementation of energy infrastructure development (public and private) that supports economic growth, municipal financial sustainability, and a low carbon pathway. This earmarking aligns itself with the climate change theme of the Province.</p>
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• WC MER Fund Witzenberg: 1 final cost of supply study and 1 final electricity master plan</li> <li>• WC MER Fund Stellenbosch: 1 final cost of supply study and 1 final mini IRP</li> <li>• WC MER Fund Cape Agulhas: 1 final cost of supply and 1 final electricity master plan</li> <li>• Profiling the future demand of high electricity users in the Western Cape: 1 Final engagement plan and model future energy needs trends</li> <li>• MER Municipal Enablement: Provision of sector intelligence services and provision of direct support to businesses</li> <li>• Development of green hydrogen sector (support through Saldanha Bay IDZ Licencing Company SOC Ltd): Scoping of work underway</li> <li>• Revenue impact assessment of municipal wheeling: Report on wheeling impact on municipal revenue</li> <li>• Drafting of agreement for wheeling use of systems (UoS): Draft standard Use of Systems Agreement</li> <li>• Multi Jurisdictional Special Purpose Vehicle (Municipal pooled buying entity business case): Business case for pooled buying</li> <li>• WC MER Fund Bitou: Final Cost of Supply study and Final Electricity Master Plan</li> <li>• WC MER Fund Mossel Bay: Cost of supply study</li> <li>• WC MER Fund Overstrand: Cost of supply study</li> <li>• WC MER Fund Swartland: Electricity Master Plan</li> <li>• WC MER Fund George: Electricity Master Plan</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• WC MER Fund - Witzenberg: Completion of Cost of supply study and electricity master plan</li> <li>• WC MER Fund - Stellenbosch: Draft cost of supply study</li> <li>• Profiling the future demand of high electricity users in the Western Cape: Model future energy need trends completed and impacts analysis and final summary report completed</li> <li>• MER Municipal Enablement: Call for proposal completed</li> <li>• Development of green hydrogen sector (support through SBIDZ): Summit completed</li> <li>• Revenue impact assessment of municipal wheeling: Report on Impact analysis completed</li> </ul>

	<ul style="list-style-type: none"> <li>• Drafting of agreement for wheeling use of systems (UoS): Standardised Use-of System agreements completed and draft amendments to the current customer supply agreement completed</li> <li>• Multi Jurisdictional Special Purpose Vehicle (Municipal pooled buying entity business case): Options Analysis for comment released</li> <li>• WC MER Fund - Bitou: Completion of Cost of supply study and electricity master plan</li> <li>• WC MER Fund Mossel Bay: Cost of supply study</li> <li>• WC MER Fund Overstrand: Cost of supply study</li> <li>• WC MER Fund Swartland: Final Electricity Master Plan</li> <li>• WC MER Fund George: Final Electricity Master Plan</li> </ul>
Amount per amended DORA	N/A
Amount received (R'000)	R12 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R9 038
Reasons for the funds unspent by the entity	For the MER Fund, service providers of two municipalities quoted less than the estimated amount provided by the municipalities as well as a delay in the procurement process in appointing the service providers lead to municipalities under utilising the entire funded amount.
Reasons for deviations on performance	As above.
Measures taken to improve performance	<p>The Department established a Municipal Energy Resilience (MER) Panel of Service Providers to ensure efficient, compliant and transparent procurement processes for project work required for the MER initiative. The bidders on the panel have been pre-approved, allowing for an expedited process (compared to an open procurement process).</p> <p>We are looking to access project officer-type capacity to support Stellenbosch Municipality and in the interim are supporting the municipal project officer role with internal resources.</p>
Monitoring mechanism by the receiving department	Formal monthly meetings have been structured into the TPAs and SLAs with the municipalities and service providers to enable DEDAT to gain assurance that progress is taking place on projects as required.

<b>Department who transferred the grant</b>	<b>Department of Economic Development and Tourism</b>
Purpose of the grant	Supporting the Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro) for the purpose of promoting and upscaling destination marketing initiatives to propel economic growth and job creation in the Western Cape.
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• Between R530 million and R848 million total estimated economic impact,</li> <li>• 15 joint marketing agreements secured,</li> <li>• 35 leisure events marketing agreements secured,</li> <li>• 15 bids secured.</li> </ul>

Actual outputs achieved	<ul style="list-style-type: none"> <li>• R423,8 million total estimated economic impact,</li> <li>• 19 joint marketing agreements secured</li> <li>• 51 leisure events marketing agreements secured, and</li> <li>• 30 bids secured.</li> </ul>
Amount per amended DORA	N/A
Amount received (R'000)	R65 573
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R65 573
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> <li>• Bi-monthly DMO and DEDAT project team meetings,</li> <li>• Bi-annual Bilateral DMO, T&amp;I and DEDAT meetings, and</li> <li>• Quarterly Wesgro DMO Business Plan DEDAT Oversight Meetings.</li> </ul>

<b>Department who transferred the grant</b>	<b>Department of Economic Development and Tourism</b>
Purpose of the grant	The provision of funding to provide employment opportunities and upskilling of unemployed youth in the BPO and technology sector.
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• A total of 1 200 unemployed beneficiaries over the age of 18 years old to gain work experience to improve employability and support job creation.</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• A total of 2 574 beneficiaries were supported within employment opportunities in the BPO sector.</li> </ul>
Amount per amended DORA	N/A
Amount received (R'000)	R32 949
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R32 949
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	Demand for the programme was much higher than expected.
Measures taken to improve performance	None.
Monitoring mechanism by the receiving department	The Department conducts site visits to ensure the effective rollout of the initiative.

## 7. DONOR FUNDS

### 7.1 Donor Funds Received

The table/s below details the donor funds received during for the period 1 April 2022 to 31 March 2023.

Name of donor	Jobs Fund - GTAC 1
Full amount of the funding (R'000)	R39 270
Period of the commitment	16 April 2013 - 31 December 2023
Purpose of the funding	To support work placement programme.
Expected outputs	<ul style="list-style-type: none"> <li>Number of beneficiaries employed in permanent positions with project partners - 1 755</li> <li>Number of beneficiaries having completed time bound intern-ships - 2 700</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>Number of beneficiaries employed in permanent positions with project partners - 1 877</li> <li>Number of beneficiaries having completed time bound internships - 4 489</li> </ul>
Amount received in current period (R'000)	NIL
Amount spent by the department (R'000)	R2 312
Reasons for the funds unspent	Project Monitoring Period up to 31 December 2022
Monitoring mechanism by the donor	Site visits, progress and monitoring reports

Name of donor	Jobs Fund - GTAC
Full amount of the funding (R'000)	R11 447
Period of the commitment	01 April 2022 - 30 June 2023
Purpose of the funding	Support Western Cape BPO Pathway Project
Expected outputs	<ul style="list-style-type: none"> <li>A total of 763 beneficiaries will be supported in the BPO sector through this project</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>A total of 1 038 beneficiaries were supported through this project.</li> </ul>
Amount received in current period (R'000)	R5 091
Amount spent by the department (R'000)	NIL
Reasons for the funds unspent	The Department used DEDAT funds first and will vote in and spend GTAC funds in the new financial year.
Monitoring mechanism by the donor	Quarterly reporting and site visits by project managers of Jobs Fund.

## 8. CAPITAL INVESTMENT

### 8.1 Capital Investment, maintenance and asset management plan

Provide commentary on the following:

**Progress made on implementing the capital, investment and asset management plan**

Not applicable

**Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year. Provide reasons for material variances (2% variance)**

Not applicable

**Infrastructure projects that are currently in progress (list projects) and when are they expected to be completed**

Assets will be replaced in terms of the asset management policy. In comparison to the previous financial year, the Department will continue with the restructuring of floors and offices during the financial year 2022/23

**Plans to close down or down-grade any current facilities**

Not applicable

**Progress made on the maintenance of infrastructure**

Not applicable

**Developments relating to the above that are expected to impact on the department's current expenditure**

Not applicable

**Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft**

During the 2022/23 financial year, the Department embarked on a disposal process where its asset base was reduced by R 6 007 732.61 (A total of 241 Assets). In this regard, the Department considered factors such as the Department's Socio and Economic responsibility and assisting public sector entities in fulfilling their mandate of service delivery to the public at large.

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

**Distribution entailed:**

- A total of 99 assets with the value of R 944 280 were donated to NGO's and NPO's
- A total 1 asset with the value of R 18 635 were transferred to other public sector entities of the state

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

- A total of 4 assets to the value of R 19 532 were disposed through responsible recycling "e-waste".
- A total of 8 assets to the value of R 3 245 217 were written off.
- A total of 11 assets to the value of R 161 851 were taken off the assets register and referred to loss control for further investigation.
- A total of 51 assets to the value of R 865 553 were Sale-to-Staff.

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

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

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

- 1% is in a good condition
- 96% is in a fair condition
- 3% is in a bad condition

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

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

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

Not applicable

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

Infrastructure projects	2022/2023			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	1 411	1 411	-	-	-	-
Existing infrastructure assets	-	-	-	-	-	-
1 Upgrades and additions	-	-	-	-	-	-
2 Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
3 Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	-	-	-	-	-	-
4 Current	-	-	-	-	-	-
5 Capital	-	-	-	-	-	-
<b>Total</b>	<b>1 411</b>	<b>1 411</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>







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# GOVERNANCE

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## 1. INTRODUCTION

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

At the core of the Departments' mandate is the aim to alleviate the scourge of unemployment within the Province. This lofty ideal must be accomplished within the ambit of the governance outcomes of ethical culture, good performance, effective controls and legitimacy. In this regard governance protocols were implemented ubiquitously throughout all processes to support business and the Western Cape citizenry.

As a natural consequence of the sound governance environment created within the Department, partnerships with the private and public sector developed. These partnerships eventually grew to include the provision of financial assistance and donor funding of departmental projects and programmes.

Examples of these partnerships are demonstrated foremost in the skills projects and programmes undertaken within the Department. In this regard private and public sector organisations have provided financial resources to departmental projects to expand the reach and scope of the projects. A further example of this confidence in the the Departments' governance structures has been the funding leveraged to support various funds implemented within the Department such as the Tourism niche and product development fund and the SMME Booster fund which are aimed at assisting small businesses within the Western Cape. With both these funds, the Department is able to expand its service provision offering to the economy by drawing on private sector partnerships and contributions. The pursuit and integration of a governance culture within the Department has also awoken a need for innovation within the Department. Not only has there been a drive to simplify procedures and processes through automation and adopting methodologies such as LEAN Management principles, there has also been a resurgence of finding ways to assist and provide support to the economy through non-financial means. In this regard, the Department has been instrumental in forging an ease of doing business agenda within the Western Cape Government and economy. With a constant eye on improving the economy and bring all roleplayers together, efficiencies were, for example, realised within the Port of Cape Town.

## 2. RISK MANAGEMENT

The Department established a Governance Committee (GOVCOM) to assist the Accounting Officer (AO) in executing his responsibilities relating to risk management.

### **Enterprise Risk Management Policy and Strategy**

The Department adopted an Enterprise Risk Management (ERM) Policy on 01 April 2020 for the 2019/20 – 2024/25 financial years. This policy articulates the risk management philosophy and captures, on a high-level, the roles and responsibilities of the different role players. It provides the basis for the risk management process which is supplemented with the detail in the strategy.

The ERM Strategy and Implementation Plan outlines how the Department will go about implementing the ERM Policy adopted by the Accounting Officer (AO). This ERM Strategy is informed by the Provincial Enterprise Risk Management Policy and Strategy (PERMPS) as well as its own ERM Policy and risk profiles. The ERM Strategy and Implementation Plan for 2022.23 FY was approved on 31 March 2022.

## GOVCOM Responsibility

The GOVCOM reports that it has complied with its responsibilities arising from Section 38 (1)(a)(i) of the Public Finance Management Act, Treasury Regulation 3.2.1 and Public Service Regulations of 2016, Chapter 2, Part 1, 2 and 3. The GOVCOM also reports that it has adopted the appropriate formal Terms of Reference (approved by the GOVCOM chairperson on 16 April 2021) and regulated its affairs in compliance with this Terms of Reference and has discharged all its responsibilities as contained therein.

## GOVCOM Members

The GOVCOM comprises of the AO, top management, SMS and selected members of the Department's management team. As per its Terms of Reference, the GOVCOM is required to meet four times during the year under review, however due to scheduling conflicts and non-availability of certain members due to other commitments, the GOVCOM only met three times during the year under review. All meetings were attended by members or their representative.

The table below discloses relevant information on GOVCOM members:

Name	Position	Meetings attended	Date appointed
Mr V. Dube	Accounting Officer (Chairperson)	3	23 April 2022
Mr R. Toefy	Deputy Director-General: Economic Operations	3	23 April 2021
Mr J. Peters	Chief Director: Integrated Economic Development Services	3	23 April 2021
Ms M. Abrahams	Chief Financial Officer (CFO) - Risk Champion	3	23 April 2021
Ms C. Julies	Director: Strategic Operations	2	23 April 2021
Ms I. Van Schalkwyk	Chief Director: Economic Co-ordination and Stakeholder Engagements	3	23 April 2021
Ms H. Davies	Chief Director: Green Economy	1	23 April 2021
Mr N. Joseph	Chief Director: Skills Development and Innovation	3	23 April 2021
Mr A. Searle	Director: Business Regulations and Governance	3	23 April 2021
Mr T. Parle	Chief Director: Digital Economy	1	23 April 2021
Ms F. Dharsey	Acting Chief Director: Integrated Economic Development Services	2	N/A
Ms B. Mott	Deputy Director: Internal Control	3	23 April 2021
Ms J. Lombard	GOVCOM Secretariat	3	23 April 2021

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

Name	Position	Meetings attended
Ms A. Haq	Director: Enterprise Risk Management: DotP	3
Mr R. Arendse	Deputy Director: Enterprise Risk Management: DotP	3
Ms N. Mabude	Assistant Director: Enterprise Risk Management: DotP	3
Ms E. De Bruyn	Services Manager: Ce-I: DotP	1
Mr E. Peters	ICT Risk Consultant: Ce-I: DotP	1
Mr S. Martin	Director: Internal Audit: DotP	3

Name	Position	Meetings attended
Mr S. Mjongile	Deputy Director: Internal Audit: DotP	1
Ms B. Cebekhulu	Deputy Director: Provincial Forensic Services: DotP	3
Mr C. Pieterse	Deputy Director: Provincial Forensic Services: DotP	2
Ms P. Thaba	Director: Provincial Forensic Services: DotP	1

### Governance Committee key activities

The Accounting Officer is the chairperson of the GOVCOM and the Chief Financial Officer is the Risk Champion of the Department. In executing its function, the GOVCOM performed the following key activities during the year:

- Reviewed the Department's ERM Strategy and Implementation Plan before recommendation by the Audit Committee and approval by the AO;
- Monitored and reviewed risks in set grouped categories of appetite ranges, reviewed and applied appropriate risk appetite and tolerances guided by the PERMPS adopted by Provincial Top Management;
- Reported to the AO any material changes to the risk profile of the Department;
- Confirmed the Department's citizen-centric strategic risks. This illustrates the Department's efforts in addressing the contributing factors and impacts that relate directly to the citizen;
- Received and considered risk intelligence and trend reports;
- Identified emerging risks;
- Reviewed risks that are outside the tolerance levels for further action/attention;
- Monitored the implementation of the Fraud and Corruption Prevention Implementation Plan;
- Monitored the implementation of the departmental ERM Policy, Strategy and Implementation Plan;
- Evaluated the effectiveness and mitigating strategies to address the material, ethics and economic crime risks; and
- Provided oversight on ethics management in the Department.

### Key risks considered and addressed during the year

The below risks have been applicable throughout the financial year. However, during the fourth quarter the Department implemented a new Growth for Jobs Strategy (G4J). This resulted in new strategic risks being identified, which are aligned to the new strategy. Since these new risks were only articulated in the fourth quarter, they are captured as emerging risks under the below heading "Key emerging risks for the following financial year".

- **Risk 1:** The uneven recovery amongst different markets and market segments within domestic and international visitor numbers. The tourism sector had been severely affected during the pandemic. A key initiative in relation to address the recovery within the tourism industry includes the Tourism Recovery Plan and Tourism Blueprint the 10-year strategy and the implementation thereof. To spur recovery, we need to attract fresh investments, develop value-added jobs, recruit new talent, and boost innovation. There is a need to address the three key risks around safety, quality of the offering and destination governance. Towards the end of the financial year, the increase in tourism numbers has indicated a positive recovery.
- **Risk 2:** Inadequate energy resilience (security, affordability, and carbon emissions) for economic growth impacting business and citizens in the Western Cape Province. South African businesses and households have been severely impacted since 2007 by the increased risk of load shedding. The Municipal Energy Resilience (MER) project, which is a key initiative to address this risk, is set to foster renewable energy projects, build energy security, and buffer households and businesses from load shedding. The MER project still needs funding in the outer years beyond 2022/23FY to continue.

- **Risk 3:** The Department's efforts in addressing unemployment associated with skills shortages is compromised by internal and external environmental constraints. This risk is broadly worded but centres around the matters that hinder the Department's efforts in addressing the risk of unemployment. Factors include the mismatch of skills, as the skills ecosystem and academic outcomes are not adequately aligned to current and future industry requirements. There has also been a decline and scarce funding both internal within the Department and public/private sectors for skills initiatives. A key initiative is to apply for funding from donors to ensure that there is continuous and differentiating funding streams to increase the employability and training opportunities. The Department also developed a plan of action to increase sources of funding leverage. To address the mismatch of skills, the Department is leading stakeholder engagements that drive collaborations between basic education, post-school education and private sector to ensure that skills offerings are aligned to industry requirements.

### Key emerging risks for the following financial year

The below risks are the emerging risks identified based on the uncertainties in the implementation of the G4J Strategy. These risks will be unpacked during the next financial year.

- Declining investments due to Western Cape not being the investment destination of choice for local and international investors in a range of growth opportunities and not providing an enabled environment and strong networks of eco-systems.
- Inability to stimulate economic growth in targeted sectors (inclusive of tourism).
- Capable, economically active citizens not able to access economic opportunities and employment.
- Inability of SMMEs to access economic opportunities and support to enable their businesses to grow and be resilient.
- Western Cape not seen/regarded as the 'tech, financial, innovation and design capital of Africa'.

### Management of risks

Regular strategic and programme risk assessments are conducted to determine the effectiveness of the Department's risk management strategy and to identify new and emerging risks because of changes in the internal and/or external environment. Each programme's risks were deliberated and debated during the year and presented at the quarterly GOVCOM meetings. Senior managers were required to provide feedback on progress with implementation of action plans to reduce the likelihood of risks materialising and/or the impact should they materialise. GOVCOM also referred risks back to the respective programmes that should be analysed more extensively and recommended additional mitigations or actions to manage risks. Management takes ownership of risks and often discusses risk matters at various platforms as part of its culture in an effort to constrain risks in a collaborative and innovative way. The Department's ERM Policy and Strategy are circulated to all officials on an annual basis for all levels of staff to stay abreast of enhancements that have been effected and as a means of embedding risk management throughout the Department. Bespoke and generic risk awareness sessions were also conducted to share benchmarking elements so that risk management can mature in the Department. Activities detailed in the implementation plan are perpetually monitored and periodically reported on, in the same way APP deliverables are monitored, to detect potential risks and deviations from indicators and the achievement of outcomes and non-adherence to legislative and policy mandates.

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

### Conclusion

The institutionalisation of risk management in the Department occurred in several forms. The risk management dialogue was intently focussed on risk management improvements within the space of risk categories, strategic

risk developments and the introduction of concepts such as risk velocity. The latter concept was welcomed by the Department to more acutely prioritise risks based on its progression to realisation. In addition, the Department's the Enterprise Risk Management unit presented two additional risk categories: Cybersecurity and Business Interruption due to growing concerns provincially to the exposure and adverse effect of ICT risks on government's service offerings.

Notwithstanding the innate challenges that the development of a new strategy presents, the opportunity to develop a zero-based risk profile simultaneously, enriched both the risk and strategic discussions. It is envisioned that the risk maturity tools introduced in the 2022/23 financial year are utilised and embedded to strengthen the Department's management of risks and protection of its mandate.

### 3. FRAUD AND CORRUPTION

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

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

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

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

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

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

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

Cases	Number of cases
Open cases as at 1 April 2022	0
New cases (2022/23)	0
Closed cases (2022/23)	(0)
Open cases as at 31 March 2023	0

## 4. MINIMISING CONFLICT OF INTEREST

A key corporate governance element is effective conflict of interest management. The Department regards this as an important focus area within Supply Chain Management and for all Transfer Payments. Pursuant of this and to achieve conflict of interest coverage and thereby prevention, the Department has for the 2020/21 financial year cemented its stance in terms of ethical service delivery practices and ensured the following:

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

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

## 5. CODE OF CONDUCT

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

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

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

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

A number of departments occupy the Waldorf Building, of which the Department of Economic Development and Tourism serves as the leading department for all health and safety issues. Occupational Health and Safety Committee (OHSC) meetings are held during the year to discuss and monitor health and safety compliance matters that impact the employees within the building.

The Department ensures that all new OHS representatives are adequately trained in their appointed roles.

The Department has held two successful evacuation drills during the reporting year, and the report is used to inform the Head of Department of any areas of risk that require address.

## 7. PORTFOLIO COMMITTEES

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

Date	Matters raised	Response by DEDAT
28 September 2022	<ol style="list-style-type: none"> <li>1. Recommendations:               <ol style="list-style-type: none"> <li>1.1 The delegation recommended that the Department of Economic Development and Tourism be commended for their efforts to keep the SMME programmes viable, especially amidst the COVID-19 pandemic, which resulted in the Ou Meule Corridor Municipal Booster Project; and</li> <li>1.2 The delegation recommended that the Department consider assisting SMME's through their Booster Fund in dealing with loadshedding.</li> </ol> </li> <li>2. The delegation requested that the Department of Economic Development and Tourism provides it with the following information:               <ol style="list-style-type: none"> <li>2.1 A report on the Department's interactions and engagements with the City of Cape Town in order to assist businesses with obtaining informal trading permits;</li> <li>2.2 A report, with a breakdown of the funding that the Department has spent on the Ou Meule Corridor Booster Project as well as the other Booster Projects being implemented in the Western Cape, with the timelines attached to all the respective projects, including projects that are still to be rolled out in the next two financial years;</li> <li>2.3 A report indicating the breakdown of the R20 million funding spent on projects in respect of the SMME Booster Fund for the last two financial years, including a list of all the projects that were funded and whether these businesses are still viable or if they have closed down;</li> <li>2.4 A study on the footfall in the Lesedi Square area since the implementation of the trading space; and</li> <li>2.5 A report on the support provided to include these businesses in cashless payment systems.</li> </ol> </li> <li>3. The delegation further requested that the Cape Agulhas Municipality provides it with a list of the business owners (and the names of the businesses) leasing containers in Lesedi Square and whether the owners of the businesses reside in the municipality or not.</li> </ol>	Resolutions submitted to the committee

Date	Matters raised	Response by DEDAT
19 October 2022	<p>The Committee REQUESTED that:</p> <p>5.2.1 Wesgro provide the Committee with a report indicating the adjustments it has made in order for them to return to an unqualified audit opinion in the next financial year;</p> <p>5.2.2 The Department of Economic Development and Tourism provide the Committee with a report on its role as well as the Provincial Treasury's role in terms of shareholder oversight on entities such as Wesgro in respect of performance;</p> <p>5.2.3 The Department of Economic Development and Tourism follows up with Mr M Mbiko on the issues raised during the Annual Report deliberations; and</p> <p>5.2.4 Freeport Saldanha IDZ responds to Mr P Besten on matters raised during the Annual Report deliberations</p>	Resolutions submitted to the committee
9 November 2022	<p>The Committee requested the following:</p> <p>A report from the Department of Economic Development and Tourism and Wesgro on the role they play with conferencing and event establishments (such as the CTICC) in creating tourism packages for persons attending conferences so that they may tour other parts of the Province; how they ensure that areas outside of the Metro benefit from tourism, and how they ensure that small businesses benefit from tourism.</p>	Resolutions submitted to the committee

## 8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
16.3.1	DEDAT: The Committee notes the audit findings of Wesgro in terms of obtaining a qualified audit opinion for the 2021/22 financial year.	That the Department brief the Public Accounts Committee on its oversight function over the Entity, as well as the support that was rendered to the Wesgro during the 2021/22 financial year, which resulted in the Entity receiving a qualified audit opinion.	To be scheduled by the Public Accounts Committee. The date for this briefing is yet to be communicated.	No
25.3.1.	Annual Report of Wesgro: The Committee notes the audit findings of Wesgro in terms of obtaining a qualified audit opinion for the 2021/22 financial year.	That the Entity brief the Committee on its action and assurance plans on how it will mitigate a future recurrence of a qualified audit outcome.	To be scheduled by the Public Accounts Committee. The date for this briefing is yet to be communicated.	No
26.3.1	ASEZ: The Committee notes the composition of the Accounting Authority of the Board in relation to community stakeholder network.	That the Entity briefs the Committee on the engagement and status of the community stakeholder network and how it impacts on its service delivery goals, including the value for money in terms of the expenditure on this line item of R301,458.	To be scheduled by the Public Accounts Committee. The date for this briefing is yet to be communicated.	No

## 9. PRIOR MODIFICATION TO AUDIT REPORTS

None.

## 10. INTERNAL CONTROL UNIT

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

Within the combined assurance model, the Internal Control Unit is a second level of assurance, independent from direct line management and entrusted with assessing adherence to policies and procedures, norms and standards, and/or frameworks, including giving an overall organisational assessment. The internal control unit fulfils a monitoring role as the unit assesses that the controls in the management level of assurance are properly designed, in place, and operating as intended.

The Governance sub-unit delivers on the financial management client strategy in the form of risk management, fraud and corruption prevention, financial governance, communication, and the investigation functions. In terms of the latter, the unit ensures a system to manage non-compliance and financial irregularities. The Internal Control Operational Plan is designed to ensure irregularities are identified and investigated through audits which further informs control improvements and safeguards the Departments' internal control environment. Internal Control specialists are appointed with the technical skills to identify and investigate all manner of financial irregularities. The unit also applies consequence management in a consultative manner with management to ensure redress takes place.

The Assurance sub-unit has successfully conducted compliance and financial inspections on key risk areas within Financial Management. The unit provides further assurance on the Interim and Annual Financial Statements. In partnership with the service delivery programmes, the Sub-unit has been instrumental in building a governance structure for several projects. This includes partnering with project managers in terms of planning, developing standard operating procedures, market research, guidance on call for proposals, conducting pre-evaluations, fund committee participation and providing resources for site visits to beneficiaries.

In lieu of the Chief Directorate's client service strategy, the Unit together with the Supply Chain Management unit also assisted the Department's public entity (Wesgro) with a turnaround strategy, aimed at improving their audit outcomes and thereby maintaining public perception and investor confidence.

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

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

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

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

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

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

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

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

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr Comfort Bunting (Chairperson)	ND: Internal Audit MBA	External	N/A	1 January 2022 (1 <sup>st</sup> Term)	N/A	7
Ms Annelise Cilliers	CA(SA) Honours B.Compt; CTA (UNISA) B.Compt (UNISA)	External	N/A	1 January 2022 (2 <sup>nd</sup> Term)	N/A	7
Ms Lynne Tromp	CA(SA) MBA	External	N/A	1 January 2022 (1 <sup>st</sup> Term)	N/A	7
Mr Tsepo Lesihla	ND: IT Master of Technology in IT	External	N/A	1 January 2022 (1 <sup>st</sup> Term)	N/A	6

## 12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2023.

### Audit Committee Responsibility

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

### The Effectiveness of Internal Control

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

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

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

#### Assurance Engagements

- Skills Development Programme;
- Internal Control Unit Assessment;
- Transfer Payments;
- ICT Governance;
- Green Economy – Energy; and
- Adequacy of POPIA implementation (Transversal audit).

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

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

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

## Evaluation of Financial Statements

The Audit Committee has:

- reviewed the Audited Annual Financial Statements to be included in the Annual Report;
- reviewed the AGSA's Management Report and Management's response thereto; and
- reviewed changes to accounting policies and practices as reported in the Annual Financial Statements.

## Compliance

The Audit Committee has reviewed the Department's processes for compliance with legal and regulatory provisions. Feedback on new provisions that has an impact on the Department are provided quarterly to the Audit Committee.

## Provincial Forensics Services

The Audit Committee has reviewed the reports presented by Provincial Forensic Services on a quarterly basis. There were no matters brought to our attention that required further reporting by the Audit Committee.

## Performance Information

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

## Report of the Auditor-General South Africa

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

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

The Audit Committee commends the Department for maintaining an unqualified audit opinion and wishes to express appreciation to the Management of the Department, the Auditor-General and the Western Cape Government Corporate Assurance Branch for their co-operation and support.



**Mr Comfort Bunting**  
Chairperson of the Economic Cluster Audit Committee  
Date: 13 August 2023

### 13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 - 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	<ol style="list-style-type: none"> <li>1. The Preferential Procurement Regulations, 2022 (PPR 2022) was promulgated on 4 November 2022 with an effective date of 16 January 2023.</li> <li>2. Cabinet approved an interim strategy for WCG via Cabinet Minute 544 of 2022, in noting that organs of state may develop their own preferential procurement policies in terms of Section 5 of the PPPFA, and in providing executive guidance on the WCG's way forward in response to the PPR 2022:               <ol style="list-style-type: none"> <li>i. In order to ensure stability in the current procurement system post 16 January 2023, the WCG will in the interim continue to utilise the preferential procurement goals contemplated in section 2 (1)(d) of the PPPFA and that the relevant B-BBEE scorecards be accepted as supporting evidence to claim preference points, until the appropriate executive policy directives and technical reviews have been concluded;</li> <li>ii. A technical review be undertaken, on the current procurement system in defining a legal way forward in the Province that focuses on value for money, appropriate redress and reforming the current procurement system over time, informed by policy directives from executive;</li> <li>iii. Cabinet be regularly kept abreast on any developments and progress on position papers and the review. This should include developments in municipal procurement policies as well as approaches to local content and localisation.</li> </ol> </li> <li>3. The departmental Accounting Officer System was updated in terms of the interim strategy for WCG to give effect to preferential procurement regulations.</li> </ol>
Developing and implementing a preferential procurement policy?	Yes	
Determining qualification criteria for the sale of state-owned enterprises?	No	
Developing criteria for entering into partnerships with the private sector?	No	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	







Part

D

# HUMAN RESOURCE MANAGEMENT

## 1. INTRODUCTION

Our ability to contribute effectively to the Western Cape Government's (WCG) work is a direct outcome of the persistent and often selfless efforts of the individuals within the Department.

The contemporary landscape of people management has undergone significant changes in recent years, exacerbated by the onset of COVID-19, necessitating intricate navigation through various competing factors. These factors are not only interconnected but also subject to stringent rules and regulations, which pose challenges when implementing initiatives to attract and retain talent.

Some of these challenges include striking a balance between service delivery imperatives, attracting and retaining critical and scarce skills, empowering the workforce, managing career development, succession planning, promoting employment equity, and creating an environment that enables employee growth and fulfilment. Furthermore, the Department operates within a constrained budgetary environment, requiring managers to consider the impact of accomplishing more with limited resources.

Despite the evolving patterns and demands that impact the modern workplace, our dedicated employees have consistently demonstrated their unwavering commitment, resulting in notable achievements and improvements in service delivery throughout the year under review.

## 2. STATUS OF PEOPLE MANAGEMENT AT THE DEPARTMENT

### 2.1 Departmental Workforce Planning Priorities

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

## 2.2 Employee Performance Management

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

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

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

## 2.3 Employee Wellness

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

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

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

## 2.4 People Management Monitoring

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

### 3. PEOPLE MANAGEMENT OVERSIGHT STATISTICS

#### 3.1 PERSONNEL RELATED EXPENDITURE

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

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

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

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

**Table 3.1.1: Personnel expenditure by programme, 2022/23**

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Goods & Services (R'000)	Personnel expenditure as a % of total expenditure	Average personnel expenditure per employee (R'000)	Number of employees remunerated
Programme 1	57 911	40 917	1 652	12 930	70,7	344	119
Programme 2	47 159	17 893	45	10 840	37,9	617	29
Programme 3	74 413	10 530	28	1 678	14,2	479	22
Programme 4	10 431	8 697	52	1 368	83,4	621	14
Programme 5	144 989	30 675	19	12 509	21,2	614	50
Programme 6	71 874	7 027	2	1 218	9,8	469	15
Programme 7	96 106	11 597	20	6 325	12,1	374	31
<b>Total</b>	<b>502 883</b>	<b>127 336</b>	<b>1 818</b>	<b>46 868</b>	<b>25,3</b>	<b>455</b>	<b>280</b>

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

**Table 3.1.2: Personnel expenditure by salary band, 2022/23**

Salary bands	Personnel expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure per employee (R'000)	Number of employees
Interns	1 481	1,1	34	44
Lower skilled (Levels 1-2)	386	0,3	193	2
Skilled (Levels 3-5)	8 210	6,3	216	38
Highly skilled production (Levels 6-8)	28 036	21,4	374	75
Highly skilled supervision (Levels 9-12)	62 054	47,4	653	95
Senior management (Levels 13-16)	30 767	23,5	1 183	26
<b>Total</b>	<b>130 934</b>	<b>100,0</b>	<b>468</b>	<b>280</b>

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

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

**Table 3.1.3: Salaries, Overtime, Housing Allowance and Medical Assistance by programme, 2022/23**

Programme	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Programme 1	31 197	23,8	96	0,1	831	0,6	1 996	1,5
Programme 2	10 372	7,9	-	-	177	0,1	375	0,3
Programme 3	7 481	5,7	-	-	75	0,1	315	0,2
Programme 4	6 345	4,8	-	-	112	0,1	235	0,2
Programme 5	22 155	16,9	-	-	275	0,2	800	0,6
Programme 6	4 962	3,8	0	0,0	148	0,1	212	0,2
Programme 7	9 039	6,9	32	0,0	118	0,1	260	0,2
<b>Total</b>	<b>91 551</b>	<b>69,9</b>	<b>128</b>	<b>0,1</b>	<b>1 737</b>	<b>1,3</b>	<b>4 192</b>	<b>3,2</b>

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

Table 3.1.4: Salaries, Overtime, Housing Allowance and Medical Assistance by salary band, 2022/23

Salary band	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Interns	1 450	1,1	-	-	-	-	-	-
Lower skilled (Levels 1-2)	244	0,2	-	-	19	0,0	41	0,0
Skilled (Levels 3-5)	5 240	4,0	12	0,0	226	0,2	590	0,5
Highly skilled production (Levels 6-8)	19 823	15,1	40	0,0	855	0,7	1 834	1,4
Highly skilled supervision (Levels 9-12)	44 472	34,0	76	0,1	581	0,4	1 683	1,3
Senior management (Levels 13-16)	20 321	15,5	-	-	56	0,0	45	0,0
<b>Total</b>	<b>91 551</b>	<b>69,9</b>	<b>128</b>	<b>0,1</b>	<b>1 737</b>	<b>1,3</b>	<b>4 192</b>	<b>3,2</b>

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

## 3.2 EMPLOYMENT AND VACANCIES

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

**Table 3.2.1: Employment and vacancies by programme, as at 31 March 2023**

Programme	Number of active posts	Number of posts filled	Vacancy rate %
Programme 1	85	76	10.6
Programme 2	21	21	-
Programme 3	13	11	15.4
Programme 4	12	12	-
Programme 5	37	37	-
Programme 6	11	11	-
Programme 7	17	17	-
<b>Total</b>	<b>196</b>	<b>185</b>	<b>5.6</b>

**Table 3.2.2: Employment and vacancies by salary band, as at 31 March 2023**

Salary band	Number of active posts	Number of posts filled	Vacancy rate %
Lower skilled (Levels 1-2)	2	2	-
Skilled (Levels 3-5)	29	27	6.9
Highly skilled production (Levels 6-8)	63	57	9.5
Highly skilled supervision (Levels 9-12)	80	77	3.8
Senior management (Levels 13-16)	22	22	-
<b>Total</b>	<b>196</b>	<b>185</b>	<b>5.6</b>

**Table 3.2.3: Employment and vacancies by critical occupation, as at 31 March 2023**

Programme	Number of active posts	Number of posts filled	Vacancy rate %
Economists	3	3	-
Engineer*	3	3	-
<b>Total</b>	<b>6</b>	<b>6</b>	<b>-</b>

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

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

### 3.3 JOB EVALUATION

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

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

**Table 3.3.1: Job evaluation, 1 April 2022 to 31 March 2023**

Salary band	Number of active posts as at 31 March 2023	Number of posts evaluated	% of posts evaluated	Posts Upgraded		Posts Downgraded	
				Number	Posts upgraded as a % of total posts	Number	Posts downgraded as a % of total posts
Lower skilled (Levels 1-2)	2	-	-	-	-	-	-
Skilled (Levels 3-5)	29	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	63	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	80	12	6.1	-	-	-	-
Senior Management Service Band A (Level 13)	14	-	-	-	-	-	-
Senior Management Service Band B (Level 14)	5	-	-	-	-	-	-
Senior Management Service Band C (Level 15)	2	-	-	-	-	-	-
Senior Management Service Band D (Level 16)	1	-	-	-	-	-	-
<b>Total</b>	<b>196</b>	<b>12</b>	<b>6.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**Table 3.3.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2022 to 31 March 2023**

Beneficiaries	African	Coloured	Indian	White	Total
None					

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

**Table 3.3.3: Employees who have been granted higher salaries than those determined by job evaluation per major occupation, 1 April 2022 to 31 March 2023**

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

**Table 3.3.4: Profile of employees who have been granted higher salaries than those determined by job evaluation, 1 April 2022 to 31 March 2023**

Beneficiaries	African	Coloured	Indian	White	Total
None					

### 3.4. EMPLOYMENT CHANGES

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

**Table 3.4.1: Annual turnover rates by salary band, 1 April 2022 to 31 March 2023**

Salary Band	Number of employees as at 31 March 2022	Turnover rate % 2021/22	Appoint-ments into the Depart-ment	Transfers into the Depart-ment	Termin-ations out of the Depart-ment	Transfers out of the Depart-ment	Turnover rate % 2022/23
Lower skilled (Levels 1-2)	2	33.3	-	-	-	-	-
Skilled (Levels 3-5)	25	51.9	14	1	11	2	52.0
Highly skilled production (Levels 6-8)	62	11.8	9	-	9	5	22.6
Highly skilled supervision (Levels 9-12)	81	18.6	6	-	11	-	13.6
Senior Management Service Band A (Level 13)	14	-	1	-	1	-	7.1
Senior Management Service Band B (Level 14)	6	-	-	-	1	-	16.7
Senior Management Service Band C (Level 15)	2	-	-	-	-	-	-
Senior Management Service Band D (Level 16)	1	-	2	-	2	-	200.0
<b>Total</b>	<b>193</b>	<b>19.1</b>	<b>32</b>	<b>1</b>	<b>35</b>	<b>7</b>	<b>21.8</b>
			<b>33</b>		<b>42</b>		

Note: "Transfers" refer to the lateral movement of employees from one Public Service Department to another (both provincially and nationally). The turnover rate is determined by calculating the total exits as a percentage of the baseline (Number of employees as at 31 March 2022).

The high turnover in the Senior Management Band D (Level 16) is due to the exit of the previous HOD, as well as his re-appointment and subsequent contract expiry, to assist with business continuity upon the appointment of the new HOD with effect 01 May 2022.

Table 3.4.2: Annual turnover rates by critical occupation, 1 April 2022 to 31 March 2023

Critical Occupation	Number of employees as at 31 March 2022	Turnover rate % 2021/22	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2022/23
Economists	3	-	-	-	-	-	-
Engineer*	4	-	-	-	1	-	25.0
<b>Total</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>14.3</b>
				-		-	

Note: "Transfers" refer to the lateral movement of employees from one Public Service Department to another (both provincially and nationally). The turnover rate is determined by calculating the total exits as a percentage of the baseline (Number of employees as at 31 March 2022).

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

Table 3.4.3: Staff leaving the employ of the Department, 1 April 2022 to 31 March 2023

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2022
Death	-	-	-
Resignation *	25	59.5	13.0
Expiry of contract	7	16.7	3.6
Dismissal - operational changes	-	-	-
Dismissal - misconduct	-	-	-
Dismissal - inefficiency	-	-	-
Discharged due to ill-health	-	-	-
Retirement	3	7.1	1.6
Employee initiated severance package	-	-	-
Transfers to Statutory Body	-	-	-
Transfers to other Public Service departments	4	9.5	2.1
Promotion to another WCG Department	3	7.1	1.6
<b>Total</b>	<b>42</b>	<b>100.0</b>	<b>21.8</b>

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

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

Table 3.4.4: Reasons why staff resigned, 1 April 2022 to 31 March 2023

Resignation Reasons	Number	% of total resignations
Family/personal circumstances	1	4.0
Need for career change	3	12.0
No reason provided	19	76.0
Starting own business	1	4.0
Work/Life balance	1	4.0
<b>Total</b>	<b>25</b>	<b>100.0</b>

Table 3.4.5: Different age groups of staff who resigned, 1 April 2022 to 31 March 2023

Age group	Number	% of total resignations
Ages <19	-	-
Ages 20 to 24	2	8.0
Ages 25 to 29	3	12.0
Ages 30 to 34	4	16.0
Ages 35 to 39	7	28.0
Ages 40 to 44	4	16.0
Ages 45 to 49	3	12.0
Ages 50 to 54	1	4.0
Ages 55 to 59	1	4.0
Ages 60 to 64	-	-
Ages 65 >	-	-
<b>Total</b>	<b>25</b>	<b>100.0</b>

Table 3.4.6 Employee initiated severance packages

Total number of employee-initiated severance packages offered in 2022/23	None
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**Table 3.4.7: Promotions by salary band, 1 April 2022 to 31 March 2023**

Salary band	Number of Employees as at 31 March 2022	Promotions to another salary level	Promotions as a % of total employees	Progressions to another notch within a salary level	Notch progressions as a % of total employees
Lower skilled (Levels 1-2)	2	-	-	2	100.0
Skilled (Levels 3-5)	25	-	-	10	40.0
Highly skilled production (Levels 6-8)	62	1	1.6	32	51.6
Highly skilled supervision (Levels 9-12)	81	3	3.7	37	45.7
Senior management (Levels 13-16)	23	-	-	14	60.9
<b>Total</b>	<b>193</b>	<b>4</b>	<b>2.1</b>	<b>95</b>	<b>49.2</b>

Note: Promotions refer to the total number of employees who have advanced to a higher post level within the Department by applying and being successful for an advertised post through the recruitment and selection process. The information reflects the salary level of an employee after they were promoted. Employees who do not qualify for notch progressions are not included.

**Table 3.4.8: Promotions by critical occupation, 1 April 2022 to 31 March 2023**

Critical occupation	Number of Employees as at 31 March 2022	Promotions to another salary level	Promotions as a % of total employees in critical occupations	Progressions to another notch within a critical occupation	Notch progressions as a % of total employees in critical occupations
Economists	3	-	-	1	33.3
Engineer*	4	-	-	3	75.0
<b>Total</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>57.1</b>

Note: Promotions refer to the total number of employees who have advanced to a higher post level within the Department by applying and being successful for an advertised post through the recruitment and selection process. The information reflects the salary level of an employee after they were promoted. Employees who do not qualify for notch progressions are not included.

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

### 3.5. EMPLOYMENT EQUITY

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

**Table 3.5.1: Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2023**

Occupational levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	1	1	-	-	-	1	-	-	-	-	3
Senior management (Levels 13-14)	2	4	-	3	-	6	1	2	1	-	19
Professionally qualified and experienced specialists and mid- management (Levels 9-12)	5	15	4	4	9	31	1	7	1	-	77
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	9	9	1	-	16	21	-	2	-	-	58
Semi-skilled and discretionary decision making (Levels 3-5)	5	5	-	-	5	10	-	1	-	-	26
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	1	1	-	-	-	-	2
<b>Total</b>	<b>22</b>	<b>34</b>	<b>5</b>	<b>7</b>	<b>31</b>	<b>70</b>	<b>2</b>	<b>12</b>	<b>2</b>	<b>-</b>	<b>185</b>
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>22</b>	<b>34</b>	<b>5</b>	<b>7</b>	<b>31</b>	<b>70</b>	<b>2</b>	<b>12</b>	<b>2</b>	<b>-</b>	<b>185</b>

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

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

For the number of employees with disabilities, refer to Table 3.5.2.

**Table 3.5.2: Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2023**

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

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

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

Table 3.5.3: Recruitment, 1 April 2022 to 31 March 2023

Occupational levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	1	1	-	-	-	-	-	-	-	-	2
Senior management (Levels 13-14)	-	1	-	-	-	-	-	-	-	-	1
Professionally qualified and experienced specialists and mid- management (Levels 9-12)	2	-	-	-	4	-	-	-	-	-	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	2	3	-	-	3	1	-	-	-	-	9
Semi-skilled and discretionary decision making (Levels 3-5)	3	2	-	-	5	5	-	-	-	-	15
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33</b>
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>8</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33</b>

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

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

Table 3.5.4: Promotions, 1 April 2022 to 31 March 2023

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

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

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

Table 3.5.5: Terminations, 1 April 2022 to 31 March 2023

Occupational levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	-	2	-	-	-	-	-	-	-	-	2
Senior management (Levels 13-14)	-	1	-	-	1	-	-	-	-	-	2
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	1	3	-	2	-	4	-	1	-	-	11
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	2	5	-	-	2	5	-	-	-	-	14
Semi-skilled and discretionary decision making (Levels 3-5)	-	3	-	1	3	5	-	1	-	-	13
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3</b>	<b>14</b>	<b>-</b>	<b>3</b>	<b>6</b>	<b>14</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>42</b>
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>3</b>	<b>14</b>	<b>-</b>	<b>3</b>	<b>6</b>	<b>14</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>42</b>

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

Note: Terminations refer to those employees (excluding interns) who have left the employ of the Department, including transfers to other departments, as per Table 3.4.1.

Table 3.5.6: Disciplinary actions, 1 April 2022 to 31 March 2023

Disciplinary actions	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
<b>None</b>											

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

Table 3.5.7: Skills development, 1 April 2022 to 31 March 2023

Occupational levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15-16)	-	-	-	-	-	1	-	-	1
Senior management (Levels 13-14)	2	3	1	2	-	5	1	1	15
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	6	9	4	2	8	27	1	8	65
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	10	10	-	-	15	26	-	2	63
Semi-skilled and discretionary decision making (Levels 3-5)	4	8	1	-	7	12	-	1	33
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	-	1	-	-	1
<b>Total</b>	<b>22</b>	<b>30</b>	<b>6</b>	<b>4</b>	<b>30</b>	<b>72</b>	<b>2</b>	<b>12</b>	<b>178</b>
Temporary employees	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>22</b>	<b>30</b>	<b>6</b>	<b>4</b>	<b>30</b>	<b>72</b>	<b>2</b>	<b>12</b>	<b>178</b>

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

Note: The above table refers to the total number of employees who have received training during the period under review, and not the number of training interventions attended by individuals. For further information on the actual training provided, refer to Table 3.13.2.

### 3.6. SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

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

**Table 3.6.1: Signing of Performance Agreements by SMS Members, as at 31 May 2022**

SMS post level	Number of active SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed Performance Agreements as % of SMS members per level
Head of Department	1	1	1	100.0
Salary Level 15	2	2	2	100.0
Salary Level 14	6	6	6	100.0
Salary Level 13	15	15	14	93.3
<b>Total</b>	<b>24</b>	<b>24</b>	<b>23</b>	<b>95.8</b>

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

**Table 3.6.2: Reasons for not having concluded Performance Agreements with all SMS Members on 31 May 2022**

Reasons for not concluding Performance Agreements with all SMS
One SMS member was appointed on 1 May 2022. New appointees are granted three months to fulfil this requirement, and as of 31 May 2022, the employee still had two months remaining to complete their performance agreement.

**Table 3.6.3: Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2022**

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

### 3.7. FILLING OF SMS POSTS

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

**Table 3.7.1: SMS posts information, as at 30 September 2022**

SMS Level	Number of active SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100.0	-	-
Salary Level 15	2	2	100.0	-	-
Salary Level 14	5	5	100.0	-	-
Salary Level 13	14	14	100.0	-	-
<b>Total</b>	<b>22</b>	<b>22</b>	<b>100.0</b>	<b>-</b>	<b>-</b>

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

**Table 3.7.2: SMS posts information, as at 31 March 2023**

SMS Level	Number of active SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100.0	-	-
Salary Level 15	2	2	100.0	-	-
Salary Level 14	5	5	100.0	-	-
Salary Level 13	14	14	100.0	-	-
<b>Total</b>	<b>22</b>	<b>22</b>	<b>100.0</b>	<b>-</b>	<b>-</b>

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

**Table 3.7.3: SMS posts information, as at 31 March 2023**

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months after becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Head of Department	-	2	-
Salary Level 15	-	-	-
Salary Level 14	-	-	-
Salary Level 13	1	1	-
<b>Total</b>	<b>1</b>	<b>3</b>	<b>-</b>

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

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

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

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

### 3.8. EMPLOYEE PERFORMANCE

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

**Table 3.8.1: Notch progressions by salary band, 1 April 2022 to 31 March 2023**

Salary band	Employees as at 31 March 2022	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	2	2	100.0
Skilled (Levels 3-5)	25	10	40.0
Highly skilled production (Levels 6-8)	62	32	51.6
Highly skilled supervision (Levels 9-12)	81	37	45.7
Senior management (Levels 13-16)	23	14	60.9
<b>Total</b>	<b>193</b>	<b>95</b>	<b>49.2</b>

**Table 3.8.2: Notch progressions by critical occupation, 1 April 2022 to 31 March 2023**

Critical occupations	Employees as at 31 March 2022	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Economists	3	1	33.3
Engineer*	4	3	75.0
<b>Total</b>	<b>7</b>	<b>4</b>	<b>57.1</b>

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

**Table 3.8.3: Performance rewards by race, gender, and disability, 1 April 2022 to 31 March 2023**

Race and gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2022	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
<b>None</b>					

**Table 3.8.4: Performance rewards (cash bonus), by salary bands for personnel below Senior Management Service level, 1 April 2022 to 31 March 2023**

Salary bands	Beneficiary Profile			Cost		Cost as a % of the total personnel expenditure
	Number of beneficiaries	Total number of employees in group as at 31 March 2022	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	
<b>None</b>						

**Table 3.8.5: Performance rewards (cash bonus), by salary band, for Senior Management Service level, 1 April 2022 to 31 March 2023**

Salary bands	Beneficiary Profile			Cost		Cost as a % of the total personnel expenditure
	Number of beneficiaries	Total number of employees in group as at 31 March 2022	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	
<b>None</b>						

**Table 3.8.6: Performance rewards (cash bonus) by critical occupation, 1 April 2022 to 31 March 2023**

Salary bands	Beneficiary Profile			Cost		Cost as a % of the total personnel expenditure
	Number of beneficiaries	Total number of employees in group as at 31 March 2022	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	
<b>None</b>						

### 3.9 FOREIGN WORKERS

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

**Table 3.9.1: Foreign Workers by salary band, 1 April 2022 to 31 March 2023**

Salary bands	1 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	1	50.0	1	50.0	-	-
Senior management (Levels 13-16)	1	50.0	1	50.0	-	-
<b>Total</b>	<b>2</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>-</b>	<b>-</b>

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

**Table 3.9.2: Foreign Workers by major occupation, 1 April 2022 to 31 March 2023**

Major occupation	1 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% change
Deputy Director: Consumer Awareness and Education	1	50.0	1	50.0	-	-
Director	1	50.0	1	50.0	-	-
<b>Total</b>	<b>2</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>-</b>	<b>-</b>

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

### 3.10. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2022 TO 31 DECEMBER 2022

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

**Table 3.10.1: Sick leave, 1 January 2022 to 31 December 2022**

Salary band	Total days	% days with medical certification	Number of Employees using sick leave	Total number of employees	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Interns	89	53,9	25	28	89,3	4	21
Lower skilled (Levels 1-2)	2	100,0	1	3	33,3	2	1
Skilled (Levels 3-5)	188	79,3	26	48	54,2	7	134
Highly skilled production (Levels 6-8)	349	78,2	57	83	68,7	6	439
Highly skilled supervision (Levels 9-12)	440	80,7	65	94	69,1	7	942
Senior management (Levels 13-16)	232	94,4	20	24	83,3	12	728
<b>Total</b>	<b>1 300</b>	<b>80,5</b>	<b>194</b>	<b>280</b>	<b>69,3</b>	<b>7</b>	<b>2 265</b>

*Note: The leave dispensation as determined in the "Leave Determination", read with the applicable collective agreements, provides for normal sick leave of 36 working days in a sick leave cycle of three years. The three-year sick leave cycle started in January 2022 and ends in December 2024. The information in each case reflects the totals excluding incapacity leave taken by employees. For an indication of incapacity leave taken, refer to Table 3.10.2*

Table 3.10.2: Incapacity leave, 1 January 2022 to 31 December 2022

Salary band	Total days	% days with medical certification	Number of Employees using incapacity leave	Total number of employees	% of total employees using incapacity leave	Average days per employee	Estimated Cost (R'000)
Interns	-	-	-	28	-	-	-
Lower skilled (Levels 1-2)	-	-	-	3	-	-	-
Skilled (Levels 3-5)	-	-	-	48	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	83	-	-	-
Highly skilled supervision (Levels 9-12)	110	100,0	1	94	1,1	110	178
Senior management (Levels 13-16)	47	100,0	1	24	4,2	47	152
<b>Total</b>	<b>157</b>	<b>100,0</b>	<b>2</b>	<b>280</b>	<b>0,7</b>	<b>79</b>	<b>330</b>

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

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

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

**Table 3.10.3: Annual Leave, 1 January 2022 to 31 December 2022**

Salary band	Total days taken	Total number employees using annual leave	Average number of days taken per employee
Interns	233	24	10
Lower skilled (Levels 1-2)	48	2	24
Skilled (Levels 3-5)	597	42	14
Highly skilled production (Levels 6-8)	1 440	78	18
Highly skilled supervision (Levels 9-12)	1 996	88	23
Senior management (Levels 13-16)	512	24	21
<b>Total</b>	<b>4 826</b>	<b>258</b>	<b>19</b>

**Table 3.10.4: Capped leave, 1 January 2022 to 31 December 2022**

Salary band	Total capped leave available as at 31 Dec 2021	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Number of employees with capped leave as at 31 Dec 2022	Total capped leave available as at 31 Dec 2022
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	39,21	-	-	-	3	19,87
Highly skilled supervision (Levels 9-12)	77,80	18,71	2	9,36	9	63,09
Senior management (Levels 13-16)	16,76	-	-	-	2	0,69
<b>Total</b>	<b>133,77</b>	<b>18,71</b>	<b>2</b>	<b>9,36</b>	<b>14</b>	<b>83,65</b>

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

Table 3.10.5: Leave pay-outs, 1 April 2022 to 31 March 2023

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave pay-outs during 2022/23 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave pay-outs on termination of service	-	-	-
Current leave pay-outs on termination of service	599	39	15 371

### 3.11. HEALTH PROMOTION PROGRAMMES, INCLUDING HIV AND AIDS

**Table 3.11.1: Steps taken to reduce the risk of occupational exposure, 1 April 2022 to 31 March 2023**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
The nature of the Department's work does not expose employees to increased risk of contracting HIV & AIDS. Despite the very low occupational risk, all employees have been targeted at all levels within the Department.	Employee Health and Wellness Services are rendered to all employees in need and include the following: <ul style="list-style-type: none"> <li>• Wellness screenings for employees to know their HIV status;</li> <li>• Condom distribution;</li> <li>• Information, Communication and Education Campaigns;</li> <li>• Psycho-social development interventions; and</li> <li>• Counselling.</li> </ul>

**Table 3.11.2: Details of Health Promotion including HIV & AIDS Programmes, 1 April 2022 to 31 March 2023**

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2016? If so, provide her/his name and position.	✓		Letitia Isaacs, Director (Acting): Organisational Behaviour (Department of the Premier).
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		The Department of the Premier provides a transversal service to eleven (11) WCG client departments, including the Department of Economic Development and Tourism.  A designated Employee Health and Wellness unit within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and well-being of employees in the eleven (11) client departments.  The unit consists of a Deputy Director, three (3) Assistant Directors, and two (2) EHW Practitioners.  The annual budget was R 3 261 000.00.
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/services of this Programme.	✓		The Department of the Premier has entered into a service level agreement with Metropolitan Health (external service provider) to render an Employee Health and Wellness Service to eleven (11) provincial departments.  The following interventions were conducted: Counselling; Trauma debriefing and awareness; Managerial Consultations; Psycho-social development Interventions; Information, Communication and Education; Coaching; Group Therapy; Reasonable Accommodation.  These interventions are based on trends reflected in the quarterly reports and implemented to address employee or departmental needs.  Information on how to access the Employee Health and Wellness (EHW) Programme was distributed online.

Question	Yes	No	Details, if yes
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	✓		<p>The Provincial Employee Health and Wellness Steering Committee has been established with members nominated by each department. The Department is represented by Mymona Jacobs.</p>
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	✓		<p>The Transversal Management Framework for Employee Health and Wellness Programmes in the Western Cape Government is in effect and was adopted by the Co-ordinating Chamber of the PSCBC for the Western Cape Province in December 2016.</p> <p>In this regard, all employment policies make provision for fair practices, regardless of the HIV status of staff or applicants. Workplace practices are constantly monitored to ensure policy compliance and fairness.</p> <p>Under the EHW banner, four EHW Policies were approved which includes HIV &amp; AIDS and TB Management that responds to the prevention of discrimination against employees affected and infected by HIV &amp; AIDS and TB in the workplace.</p> <p>Further to this, the Department of Health, that is the lead department for HIV &amp; AIDS, has approved the Transversal HIV and AIDS/STI Workplace Policy and Programme that is applicable to all departments of the Western Cape Government. The document is in line with the four pillars of the National EHW Strategic Framework 2018 as amended.</p> <p>During the reporting period, the transversal EHW policies including the HIV, AIDS and TB Management Policy have been reviewed against the DPSA policies as well as the National Strategic Plan for HIV, TB and STIs (2023-2028) which ensures inclusivity and elimination of discrimination and stigma against employees with HIV.</p>

Question	Yes	No	Details, if yes
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	✓		<p>The Provincial Strategic Plan on HIV &amp; AIDS, STIs and TB has been implemented to mainstream HIV and TB and its gender and rights-based dimensions into the core mandates to reduce HIV-related stigma.</p> <p>The aim is to:</p> <ul style="list-style-type: none"> <li>• Reduce HIV and TB discrimination in the workplace. This included campaigns against unfair discrimination and empowerment of employees.</li> <li>• Reduce unfair discrimination in access to services. This included ensuring that the Directorate Employee Relations addresses complaints or grievances relating to unfair discrimination and provides training to employees.</li> </ul> <p>The Department implemented the following measures to address the stigma and discrimination against those infected or perceived to be infective with HIV:</p> <ul style="list-style-type: none"> <li>• Education campaigns</li> <li>• Commemoration of World AIDS Day</li> <li>• Grievance Process</li> <li>• Interventions such as Diversity Management</li> </ul>
7. Does the Department encourage its employees to undergo HIV counselling and testing (HCT)? If so, list the results that you have achieved.	✓		<p><b>HCT SESSIONS:</b></p> <p>The Department participated in 1 HCT and Wellness screening session.</p> <p>1 employee was tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STI's).</p>
8. Has the Department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.			<p>The EHWP is monitored through Quarterly and Annual reporting and trend analysis can be derived through comparison of departmental utilisation and demographics i.e. age, gender, problem profiling, employee vs. manager utilisation, number of cases. Themes and trends also provide a picture of the risks and impact the EHW issues have on individual and the workplace.</p>

## 3.12. LABOUR RELATIONS

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

**Table 3.12.1: Collective agreements, 1 April 2022 to 31 March 2023**

Subject Matter	Date
PSCBC Resolution 2 of 2023 - Agreement on the Salary Adjustment 2023 - 2025	31/3/2023

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

**Table 3.12.2: Misconduct and disciplinary hearings finalised, 1 April 2022 to 31 March 2023**

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

**Table 3.12.3: Types of misconduct addressed at disciplinary hearings, 1 April 2022 to 31 March 2023**

Type of misconduct	Number	% of total
	None	

**Table 3.12.4: Grievances lodged, 1 April 2022 to 31 March 2023**

Grievances lodged	Number	% of total
Number of grievances resolved	4	40.0
Number of grievances not resolved	6	60.0
<b>Total number of grievances lodged</b>	<b>10</b>	<b>100.0</b>

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

**Table 3.12.5: Disputes lodged with Councils, 1 April 2022 to 31 March 2023**

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	-	-
Number of disputes dismissed	1	100.0
<b>Total number of disputes lodged</b>	<b>1</b>	<b>100.0</b>

*Note: Councils refer to the Public Service Co-ordinating Bargaining Council (PSCBC) and General Public Service Sector Bargaining Council (GPSSBC). When a dispute is "upheld", it means that the Council rules in favour of the aggrieved. When a dispute is "dismissed", it means that the Council rules in favour of the Department.*

**Table 3.12.6: Strike actions, 1 April 2022 to 31 March 2023**

Strike actions	Number
	None

**Table 3.12.7: Precautionary suspensions, 1 April 2022 to 31 March 2023**

Precautionary suspensions	Number
	None

*Note: Precautionary suspensions refer to staff who were suspended with full pay, whilst the case was being investigated.*

### 3.13. SKILLS DEVELOPMENT

This section highlights the efforts of the Department with regard to skills development. Table 3.13.1 reflect the training needs as at the beginning of the period under review, and Table 3.13.2 the actual training provided.

**Table 3.13.1: Training needs identified, 1 April 2022 to 31 March 2023**

Occupational Categories	Gender	Number of employees as at 1 April 2022	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers (Salary Band 13 - 16)	Female	11	-	27	-	<b>27</b>
	Male	11	-	24	-	<b>24</b>
Professionals (Salary Band 9 - 12)	Female	48	-	61	-	<b>61</b>
	Male	33	-	56	-	<b>56</b>
Technicians and associate professionals (Salary Band 6 - 8)	Female	44	-	43	-	<b>43</b>
	Male	19	-	26	-	<b>26</b>
Clerks (Salary Band 3 - 5)	Female	15	-	34	-	<b>34</b>
	Male	10	-	28	-	<b>28</b>
Elementary occupations (Salary Band 1 - 2)	Female	2	-	1	-	<b>1</b>
	Male	-	-	-	-	<b>-</b>
<b>Sub Total</b>	Female	<b>120</b>	-	<b>166</b>	-	<b>166</b>
	Male	<b>73</b>	-	<b>134</b>	-	<b>134</b>
<b>Total</b>		<b>193</b>	-	<b>300</b>	-	<b>300</b>
<b>Employees with disabilities</b>	Female	2	-	7	-	<b>7</b>
	Male	1	-	1	-	<b>1</b>

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

Table 3.13.2: Training provided, 1 April 2022 to 31 March 2023

Occupational Categories	Gender	Number of employees as at 31 March 2023	Training provided during the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers (Salary Band 13 - 16)	Female	10	-	43	-	<b>43</b>
	Male	12	-	15	-	<b>15</b>
Professionals (Salary Band 9 - 12)	Female	48	-	171	-	<b>171</b>
	Male	29	-	80	-	<b>80</b>
Technicians and associate professionals (Salary Band 6 - 8)	Female	39	-	217	-	<b>217</b>
	Male	19	-	95	-	<b>95</b>
Clerks (Salary Band 3 - 5)	Female	16	-	121	-	<b>121</b>
	Male	10	-	77	-	<b>77</b>
Elementary occupations (Salary Band 1 - 2)	Female	2	-	2	-	<b>2</b>
	Male	-	-	-	-	<b>-</b>
<b>Sub Total</b>	Female	<b>115</b>	-	<b>554</b>	-	<b>554</b>
	Male	<b>70</b>	-	<b>267</b>	-	<b>267</b>
<b>Total</b>		<b>185</b>	-	<b>821</b>	-	<b>821</b>
<b>Employees with disabilities</b>	Female	1	-	10	-	<b>10</b>
	Male	1	-	1	-	<b>1</b>

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

### 3.14. INJURY ON DUTY

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

Table 3.14.1: Injury on duty, 1 April 2022 to 31 March 2023

Nature of injury on duty	Number	% of total
	None	

### 3.15. UTILISATION OF CONSULTANTS

The utilisation of consultants within the Department is approved through a structured process where the need for a consultant is first motivated and justified. This is done by means of an assessment (Gap Analysis) on the Departments current capacity in terms of available human resources and skills required. This assessment takes the form of a Business Case for the Utilisation of Consultants, which is a key component within the Departments' Project Proposal document. It should be noted that the completion of this Business Case is aligned to the National Treasury Instruction on the Utilisation of Consultants.

**Table 3.15.1: Consultant appointments using appropriated funds**

Pro-gramme	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: work days/ hours	Contract value in Rand	Total number of projects	Total individual consultants	B-BBEE level
1	Department of Cultural Affairs and Sport	Translation of the Annual Performance Plan	For specialist translation services relating to the Departments Annual Performance Plan.	1	30 days	89 001.00	1	1	N/A
1	Department of Cultural Affairs and Sport	Translation of the Annual Report	For specialist translation services relating to the Departments Annual Report.	1	30 days	200 861.00	1	1	N/A
2	Matlotlo Trading 180 (Pty) Ltd	Improved Film and Event Permitting	To appoint a professional service provider to undertake a review of the existing municipal policies and by-laws across the Western Cape that are related to Film and Event Permitting	2	151 days	447 700.00	1	2	4
2	HS Business Solutions	Model SMME Policy	To appoint a professional service provider to draft a uniform, model policy for Small, Medium and Micro Enterprises (SMMEs) for four Western Cape municipalities (i.e., Bergriver, Matzikama, Swartland and Overstrand).	6	189 days	511 186.50	1	6	4

Pro-gramme	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: work days/ hours	Contract value in Rand	Total number of projects	Total individual consultants	B-BBEE level
2	H2P Project Management	Business Process Improvement process in the Stellenbosch Municipality	To appoint a professional service provider to undertake a business process improvement exercise on the Building Plan Approval process in the Stellenbosch Municipality	2	90 days	144 540.00	1	2	4
2	Genesis Analytics (Pty) Ltd	Start-up Regulatory Reform	To appoint a service provider to investigate the impact of existing regulations on the start-up ecosystem which included an assessment on the economic viability of regulatory reforms being introduced to support the growth of start-up enterprises.	4	31 days	560 000.00	1	4	4
2	Gain Group (Pty) Ltd	Freight Demand Model Enhancement for Port of Cape Town	To appoint a service provider to enhance the Provincial Freight Demand Model to serve as an integrated evidence base for the planning and implementation of interventions to improve efficiency in the Port of Cape Town container cargo logistics chain.	3	60 days	215 625.00	1	3	4
2	Bureau for Food and Agricultural Policy	Enhancing the Decision Support Tool for the Port of Cape Town	To appoint a service provider to enhance the decision support tool for improved efficiency of containerised cargo exports through the Port of Cape Town – specifically for wine exports	3	60 days	126 100.50	1	3	4

Pro-gramme	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: work days/ hours	Contract value in Rand	Total number of projects	Total individual consultants	B-BBEE level
2	Impact Economix	Container Terminal Impact Study	To appoint a service provider to conduct an impact assessment of container terminals and make recommendations on the most appropriate role that WCG can play towards facilitating improved service levels and efficiency in the container terminals in the Port of Cape Town.	3	91 days	485 760.00	1	3	2
2	Strategic Economic Solutions	EODB Impact Assessment	To appoint a professional service provider to conduct a cost savings and benefits analysis of implemented Ease of Doing Business (EoDB) interventions for the Red Tape Reduction Unit	6	90 days	665 275.00	1	6	4
3	Econo-gistics (Pty) Ltd	Diagnostic on transporter congestion in the Port of Cape Town logistics chain	To appoint a professional service provider to undertake action research on reducing transporter congestion in the Port of Cape Town logistics chain	7	84 days	822 712.00	1	7	1
4	Moore CT Forensic Services (Pty) Ltd	Tribunal Members Probity Checks	To appoint a service provider to conduct probity checks on the candidates nominated to serve on the Western Cape Consumer Tribunal	3	30 days	37 500.00	1	3	1
5	Intellidex	Growth Diagnostic	To appoint a service provider to conduct a growth diagnostic to identify opportunities, constraints to economic growth at a high level, as well as at a granular level and make recommendations to overcome constraints to economic growth	9	90 days	571 816.26	1	9	4

Pro-gramme	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: work days/ hours	Contract value in Rand	Total number of projects	Total individual consultants	B-BBEE level
5	Sustainable Energy Africa	Profiling the Energy Demand	To appoint a service provider to determine and calculate the current and future energy needs of high electricity users in the private sector of the Western Cape.	7	150 days	1 192 307.00	1	7	1
5	Price Waterhouse Coopers (Pty) Ltd	Development of a Business Case for a Municipal Pooled Buying mechanism	To appoint a specialist service provider to undertake an options analysis and develop a business case for the establishment of a multi-jurisdictional municipal pooled buying mechanism for the procurement of renewable energy from IPP/s for participant Western Cape municipalities	7	40 days	817 967.00	1	7	1
5	Sustainable Energy Africa	Municipal Wheeling Revenue Impact Assessment	To appoint a professional service provider to undertake a municipal revenue impact assessment of enabling electricity wheeling at selected municipalities	4	90 days	1 026 935.00	1	4	1
5	Pegasys (Pty) Ltd	Standard Use of Systems Agreements for Electricity Wheeling	The appointment of a professional service provider for the drafting of a standard use of systems agreement for electricity wheeling.	5	48 Days	1 499 945.00	1	5	1
5	C-Institute	G4J Strategic Framework	The appointment of a professional service provider for the development of the Growth for Jobs (G4J) Strategic Framework.	4	120 days	3 509 629.00	1	4	1

Table 3.15.2: Consultant appointments using Donor funds

Pro-gramme	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: work days/ hours	Contract value in Rand	Total number of projects	Total individual consultants	B-BBEE level
Not applicable.									



Part

E

**PFMA  
COMPLIANCE  
REPORT**



# 1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

## 1.1. Irregular expenditure

### a) Reconciliation of unauthorised expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	1 469	1 469
Add: Irregular expenditure confirmed	4	-
Less: Irregular expenditure condoned		
Less: Irregular expenditure not condoned and removed	(29)	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
<b>Closing balance</b>	<b>1 444</b>	<b>1 469</b>

The 2021/2022 figures constitute irregular expenditure identified and incurred in 2020 and 2021 respectively. Irregular expenditure amounting R1440 000 and R29 325 relates non-compliance to SCM processes. The former is in the process of condonation with the PT CWC and the latter was removed by the Accounting Officer based on the PT CWC's assessment that the expenditure was not irregular.

The amount of R3 777.34 relates to non-compliance to Human Resource policies and was identified during the 2022/2023 financial year.

### Reconciling notes

Description	2022/2023	2021/2022 <sup>8</sup>
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22		1 469
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	4	-
<b>Total</b>	<b>4</b>	<b>1 469</b>

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

Description <sup>9</sup>	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
<b>Total<sup>10</sup></b>	<b>-</b>	<b>-</b>

<sup>8</sup> Record amounts in the year in which it was incurred.

<sup>9</sup> Group similar items

<sup>10</sup> Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

c) Details of current and previous year irregular expenditure condoned

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	-	-
<b>Total</b>	-	-

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	29	-
<b>Total</b>	<b>29</b>	-

The irregular expenditure to the value of R29 325 relates to non-compliance to SCM processes which was identified during the 2020/2021 Auditor-General audit. The PT CWC assessed the irregular expenditure and deemed the value regular. Consequently, the Accounting Officer removed the irregular expenditure on 9 Feb 2023.

e) Details of current and previous year irregular expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	-	-
<b>Total</b>	-	-

The irregular expenditure incurred over the two financial years were not eligible for recovery as the cases were submitted for condonation or removed.

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	-	-
<b>Total</b>	-	-

The irregular expenditure incurred over the two financial years were not eligible for write-off as the cases were submitted for condonation or removed.

**Additional disclosure relating to Inter-Institutional Arrangements**

**g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)**

Description
Not applicable
<b>Total</b>

The Department had no non-compliance cases related to inter - institutional arrangements.

**h) Details of non-compliance cases where an institution is involved in an inter-institutional ar-angement (where such institution is responsible for the non-compliance)**

Description	2022/2023	2021/2022
	R'000	R'000
Not applicable	-	-
<b>Total</b>	-	-

The Department had no non-compliance cases related to inter - institutional arrangements.

**i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure**

Disciplinary steps taken
Disciplinary action was taken against all responsible officials as prescribed. Where the responsible official is no longer the the employment of the Department, no further action was taken. There were no elements of criminality identified for the irregular expenditure cases.

**1.2. Fruitless and wasteful expenditure**

**a) Reconciliation of fruitless and wasteful expenditure**

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	63	1
Add: Fruitless and wasteful expenditure confirmed		63
Less: Fruitless and wasteful expenditure written off	(63)	
Less: Fruitless and wasteful expenditure recoverable		(1)
<b>Closing balance</b>	<b>-</b>	<b>63</b>

The fruitless and wasteful expenditure relates the fraudulent disbursement of the salaries. The Provincial Forensic Services (PFS) concluded the investigation and have requested the Department to incur the fruitless and wasteful expenditure as this is incurred against the Department's vote. The transgression occurred within the DotP: People Management Practices (PMP) and the PFS report has recommended that disciplinary action be applied in terms of the DotP official. At the end of the 2022/2023 financial year, the SAPS theft investigation was still an open investigation. With consideration that control improvements in the PMP Directorate had been implemented and that the recovery of funds was not imminent, the Department wrote off the fruitless and wasteful expenditure.

### Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	-	63
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	-	-
<b>Total</b>	<b>-</b>	<b>63</b>

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

Description <sup>11</sup>	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
<b>Total<sup>12</sup></b>	<b>-</b>	<b>-</b>

#### c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The Department recovered fruitless and wasteful expenditure during the 2021/2022 to the value of R1 167.00 and none during the 2022/2023 financial year.

<sup>11</sup> Group similar items

<sup>12</sup> Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	63	-
<b>Total</b>	<b>63</b>	<b>-</b>

During the 2022/2023, fruitless and wasteful expenditure to the value of R63 330.91 was written off as irrecoverable.

e) Details of current and previous year disciplinary or criminal steps taken as a result of fruit-less and wasteful expenditure

Disciplinary steps taken
The PFS investigation identified the DotP official as the transgressor (not implementing policies and procedures as intended) and disciplinary proceedings were implemented against the official during the current year.
<b>Total</b>

The transgression occurred within the DotP: People Management Practices (PMP) and the PFS report recommended that disciplinary action be applied in terms of the DotP official. A criminal case of theft was opened with SAPS to apprehend the fraudster and recover the funds. At year end, the case was an open investigation.

### 1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Less: unauthorised not recovered and written off <sup>13</sup>	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>

The Department had no unauthorised expenditure during the current year.

13. This amount may only be written off against available savings

## Reconciling notes

Description	2022/2023	2021/2022 <sup>14</sup>
	R'000	R'000
Unauthorised expenditure that was under assessment in 2021/22	-	-
Unauthorised expenditure that relates to 2021/2022 and identified in 20YY/ZZ	-	-
Unauthorised expenditure for the current year	-	-
<b>Total</b>	-	-

### b) Details of current and previous year unauthorised expenditure (under assessment, determination, and investigation)

Description <sup>15</sup>	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
<b>Total<sup>16</sup></b>	-	-

The Department had no unauthorised expenditure for the prior and current years.

## 1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii)

### a) Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2022/2023	2021/2022
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
<b>Total</b>	-	-

The Department had no unauthorised expenditure during the current year.

14. Record amounts in the year in which it was incurred

15. Group similar items

16. Total unconfirmed unauthorised expenditure (assessment), losses (determination), and criminal conduct (investigation)

**b) Details of other material losses**

Description	2022/2023	2021/2022
	R'000	R'000
Salary re-imburement	63	
Staff debt	151	62
Damage to Government Motor Vehicles	8	
Contract management fee		75
<b>Total</b>	<b>222</b>	<b>137</b>

Debts are written off in accordance with the Departmental Debt Policy. The cases relate to leave without pay, bursary debt and salary related transactions and resignations. GMT related losses are written off upon the recommendation of the State Attorney. SCM related losses written off in the prior period relates to management fees earned by a service provider who was appointed to management the Western Cape Funding Fair event. The event could not take place due to Covid 19 restrictions, however, the service providers was entitled to the management fees for having met certain deliverables as per the service level agreement.

**c) Other material losses recovered**

Nature of losses	2022/2023	2021/2022
	R'000	R'000
None		
<b>Total</b>		

No other material losses were recovered by the department.

**d) Other material losses written off**

Nature of losses	2022/2023	2021/2022
	R'000	R'000
Salary reimbursement	63	
Staff debt	151	62
Damage to Government Motor Vehicles	8	
Contract management fee		75
<b>Total</b>	<b>222</b>	<b>137</b>

Debts are written off in accordance with the Departmental Debt Policy. The cases relate to leave without pay, bursary debt and salary related transactions and resignations. GMT related losses are written off upon the recommendation of the State Attorney. SCM related losses written off in the prior period relates to management fees earned by a service provider who was appointed to management the Western Cape Funding Fair event. The event could not take place due to Covid 19 restrictions, however, the service providers was entitled to the management fees for having met certain deliverables as per the service level agreement.

## 2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	1627	51628
Invoices paid within 30 days or agreed period	1620	50172
Invoices paid after 30 days or agreed period	20	162
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

During the current financial year, the Department made payment to all suppliers to value of 51 million. A minimum percentage (0.3% or R162 000) of that value was paid in excess of 30 days. The investigation and detection processes identified system errors and closures as well as a lack of understanding of the payment cycle on the part officials as contributing factors to the non-timeous payments made. In all instances of non-compliance, consequence management has been implemented and control improvements and training applied to eradicate late payments.

### 3. SUPPLY CHAIN MANAGEMENT

#### 3.1. Procurement by other means

The procurement reflected below represents all procurement undertaken through a limited bidding procurement process. For the year under review, the majority of the limited bids could be categorised into two main categories: Limited Bidding as a result of a partnership: This included all limited bids undertaken which related to the Municipal Ease of Doing Business strategic interventions, which was done in partnership with various municipalities within the Western Cape. The services entailed the procurement of specialist services relating the enhancement of digitised municipal business facing services.

In these instances, service providers were already appointed by the municipalities and as a result of the partnership approach, it would have been impractical for the Department to follow an open bidding process.

Limited Bidding for specialist/accredited training: Limited Bids which related to Training and Development related to specialist/accredited training that was only offered by the specific institutions which therefore made it impractical to follow an open bidding process.

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
To enhance and add on to the current suite of business facing government services in Prince Albert Municipality.	Business Engineering (Pty) Ltd	Limited Bidding	OR-005261	504
To develop and implement a Customer Care Business Processing Module for the Matzikama Local Municipality, which would be an additional module to the existing system of the Municipality	Business Engineering (Pty) Ltd	Limited Bidding	OR-005281	403
To enhance and add on to the current suite of business facing services on the Mossel Bay Municipality mobile application.	Business Engineering (Pty) Ltd	Limited Bidding	OR-005306	683
To enhance and add on to the current suite of business facing services on the Bitou Municipality mobile application.	Business Engineering (Pty) Ltd	Limited Bidding	OR-005307	499
To appoint a service provider to undertake an upgrade and expansion of the existing Online Building Control Module and Portal of the Mossel Bay Municipality.	Business Engineering (Pty) Ltd	Limited Bidding	OR-005264	500
To enhance and add on to the current suite of business facing services on the Knysna Municipality mobile application.	Business Engineering (Pty) Ltd	Limited Bidding	OR-005308	499
To develop an Electronic Town Planning and Building Control Geographic Information (GIS) System for the Swellendam Municipality	ESRI South Africa	Limited Bidding	OR-005309	274
For the compilation and verification of a zoning register and update of zoning maps for Stellenbosch Municipality	Urban Dynamics South Cape	Limited Bidding	OR-005323	524

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
To undertake a review of the existing municipal policies and by-laws across the Western Cape that are related to Film and Event Permitting	Matlotlo Trading 180	Limited Bidding	OR-005315	229
Development of an online tourism signage application as an additional model and business processes within the Collaborator Foundation Software System for the Drakenstein Municipality	Business Engineering (Pty) Ltd	Limited Bidding	OR-005297	275
To render Catering services at the Premiers Council on Skills (“PCS”) as part of the partnership between the Western Cape Government (“WCG”) and the Bavarian Government.	Hope Cape Town Trust	Limited Bidding	OR-005282	9
To appoint a service provider to conduct probity checks on the candidates nominated to serve on the Western Cape Consumer Tribunal	Moore CT Forensic Services (Pty) Ltd	Limited Bidding	OR-005358	37
For the provision of catering services for the Regulatory Impact Assessment training which was held in partnership with the City of Cape Town	NB Security Systems	Limited Bidding	OR-005354	18
To develop a Digital Performance Dashboard for Port of Cape Town and to maintain the dashboard until 31 March 2023.	South African Association of Freight Forwarders	Limited Bidding	OR-005341	285
To provide an eLearning Paralegal certificate short course for an official within the Office of the Consumer Protector	2U Get Smarter	Limited Bidding	OR-005412	18
For the provision of accredited training in the field of Supply Chain Management with the Chartered Institute of Procurement and Supply (“CIPS”)	Commerce Edge SA	Limited Bidding	OR-005403	86
For the provision of a 12-month accredited Diploma course in the field of Supply Chain Management with the Chartered Institute of Procurement and Supply (“CIPS”)	Commerce Edge SA	Limited Bidding	OR-005334	179
For the provision of a training workshop for Supply Chain Management officials on the Implementation of the Preferential Procurement Regulations (PPR), 2022	Commerce Edge SA	Limited Bidding	OR-005394	35

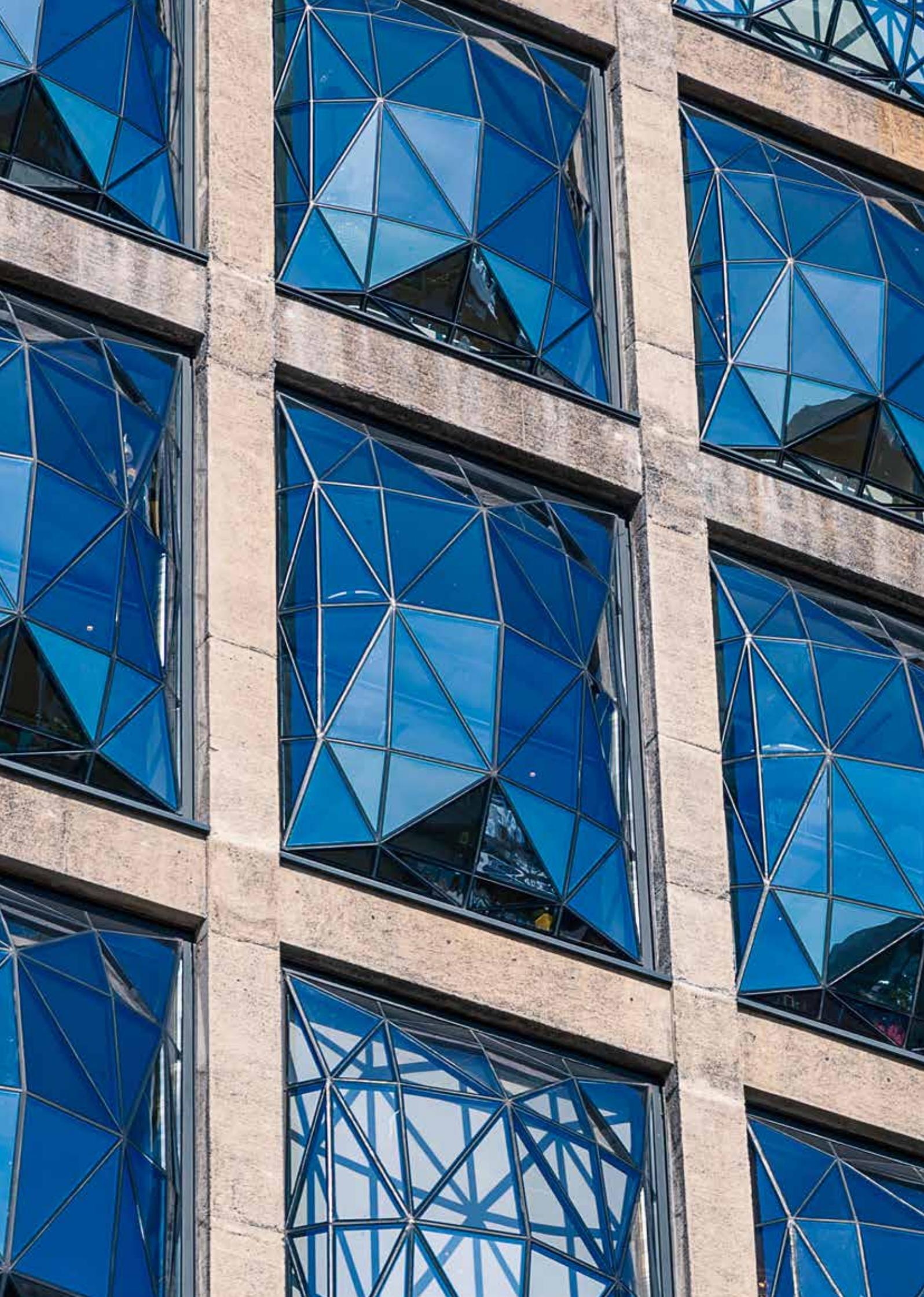
Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
For the provision of online short courses in the field of Public Sector Supply Chain Management which includes amongst others: <ul style="list-style-type: none"> <li>Developing and Managing SLAs</li> <li>Negotiations Skills for Procurement Professionals</li> </ul>	Commerce Edge SA	Limited Bidding	OR-005333	253
For the provision of online short courses in the field of Compliance Management	2U Get Smarter	Limited Bidding	OR-005396	119
To procure the services of a third-party aggregator to provide local and international data subscriptions for a one-year period	WorldWide Information Services (Pty) Ltd	Limited Bidding	OR-005404	988
For the provision of specific subscriptions and access to business newspapers and magazines	Calandria 159 t/a Newspaper Direct	Limited Bidding	OR-005418	215
<b>Total</b>				<b>6 632</b>

### 3.2. Contract variations and expansions

For the period under review, the Department did not have any contract variations and expansions.

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Not applicable						
<b>Total</b>						







Part

F

**FINANCIAL  
INFORMATION**

## Report of the external auditor

### Report of the auditor-general to the Western Cape Provincial Parliament on vote no. 12: Department of Economic Development and Tourism

#### Report on the audit of the financial statements

##### Opinion

1. I have audited the financial statements of the Department of Economic Development and Tourism set out on pages 202 to 252, which comprise the appropriation statement, statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Economic Development and Tourism as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

##### Basis for opinion

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

##### Other matters

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

#### National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework

7. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and reporting framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA which came into effect on 3 January 2023. The PFMA compliance and reporting framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure (UIFW expenditure). Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in either the annual report or the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 22 to the financial statements. Furthermore, the movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of the Department of Economic Development and Tourism. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now included as part of other information in the annual report of the Department of Economic Development and Tourism. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

## Report of the external auditor

### Unaudited supplementary schedules

8. The supplementary information set out on pages 253 to 262 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

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

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

### Responsibilities of the auditor-general for the audit of the financial statements

11. 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.
12. 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

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
14. I selected the following programme presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected a programme that measures the department's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 6: tourism, arts and entertainment	91-97	The programme was selected as part of the department's mandate to facilitate the implementation of an integrated tourism strategy that will lead to sustained and increased growth and job creation in the tourism industry. The programme also aligns with the Western Cape Recovery Plan.

15. I evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

## Report of the external auditor

16. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
  - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
  - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
  - the reported performance information is presented in the annual performance report in the prescribed manner
  - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
17. I performed the procedures for the purpose of reporting material findings only and not to express an assurance conclusion.
18. I did not identify any material findings on the reported performance information of Programme 6: tourism, arts and entertainment.

## Report on compliance with legislation

19. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
20. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
21. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
22. I did not identify any material non-compliance with the selected legislative requirements.

## Other information in the annual report

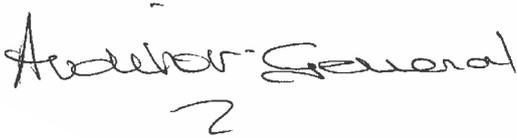
23. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported on in this auditor's report.
24. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

## Report of the external auditor

25. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report on that fact.
27. I have nothing to report in this regard.

### Internal control deficiencies

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



Cape Town  
31 July 2023



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Report of the external auditor

### Annexure to the auditor's report

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

#### Auditor-general's responsibility for the audit

##### Professional judgement and professional scepticism

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 programme and on the department's compliance with selected requirements in key legislation.

##### Financial statements

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

##### Communication with those charged with governance

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.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## Report of the external auditor

### Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 38(1)(a)(iv); 38(1)(b); 38(1)(c); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); Section 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(4); 44; 44 (1) and (2) ; 45(b); Section 50(3); 50(3)(a)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 4.1.1; 4.1.3 Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Treasury Regulation 9.1.1; 9.1.4 Treasury Regulation 10.1.1(a); 10.1.2 Treasury Regulation 12.5.1 Treasury Regulation 15.10.1.2(c') Treasury Regulation 16A 3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b) & (e); 16A 6.3(a) & (d); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A 8.3; 16A8.2 (1) and (2); 16A 8.3(d); 16A 8.4; 16A 9; 16A 9.1; 16A9.1(c); 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2(a)(ii) &(iii) Treasury Regulation 17.1.1 Treasury Regulation 18.2 Treasury Regulation 19.6.1 Treasury Regulation 19.8.4
Public service regulation	Public service regulation 13(c );18; 18 (1) and (2); 25(1)(e) (i); 25(1)(e)(iii)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1) & section 29
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2

Report of the external auditor

SITA ACT	Section 7(3) Section 7(6)(b) Section 20(1)(a)(I)
SITA regulations	Regulation 8.1.1 (b); 8.1.4; 8.1.7 Regulation 9.6; 9.4 Regulation 12.3 Regulation 13.1 (a) Regulation 14.1; 14.2
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c ); 3.3 (e ); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4 (a) -(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Par. 4.3.2; 4.3.3
NT instruction note 4 of 2015/16	Paragraph 3.4
NT instruction 3 of 2019/20 - Annexure A	Section 5.5.1 (iv) and (x)
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 3.1 Paragraph 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1
Public Service Act	Section 30 (1)

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## Appropriation Statement

Appropriation per programme										
Appropriation per programme	2022/23							2021/22		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Programme</b>										
1.	Administration	59 031	-	(487)	58 544	57 911	633	98.9%	55 805	54 841
2.	Integrated Economic Development Services	47 839	-	-	47 839	47 159	680	98.6%	53 676	53 204
3.	Trade and Sector Development	74 799	-	-	74 799	74 413	386	99.5%	73 990	73 976
4.	Business Regulation and Governance	10 636	-	-	10 636	10 431	205	98.1%	9 580	9 392
5.	Economic Planning	150 354	-	(265)	150 089	144 989	5 100	96.6%	160 320	157 255
6.	Tourism, Arts and Entertainment	71 515	-	394	71 909	71 874	35	100.0%	74 597	74 161
7.	Skills Development and Innovation	95 856	-	358	96 214	96 106	108	99.9%	71 931	70 567
<b>TOTAL</b>		<b>510 030</b>	<b>-</b>	<b>-</b>	<b>510 030</b>	<b>502 883</b>	<b>7 147</b>	<b>98.6%</b>	<b>499 899</b>	<b>493 396</b>
<b>Reconciliation with statement of financial performance</b>										
<b>ADD</b>										
Departmental receipts				47 303					21 194	
Aid assistance				5 091					-	
<b>Actual amounts per statement of financial performance (total revenue)</b>				<b>562 424</b>					<b>521 093</b>	
<b>ADD</b>										
Aid assistance					2 312					3 316
Prior year unauthorised expenditure approved without funding					-					-
<b>Actual amounts per statement of financial performance (total expenditure)</b>					<b>505 195</b>					<b>496 712</b>

## Appropriation Statement

Appropriation per economic classification									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	181 321	(2 176)	(358)	178 787	174 204	4 583	97.4%	179 835	173 784
Compensation of employees	129 403	(464)	-	128 939	127 336	1 603	98.8%	131 140	129 191
Goods and services	51 918	(1 712)	(358)	49 848	46 868	2 980	94.0%	48 695	44 593
<b>Transfers and subsidies</b>	324 981	1 169	358	326 508	323 952	2 556	99.2%	317 251	316 804
Provinces and municipalities	8 773	-	-	8 773	6 392	2 381	72.9%	17 213	17 213
Departmental agencies and accounts	209 079	1 314	-	210 393	210 392	1	100.0%	206 769	206 765
Public corporations and private enterprises	5 287	(1 315)	-	3 972	3 823	149	96.2%	5 467	5 460
Non-profit institutions	24 343	1	-	24 344	24 344	-	100.0%	32 581	32 578
Households	77 499	1 169	358	79 026	79 001	25	100.0%	55 221	54 788
<b>Payments for capital assets</b>	3 664	846	-	4 510	4 505	5	99.9%	2 673	2 671
Machinery and equipment	3 664	233	-	3 897	3 893	4	99.9%	2 648	2 646
Intangible assets	-	613	-	613	612	1	99.8%	25	25
<b>Payments for financial assets</b>	64	161	-	225	222	3	98.7%	140	137
<b>Total</b>	<b>510 030</b>	<b>-</b>	<b>-</b>	<b>510 030</b>	<b>502 883</b>	<b>7 147</b>	<b>98.6%</b>	<b>499 899</b>	<b>493 396</b>

## Appropriation Statement

Programme 1: Administration										
		2022/23							2021/22	
		Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub-programme</b>										
1.	Office of the HOD	6 232	(61)	(101)	6 070	5 982	88	98.6%	5 455	5 172
2.	Financial Management	35 944	582	(86)	36 440	36 129	311	99.1%	34 232	33 827
3.	Corporate Services	16 855	(521)	(300)	16 034	15 800	234	98.5%	16 118	15 842
<b>Total for sub-programmes</b>		<b>59 031</b>	<b>-</b>	<b>(487)</b>	<b>58 544</b>	<b>57 911</b>	<b>633</b>	<b>98.9%</b>	<b>55 805</b>	<b>54 841</b>
<b>Economic classification</b>										
<b>Current payments</b>		<b>55 841</b>	<b>(882)</b>	<b>(487)</b>	<b>54 472</b>	<b>53 847</b>	<b>625</b>	<b>98.9%</b>	<b>53 147</b>	<b>52 188</b>
	Compensation of employees	41 717	(220)	-	41 497	40 917	580	98.6%	41 412	41 234
	Goods and services	14 124	(662)	(487)	12 975	12 930	45	99.7%	11 735	10 954
<b>Transfers and subsidies</b>		<b>265</b>	<b>220</b>	<b>-</b>	<b>485</b>	<b>482</b>	<b>3</b>	<b>99.4%</b>	<b>78</b>	<b>76</b>
	Departmental agencies and accounts	7	-	-	7	6	1	85.7%	7	6
	Households	258	220	-	478	476	2	99.6%	71	70
<b>Payments for capital assets</b>		<b>2 925</b>	<b>565</b>	<b>-</b>	<b>3 490</b>	<b>3 486</b>	<b>4</b>	<b>99.9%</b>	<b>2 525</b>	<b>2 524</b>
	Machinery and equipment	2 925	(48)	-	2 877	2 874	3	99.9%	2 525	2 524
	Intangible assets	-	613	-	613	612	1	99.8%	-	-
<b>Payments for financial assets</b>		<b>-</b>	<b>97</b>	<b>-</b>	<b>97</b>	<b>96</b>	<b>1</b>	<b>99.0%</b>	<b>55</b>	<b>53</b>
<b>Total</b>		<b>59 031</b>	<b>-</b>	<b>(487)</b>	<b>58 544</b>	<b>57 911</b>	<b>633</b>	<b>98.9%</b>	<b>55 805</b>	<b>54 841</b>

## Appropriation Statement

Programme 2: Integrated Economic Development Services										
		2022/23						2021/22		
		Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expendi- ture	Variance	Expendit- ure as % of final budget	Final Budget	Actual Expendi- ture
								%		
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000		
<b>Sub-programme</b>										
1.	Enterprise Development	20 048	(62)	-	19 986	19 534	452	97.7%	23 052	22 942
2.	Regional and Local Economic Development	7 262	62	-	7 324	7 313	11	99.8%	16 720	16 718
3.	Red Tape	20 529	-	-	20 529	20 312	217	98.9%	13 904	13 544
<b>Total for sub-programmes</b>		<b>47 839</b>	<b>-</b>	<b>-</b>	<b>47 839</b>	<b>47 159</b>	<b>680</b>	<b>98.6%</b>	<b>53 676</b>	<b>53 204</b>
<b>Economic classification</b>										
<b>Current payments</b>		<b>29 219</b>	<b>43</b>	<b>-</b>	<b>29 262</b>	<b>28 733</b>	<b>529</b>	<b>98.2%</b>	<b>24 692</b>	<b>24 225</b>
	Compensation of employees	18 308	(35)	-	18 273	17 893	380	97.9%	18 833	18 379
	Goods and services	10 911	78	-	10 989	10 840	149	98.6%	5 859	5 846
<b>Transfers and subsidies</b>		<b>17 881</b>	<b>35</b>	<b>-</b>	<b>17 916</b>	<b>17 766</b>	<b>150</b>	<b>99.2%</b>	<b>28 786</b>	<b>28 782</b>
	Provinces and municipalities	2 221	-	-	2 221	2 221	-	100.0%	10 136	10 136
	Departmental agencies and accounts	2 227	1 314	-	3 541	3 541	-	100.0%	1 807	1 807
	Public corporations and private enterprises	5 287	(1 315)	-	3 972	3 823	149	96.2%	3 210	3 209
	Non-profit institutions	8 143	1	-	8 144	8 144	-	100.0%	12 462	12 460
	Households	3	35	-	38	37	1	97.4%	1 171	1 170
<b>Payments for capital assets</b>		<b>739</b>	<b>(78)</b>	<b>-</b>	<b>661</b>	<b>660</b>	<b>1</b>	<b>99.8%</b>	<b>123</b>	<b>122</b>
	Machinery and equipment	739	(78)	-	661	660	1	99.8%	123	122
<b>Payments for financial assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75</b>	<b>75</b>
<b>Total</b>		<b>47 839</b>	<b>-</b>	<b>-</b>	<b>47 839</b>	<b>47 159</b>	<b>680</b>	<b>98.6%</b>	<b>53 676</b>	<b>53 204</b>

## Appropriation Statement

Programme 3: Trade and Sector Development										
		2022/23						2021/22		
		Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub-programme</b>										
1.	Trade and Investment Promotion	62 113	-	-	62 113	62 113	-	100.0%	62 113	62 113
2.	Sector Development	12 686	-	-	12 686	12 300	386	97.0%	11 877	11 863
<b>Total for sub programmes</b>		<b>74 799</b>	<b>-</b>	<b>-</b>	<b>74 799</b>	<b>74 413</b>	<b>386</b>	<b>99.5%</b>	<b>73 990</b>	<b>73 976</b>
<b>Economic classification</b>										
<b>Current payments</b>		<b>12 679</b>	<b>(86)</b>	<b>-</b>	<b>12 593</b>	<b>12 208</b>	<b>385</b>	<b>96.9%</b>	<b>11 760</b>	<b>11 747</b>
	Compensation of employees	10 958	(86)	-	10 872	10 530	342	96.9%	11 206	11 197
	Goods and services	1 721	-	-	1 721	1 678	43	97.5%	554	550
<b>Transfers and subsidies</b>		<b>62 120</b>	<b>86</b>	<b>-</b>	<b>62 206</b>	<b>62 205</b>	<b>1</b>	<b>100.0%</b>	<b>62 227</b>	<b>62 227</b>
	Departmental agencies and accounts	62 113	-	-	62 113	62 113	-	100.0%	62 113	62 113
	Households	7	86	-	93	92	1	98.9%	114	114
<b>Payments for financial assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>2</b>
<b>Total</b>		<b>74 799</b>	<b>-</b>	<b>-</b>	<b>74 799</b>	<b>74 413</b>	<b>386</b>	<b>99.5%</b>	<b>73 990</b>	<b>73 976</b>

## Appropriation Statement

Programme 4: Business Regulation and Governance										
		2022/23						2021/22		
		Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub-programme</b>										
1.	Consumer Protection	10 636	-	-	10 636	10 431	205	98.1%	9 580	9 392
<b>Total for sub programmes</b>		<b>10 636</b>	<b>-</b>	<b>-</b>	<b>10 636</b>	<b>10 431</b>	<b>205</b>	<b>98.1%</b>	<b>9 580</b>	<b>9 392</b>
<b>Economic classification</b>										
<b>Current payments</b>		<b>10 632</b>	<b>(363)</b>	<b>-</b>	<b>10 269</b>	<b>10 065</b>	<b>204</b>	<b>98.0%</b>	<b>9 580</b>	<b>9 392</b>
Compensation of employees		8 732	-	-	8 732	8 697	35	99.6%	7 745	7 558
Goods and services		1 900	(363)	-	1 537	1 368	169	89.0%	1 835	1 834
<b>Transfers and subsidies</b>		<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Households		4	-	-	4	4	-	100.0%	-	-
<b>Payments for capital assets</b>		<b>-</b>	<b>359</b>	<b>-</b>	<b>359</b>	<b>359</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Machinery and equipment		-	359	-	359	359	-	100.0%	-	-
<b>Payments for financial assets</b>		<b>-</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>75.0%</b>	<b>-</b>	<b>-</b>
<b>Total</b>		<b>10 636</b>	<b>-</b>	<b>-</b>	<b>10 636</b>	<b>10 431</b>	<b>205</b>	<b>98.1%</b>	<b>9 580</b>	<b>9 392</b>

## Appropriation Statement

Programme 5: Economic Planning										
		2022/23							2021/22	
		Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub-programme</b>										
1.	Economic Policy and Planning	4 863	3 688	-	8 551	8 385	166	98.1%	6 183	6 157
2.	Research and Development	10 562	(3 329)	-	7 233	7 168	65	99.1%	8 935	8 487
3.	Knowledge Management	15 211	-	-	15 211	15 210	1	100.0%	17 106	17 105
4.	Enabling Growth Infrastructure and Initiative	87 631	152	-	87 783	87 757	26	100.0%	91 245	91 181
5.	Broadband for the Economy	8 639	(21)	-	8 618	8 486	132	98.5%	9 263	9 249
6.	Green Economy	23 448	(490)	(265)	22 693	17 983	4 710	79.2%	27 588	25 076
<b>Total for sub programmes</b>		<b>150 354</b>	<b>-</b>	<b>(265)</b>	<b>150 089</b>	<b>144 989</b>	<b>5 100</b>	<b>96.6%</b>	<b>160 320</b>	<b>157 255</b>
<b>Economic classification</b>										
<b>Current payments</b>		<b>46 285</b>	<b>(120)</b>	<b>(265)</b>	<b>45 900</b>	<b>43 184</b>	<b>2 716</b>	<b>94.1%</b>	<b>53 827</b>	<b>50 763</b>
Compensation of employees		30 943	(120)	-	30 823	30 675	148	99.5%	32 011	31 932
Goods and services		15 342	-	(265)	15 077	12 509	2 568	83.0%	21 816	18 831
<b>Transfers and subsidies</b>		<b>104 069</b>	<b>120</b>	<b>-</b>	<b>104 189</b>	<b>101 805</b>	<b>2 384</b>	<b>97.7%</b>	<b>106 468</b>	<b>106 467</b>
Provinces and municipalities		6 552	-	-	6 552	4 171	2 381	63.7%	3 410	3 410
Departmental agencies and accounts		81 159	-	-	81 159	81 159	-	100.0%	84 441	84 441
Non-profit institutions		16 200	-	-	16 200	16 200	-	100.0%	18 505	18 505
Households		158	120	-	278	275	3	98.9%	112	111
<b>Payments for capital assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>25</b>
Intangible assets		-	-	-	-	-	-	-	25	25
<b>Total</b>		<b>150 354</b>	<b>-</b>	<b>(265)</b>	<b>150 089</b>	<b>144 989</b>	<b>5 100</b>	<b>96.6%</b>	<b>160 320</b>	<b>157 255</b>

## Appropriation Statement

Programme 6: Tourism, Arts and Entertainment										
		2022/23							2021/22	
		Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub-programme</b>										
1.	Tourism Growth and Development	7 940	-	394	8 334	8 301	33	99.6%	16 196	15 763
2.	Tourism Destination Marketing	63 573	-	-	63 573	63 573	-	100.0%	58 401	58 398
3.	Tourism Sector Transformation	2	-	-	2	-	2	-	-	-
<b>Total for sub programmes</b>		<b>71 515</b>	<b>-</b>	<b>394</b>	<b>71 909</b>	<b>71 874</b>	<b>35</b>	<b>100.0%</b>	<b>74 597</b>	<b>74 161</b>
<b>Economic classification</b>										
<b>Current payments</b>		<b>7 884</b>	<b>-</b>	<b>394</b>	<b>8 278</b>	<b>8 245</b>	<b>33</b>	<b>99.6%</b>	<b>8 621</b>	<b>8 195</b>
	Compensation of employees	7 056	-	-	7 056	7 027	29	99.6%	7 380	7 260
	Goods and services	828	-	394	1 222	1 218	4	99.7%	1 241	935
<b>Transfers and subsidies</b>		<b>63 577</b>	<b>-</b>	<b>-</b>	<b>63 577</b>	<b>63 576</b>	<b>1</b>	<b>100.0%</b>	<b>65 976</b>	<b>65 966</b>
	Provinces and municipalities	-	-	-	-	-	-	-	3 667	3 667
	Public corporations and private enterprises	-	-	-	-	-	-	-	2 257	2 251
	Departmental agencies and accounts	63 573	-	-	63 573	63 573	-	100.0%	58 401	58 398
	Non-profit institutions	-	-	-	-	-	-	-	1 614	1 613
	Households	4	-	-	4	3	1	75.0%	37	37
<b>Payments for financial assets</b>		<b>54</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>53</b>	<b>1</b>	<b>98.1%</b>	<b>-</b>	<b>-</b>
<b>Total</b>		<b>71 515</b>	<b>-</b>	<b>394</b>	<b>71 909</b>	<b>71 874</b>	<b>35</b>	<b>100.0%</b>	<b>74 597</b>	<b>74 161</b>

## Appropriation Statement

Programme 7: Skills Development and Innovation										
		2022/23							2021/22	
		Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub-programme</b>										
1.	Provincial Skills and Partnership	6 988	371	-	7 359	7 297	62	99.2%	6 753	6 514
2.	Skills Programme and Projects	85 227	(738)	358	84 847	84 809	38	100.0%	60 328	59 208
3.	Skills Incentives	3 641	367	-	4 008	4 000	8	99.8%	4 850	4 845
<b>Total for sub programmes</b>		<b>95 856</b>	<b>-</b>	<b>358</b>	<b>96 214</b>	<b>96 106</b>	<b>108</b>	<b>99.9%</b>	<b>71 931</b>	<b>70 567</b>
<b>Economic classification</b>										
<b>Current payments</b>		<b>18 781</b>	<b>(768)</b>	<b>-</b>	<b>18 013</b>	<b>17 922</b>	<b>91</b>	<b>99.5%</b>	<b>18 208</b>	<b>17 274</b>
	Compensation of employees	11 689	(3)	-	11 686	11 597	89	99.2%	12 553	11 631
	Goods and services	7 092	(765)	-	6 327	6 325	2	100.0%	5 655	5 643
<b>Transfers and subsidies</b>		<b>77 065</b>	<b>708</b>	<b>358</b>	<b>78 131</b>	<b>78 114</b>	<b>17</b>	<b>100.0%</b>	<b>53 716</b>	<b>53 286</b>
	Households	77 065	708	358	78 131	78 114	17	100.0%	53 716	53 286
<b>Payments for financial assets</b>		<b>10</b>	<b>60</b>	<b>-</b>	<b>70</b>	<b>70</b>	<b>-</b>	<b>100.0%</b>	<b>7</b>	<b>7</b>
<b>Total</b>		<b>95 856</b>	<b>-</b>	<b>358</b>	<b>96 214</b>	<b>96 106</b>	<b>108</b>	<b>99.9%</b>	<b>71 931</b>	<b>70 567</b>

## Notes to the Appropriation Statement

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

Detail of these transactions can be viewed in the note on Transfers and Subsidies, and Annexure 1A-G of the Annual Financial Statements.

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

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

### 3. Detail on payments for financial assets

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

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

#### 4.1 Per programme

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Administration	58 544	57 911	633	1.08%
Integrated Economic Development Services	47 839	47 159	680	1.42%
Trade and Sector Development	74 799	74 413	386	0.52%
Business Regulation and Governance	10 636	10 431	205	1.93%
Economic Planning	150 089	144 989	5 100	3.40%
Tourism, Arts and Entertainment	71 909	71 874	35	0.05%
Skills Development and Innovation	96 214	96 106	108	0.11%
<b>Total</b>	<b>510 030</b>	<b>502 883</b>	<b>7 147</b>	<b>1.40%</b>

**Programme 4: Business Regulation and Governance:** *The underspending is as a result of delays experienced in the implementation of Tribunal Support project, due to the probity checks yielding unfavourable results therefore requiring readvertising for Tribunal nominees.*

**Programme 5: Economic Planning:** *The need for technical expertise resulted in delays with the implementation of the municipal energy resilience (MER) suite of projects.*

## Notes to the Appropriation Statement

### 4.2 Per economic classification

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
<b>Current payments</b>				
Compensation of employees	128 939	127 336	1 603	1.24%
Goods and services	49 848	46 868	2 980	5.98%
<b>Transfers and subsidies</b>				
Provinces and municipalities	8 773	6 392	2 381	27.14%
Departmental agencies and accounts	210 393	210 392	1	0.00%
Public corporations and private enterprises	3 972	3 823	149	3.75%
Non-profit institutions	24 344	24 344	-	0.00%
Households	79 026	79 001	25	0.03%
<b>Payments for capital assets</b>				
Machinery and equipment	3 897	3 893	4	0.10%
Intangible assets	613	612	1	0.16%
<b>Payments for financial assets</b>	225	222	3	1.33%
<b>Total</b>	<b>510 030</b>	<b>502 883</b>	<b>7 147</b>	<b>1.40%</b>

**Goods and services:** *The underspending on this item primarily relates to the delays in the implementation of the highly technical expertise required within the MER suite of projects within Programme 5: Economic Planning and with the implementation of the Consumer Tribunal within Programme 4: Business Regulation and Governance.*

**Transfers and subsidies: Provinces and municipalities:** *The underspending on this item primarily relates to the delays in the implementation by municipalities of the MER suite of projects within Programme 5: Economic Planning.*

**Transfers and subsidies: Public corporations and private enterprises:** *The saving on this item was realised upon the additional co-funding contributed by Womhub (Pty) Ltd towards this project within Programme 2: Integrated Economic Development Services.*

## Statement of Financial Performance

	Note	2022/23 R'000	2021/22 R'000
<b>REVENUE</b>			
Annual appropriation	7	510 030	499 899
Departmental revenue	2	47 303	21 194
Aid assistance	3	5 091	-
<b>TOTAL REVENUE</b>		<b>562 424</b>	<b>521 093</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>		<b>176 449</b>	<b>177 014</b>
Compensation of employees	4	127 336	129 191
Goods and services	5	46 868	44 593
Aid assistance	3	2 245	3 230
<b>Transfers and subsidies</b>		<b>324 019</b>	<b>316 890</b>
Transfers and subsidies	7	323 952	316 804
Aid assistance	3	67	86
<b>Expenditure for capital assets</b>		<b>4 505</b>	<b>2 671</b>
Tangible assets	8	3 893	2 646
Intangible assets	8	612	25
<b>Payments for financial assets</b>		<b>222</b>	<b>137</b>
<b>TOTAL EXPENDITURE</b>		<b>505 195</b>	<b>496 712</b>
<b>SURPLUS FOR THE YEAR</b>		<b>57 229</b>	<b>24 381</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted funds			
Annual appropriation		7 147	6 503
Departmental revenue and Provincial Revenue Fund (PRF) receipts	14	47 303	21 194
Aid assistance	3	2 779	(3 316)
<b>SURPLUS FOR THE YEAR</b>		<b>57 229</b>	<b>24 381</b>

## Statement of Financial Position

	Note	2022/23 R'000	2021/22 R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>15 509</b>	<b>22 596</b>
Cash and cash equivalents	9	13 252	20 291
Receivables	11	2 257	2 305
<b>Non-current assets</b>		<b>304 097</b>	<b>304 238</b>
Investments	12	304 022	304 022
Receivables	11	75	216
<b>TOTAL ASSETS</b>		<b>319 606</b>	<b>326 834</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>14 035</b>	<b>20 925</b>
Voted funds to be surrendered to the Revenue Fund	13	7 147	6 503
Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund	14	1 073	105
Payables	15	251	11 532
Aid assistance unutilised	3	5 564	2 785
<b>TOTAL LIABILITIES</b>		<b>14 035</b>	<b>20 925</b>
<b>NET ASSETS</b>		<b>305 571</b>	<b>305 909</b>
<b>Represented by:</b>			
Capitalisation reserve		304 022	304 022
Recoverable revenue		1 549	1 887
<b>TOTAL</b>		<b>305 571</b>	<b>305 909</b>

## Statement of Changes in Net Assets

	<i>Note</i>	<b>2022/23</b> R'000	<b>2021/22</b> R'000
<b>Capitalisation reserves</b>			
Opening balance		304 022	303 853
Transfers:			
Movement in Equity		-	169
Closing balance		<b>304 022</b>	<b>304 022</b>
<b>Recoverable revenue</b>			
Opening balance		1 887	90
Transfers:		<b>(338)</b>	<b>1 797</b>
Debts revised		(96)	(2)
Debts recovered (included in departmental revenue)		(1 744)	(63)
Debts raised		1 502	1 862
Closing balance		<b>1 549</b>	<b>1 887</b>
<b>TOTAL</b>		<b>305 571</b>	<b>305 909</b>

## Cash Flow Statement

	<i>Note</i>	<b>2022/23</b> R'000	<b>2021/22</b> R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>562 781</b>	<b>521 410</b>
Annual appropriation funds received	<i>1.1</i>	510 030	499 899
Departmental revenue received	<i>2</i>	47 623	21 492
Interest received	<i>2.2</i>	37	19
Aid assistance received	<i>3</i>	5 091	-
Net (increase)/decrease in net working capital		(11 233)	9 847
Surrendered to Revenue Fund		(53 226)	(25 636)
Current payments		(176 449)	(177 014)
Payments for financial assets		(222)	(137)
Transfers and subsidies paid		(324 019)	(316 890)
<b>Net cash flow available from operating activities</b>	<b>16</b>	<b>(2 368)</b>	<b>11 580</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	<i>8</i>	(4 505)	(2 671)
Proceeds from sale of capital assets	<i>2.3</i>	31	54
(Increase)/decrease in investments		-	(169)
(Increase)/decrease in non-current receivables	<i>11</i>	141	(216)
<b>Net cash flow available from investing activities</b>		<b>(4 333)</b>	<b>(3 002)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		(338)	1 966
<b>Net cash flows from financing activities</b>		<b>(338)</b>	<b>1 966</b>
Net increase/(decrease) in cash and cash equivalents		(7 039)	10 544
Cash and cash equivalents at beginning of period		20 291	9 747
<b>Cash and cash equivalents at end of period</b>	<b>17</b>	<b>13 252</b>	<b>20 291</b>

## Notes to the Annual Financial Statements (including Accounting Policies)

### PART A: ACCOUNTING POLICIES

#### Summary of significant accounting policies

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

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

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

#### 1. Basis of preparation

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

#### 2. Going concern

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

#### 3. Presentation currency

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

#### 4. Rounding

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

#### 5. Foreign currency translation

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

#### 6. Comparative information

##### 6.1 Prior period comparative information

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

##### 6.2 Current year comparison with budget

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

## Notes to the Annual Financial Statements (including Accounting Policies)

### 7. Revenue

#### 7.1 Appropriated funds

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

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

Appropriated funds are measured at the amounts receivable.

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

#### 7.2 Departmental revenue

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

Departmental revenue is measured at the cash amount received.

In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.

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

#### 7.3 Accrued departmental revenue

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

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

The accrued revenue is measured at the fair value of the consideration receivable.

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

### 8. Expenditure

#### 8.1 Compensation of employees

##### 8.1.1 Salaries and wages

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

##### 8.1.2 Social contributions

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

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

## Notes to the Annual Financial Statements (including Accounting Policies)

### 8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.

### 8.3 Accruals and payables not recognised

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

### 8.4 Leases

#### 8.4.1 Operating leases

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

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

#### 8.4.2 Finance leases

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

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

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

## 9. Aid assistance

### 9.1 Aid assistance received

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

Criminal Asset Recovery Account (CARA) Funds are recognised when receivable and measured at the amounts' receivable.

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

### 9.2 Aid assistance paid

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

## Notes to the Annual Financial Statements (including Accounting Policies)

### 10. Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

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

### 11. Prepayments and advances

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

Prepayments and advances are initially and subsequently measured at cost.

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

A prepayment will be expensed when the goods and services are received in terms of the signed agreement with a non – governmental entity. An advance will be expensed when the goods or services are received in terms of the signed agreement with a governmental entity.

### 12. Loans and receivables

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

### 13. Investments

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

### 14. Financial assets

#### 14.1 Financial assets (not covered elsewhere)

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

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

#### 14.2 Impairment of financial assets

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

### 15. Payables

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

## Notes to the Annual Financial Statements (including Accounting Policies)

### 16. Capital assets

#### 16.1 Movable capital assets

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

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

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

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

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

#### 16.2 Intangible capital assets

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

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

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

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

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

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

#### 16.3 Project costs: Work-in-progress

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

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

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

### 17. Provisions and contingents

#### 17.1 Provisions

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

## Notes to the Annual Financial Statements (including Accounting Policies)

### 17.2 Contingent liabilities

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

### 17.3 Contingent assets

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

### 17.4 Capital commitments

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

## 18. Unauthorised expenditure

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

Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:

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

Unauthorised expenditure recorded in the notes to the financial statements comprise of

- unauthorised expenditure that was under assessment in the previous financial year;
- unauthorised expenditure relating to previous financial year and identified in the current year; and
- Unauthorised incurred in the current year.

## 19. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of .

- fruitless and wasteful expenditure that was under assessment in the previous financial year;
- fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and
- fruitless and wasteful expenditure incurred in the current year.

## 20. Irregular expenditure

Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

## Notes to the Annual Financial Statements (including Accounting Policies)

Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:

- irregular expenditure that was under assessment in the previous financial year;
- irregular expenditure relating to previous financial year and identified in the current year; and
- irregular expenditure incurred in the current year.

### 21. Changes in accounting estimates and errors

Changes in accounting estimates result from new information or new developments and accordingly are not correction of errors.

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

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

### 22. Events after the reporting date

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

### 23. 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.

### 24. 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 transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

### 25. Related party transactions

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

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

### 26. Employee benefits

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

Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.

The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

## Notes to the Annual Financial Statements

### PART B: EXPLANATORY NOTES

#### 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:

	2022/23			2021/22		
	Final budget	Actual funds received	Funds not requested/ not received	Final budget	Appropriation received	Funds not requested/ not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
Administration	58 544	58 544	-	55 805	55 805	-
Integrated Economic Development Services	47 839	47 839	-	53 676	53 676	-
Trade and Sector Development	74 799	74 799	-	73 990	73 990	-
Business Regulation and Governance	10 636	10 636	-	9 580	9 580	-
Economic Planning	150 089	150 089	-	160 320	160 320	-
Tourism, Arts and Entertainment	71 909	71 909	-	74 597	74 597	-
Skills Development and Innovation	96 214	96 214	-	71 931	71 931	-
<b>Total</b>	<b>510 030</b>	<b>510 030</b>	<b>-</b>	<b>499 899</b>	<b>499 899</b>	<b>-</b>

**Administration:** The increase in budgeted allocation for 2022/23 from the 2021/22 financial year was primarily due to the Computer Refresh project to provide for replacement Information Technology (IT) equipment for new employees in the current financial year.

**Integrated Economic Development Services:** The Programmes' allocation for Small Medium and Micro Enterprises (SMME) development initiatives was reduced due to a change in approach in the delivery of the SMME strategy and a renewed focus on the Green Economy and Skills Development strategies.

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

**Economic Planning:** The decrease in the budgeted allocation for Programme 5: Economic Planning is primarily due to the earmarked allocation for the Green Economy and Energy placed in a Provincial Treasury Reserve Fund. This fund could be accessed based on spending requirements.

**Tourism Arts and Entertainment:** The Programmes' allocation was reduced due to Tourism Safety and Law Enforcement as well as the Tourism Niche and Product Development initiatives within the Tourism Growth Development Programme not being accommodated in the current financial year.

**Skills Development and Innovation:** The budgeted allocation for the Business Process Outsourcing Programme was increased due to the success demonstrated for work placement of unemployed youth.

## Notes to the Annual Financial Statements

	Note	2022/23 R'000	2021/22 R'000
<b>2. Departmental revenue</b>			
Sales of goods and services other than capital assets	2.1	348	1 144
Interest, dividends and rent on land	2.2	37	19
Sales of capital assets	2.3	31	54
Transactions in financial assets and liabilities	2.4	46 588	19 654
Transfer received	2.5	687	694
<b>Total revenue collected</b>		<b>47 691</b>	<b>21 565</b>
Less: Own revenue included in appropriation	14	(388)	(371)
<b>Total</b>		<b>47 303</b>	<b>21 194</b>

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

Sales of goods and services produced by the department		348	1 144
Administrative fees		328	273
Other sales		20	871
<b>Total</b>	2	<b>348</b>	<b>1 144</b>

*The **Administrative fees** relates to revenue earned from the registration of tourist guides. The increase in fees earned was as a result of more tourist guides registering after the easing of Covid-19 pandemic restrictions.*

*The decrease in **Other sales** relates to fees earned in 2021/22 in respect of an agreement entered into with Manufacturing Engineering and Related Services SETA.*

### 2.2. Interest

Interest		37	19
<b>Total</b>	2	<b>37</b>	<b>19</b>

*Interest received relates to interest earned on outstanding debt due to the Department during the current financial year.*

### 2.3. Sales of capital assets

<b>Tangible capital assets</b>		<b>31</b>	<b>54</b>
Machinery and equipment		31	54
<b>Total</b>	2	<b>31</b>	<b>54</b>

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

### 2.4. Transactions in financial assets and liabilities

Other receipts including Recoverable Revenue		46 588	19 654
<b>Total</b>	2	<b>46 588</b>	<b>19 654</b>

*The increase in the current year is primarily due to the refund of Cash surpluses from Wesgro.*

## Notes to the Annual Financial Statements

	Note	2022/23 R'000	2021/22 R'000
<b>2. Departmental revenue (continued)</b>			
<b>2.5. Transfers received</b>			
Other governmental units		687	694
<b>Total</b>	2	<b>687</b>	<b>694</b>

The **Transfers received** in the current financial year relate to funds received from the Banking Sector Education and Training Authority (BANKSETA) for the Business Process Outsourcing (BPO) Project.

The prior year funds were received from Manufacturing Engineering and Related Services Sectoral Education and Training Authority (merSETA) for legacy Artisan Development Project (ADP) which commenced in 2017.

### 3. Aid assistance

Opening balance		2 785	6 101
Transferred from statement of financial performance		2 779	(3 316)
<b>Closing balance</b>		<b>5 564</b>	<b>2 785</b>

**Aid assistance** relates to funds received from the Government Technical Advisory Centre (GTAC) for the Business Process Outsourcing (BPO) Project.

#### 3.1. Analysis of balance by source

Aid assistance - GTAC		5 564	2 785
<b>Closing balance</b>	3	<b>5 564</b>	<b>2 785</b>

#### 3.2. Analysis of balance

Aid assistance unutilised		5 564	2 785
<b>Closing balance</b>	3	<b>5 564</b>	<b>2 785</b>

#### 3.3. Aid assistance expenditure per economic classification

Current		2 245	3 230
Transfers and subsidies		67	86
<b>Total aid assistance expenditure</b>	Annex 1F	<b>2 312</b>	<b>3 316</b>

## Notes to the Annual Financial Statements

	Note	2022/23 R'000	2021/22 R'000
<b>4. Compensation of employees</b>			
<b>4.1. Analysis of balance</b>			
Basic salary		89 838	90 852
Service based		43	54
Compensative/circumstantial		655	968
Other non-pensionable allowances		21 200	21 704
<b>Total</b>		<b>111 736</b>	<b>113 578</b>

*The decrease in Compensation of employees is attributable to various senior staffing positions that became vacant during the financial year. These staff members could not be replaced immediately due to the lead time taken to fill positions. Lead times are influenced by the vetting process and the nature of senior management positions which require cabinet level approval.*

*Service based pertains to long service awards within the Department. Long service awards are provided to staff who are employed within the civil service for 20 years and 30 years respectively.*

*Compensative/circumstantial pertains to payments to employees based on specific conditions or circumstances as provided for by the DPSA and in terms of departmental procedures, such as overtime and for cost resulting from operational or job-related requirements.*

*Other non-pensionable allowances provide for salaries and wages and other allowance not included in pensionable salary.*

### 4.2. Social contributions

#### Employer contributions

Pension	11 431	11 408
Medical	4 127	4 184
Bargaining Council	42	21
<b>Total</b>	<b>15 600</b>	<b>15 613</b>
<b>Total compensation of employees</b>	<b>127 336</b>	<b>129 191</b>
Average number of employees	<b>219</b>	<b>217</b>

*The increase in Bargaining Council is due to an increase in the levy charged to all staff by the Public Service Co-ordinating Bargaining Council (PSCBC).*

## Notes to the Annual Financial Statements

	Note	2022/23 R'000	2021/22 R'000
<b>5. Goods and services</b>			
Administrative fees		3 664	3 420
Advertising		1 579	4 552
Minor assets	5.1	62	14
Bursaries (employees)		220	456
Catering		608	220
Communication		819	794
Computer services	5.2	9 452	2 925
Consultants: Business and advisory services		12 925	17 277
Legal services		87	442
Contractors		853	1 226
Agency and support / outsourced services		542	556
Entertainment		21	17
Audit cost – external	5.3	3 159	3 362
Fleet services		891	807
Consumables	5.4	587	531
Operating leases		373	197
Rental and hiring		114	348
Travel and subsistence	5.5	809	203
Venues and facilities		315	158
Training and development		8 922	6 215
Other operating expenditure	5.6	866	873
<b>Total</b>		<b>46 868</b>	<b>44 593</b>

**Administrative fees:** The increase in expenditure is as a result of an additional subscription purchased and exchange rate fluctuations for international data subscriptions.

**Advertising:** The decrease is primarily due to the once-off advertising of the post Covid-19 Economic Recovery Response Project (Western Cape Open for business campaign) in the prior year.

**Agency and support/outsourced services:** The decrease in expenditure is due to the March invoicing paid in the 2023/24 financial year.

**Bursaries (employees):** The decrease in bursaries was a result of fewer bursary application requests.

**Catering, Entertainment, Venues and facilities and Training and development:** The increase relates to the lifting of Covid-19 restrictions resulting in the return of face-to-face engagements.

**Communication:** The increase in expenditure was a result of inflationary increases.

**Consultants:** The decrease in consultants is as a result of the delays in implementation of the Municipal Energy Resilience (MER) suite of projects within Programme 5: Economic Planning. The projects initiated within the MER are technical in nature.

**Contractors:** The decrease in expenditure is due to the Western Cape Entrepreneurship Recognition Awards (WCERA) project which was not budgeted for in the current year due to budget pressures.

## Notes to the Annual Financial Statements

	Note	2022/23 R'000	2021/22 R'000
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### 5. Goods and services (continued)

**Fleet services:** *The increase is due to escalations in fuel, operational and maintenance costs for leased government vehicles.*

**Legal services:** *The decrease in expenditure against this item is as a result of legal expertise required in the prior year to assess the regulatory impact of the draft City of Cape Town by-laws undertaken within the Ease of Doing Business unit.*

**Operating leases and Rental and hiring:** *The increase in Operating lease expenditure is due to the renewal of leased office equipment. This resulted in a concomitant reduction in Rental and hiring.*

#### 5.1. Minor assets

Tangible capital assets		62	14
Machinery and equipment		62	14
<b>Total</b>	5	<b>62</b>	<b>14</b>

*The increase in **Minor assets** is attributed to the replacement of obsolete office equipment within the Department and the purchase of equipment through the SMME Business Development Programme.*

#### 5.2. Computer services

SITA computer services		298	339
External computer service providers		9 154	2 586
<b>Total</b>	5	<b>9 452</b>	<b>2 925</b>

*The increase in **Computer services** is largely attributed to the automation of business-facing systems within municipalities by the municipal ease of doing business suite of interventions as well as the automation of an internal training platform to capacitate staff in financial policies and procedures.*

#### 5.3. Audit cost - external

Regularity audits		3 159	3 362
<b>Total</b>	5	<b>3 159</b>	<b>3 362</b>

*The decrease in audit fees from the previous financial year is as a result of efficiencies gained reducing the number of planning hours and the number of indicators tested on selected programmes for predetermined objectives. Additional savings were also gained through remote working and supporting documentation being available online.*

## Notes to the Annual Financial Statements

	Note	2022/23 R'000	2021/22 R'000
<b>5. Goods and services (continued)</b>			
<b>5.4. Consumables</b>			
Consumable supplies		298	313
Uniform and clothing		3	-
Household supplies		58	68
Building material and supplies		42	29
IT consumables		145	115
Other consumables		50	101
Stationery, printing and office supplies		289	218
<b>Total</b>	<b>5</b>	<b>587</b>	<b>531</b>

*The increase in expenditure related to Consumables is primarily due to the inflationary increases.*

<b>5.5. Travel and subsistence</b>			
Local		791	203
Foreign		18	-
<b>Total</b>	<b>5</b>	<b>809</b>	<b>203</b>

*The increase relates to the lifting of Covid-19 restrictions allowing for face-to-face engagements with stakeholders for the purposes of conducting monitoring and evaluation of projects.*

<b>5.6. Other operating expenditure</b>			
Professional bodies, membership and subscription fees		21	24
Resettlement costs		24	22
Other		821	827
<b>Total</b>	<b>5</b>	<b>866</b>	<b>873</b>

*'Other' includes printing costs incurred for the organisation's strategic publications such as the Annual Performance Plan, Annual Report, Marketing and Awareness publications.*

## Notes to the Annual Financial Statements

	Note	2022/23 R'000	2021/22 R'000
<b>6. Payments for financial assets</b>			
Other material losses written off	6.1	72	75
Debts written off	6.2	150	62
<b>Total</b>		<b>222</b>	<b>137</b>
<b>6.1. Other material losses written off</b>			
Nature of losses			
Loss written off (3 cases)		72	75
<b>Total</b>	6	<b>72</b>	<b>75</b>

*In terms of the Departmental Debt Policy, all material losses written off are investigated and referred to the State Attorney. Debts are written off upon the recommendation of the State Attorney.*

*The amount written off in the current year relates to damages to Government Garage vehicles and a fraudulent payment of salaries which occurred within the Department of the Premier: People Management Practices (PMP). The fraudulent payment of salaries was referred to the South African Police Services.*

*The amount written off in the prior period relates to management fees earned by a service provider who was appointed to manage the Western Cape Funding Fair event. The event could not take place due to Covid-19 restrictions, however, the service provider was entitled to the management fees for having met certain deliverables as per the service level agreement.*

<b>6.2. Debts written off</b>			
<b>Nature of debts written off</b>			
Debt accounts written off (10 cases)		150	62
<b>Total</b>		<b>150</b>	<b>62</b>
<b>Total debt written off</b>	6	<b>150</b>	<b>62</b>

*Debts are written off in terms of the Departmental Debt Policy. The ten (10) cases relate to leave without pay, bursary debt and salary overpayments related to immediate resignations of staff.*

## Notes to the Annual Financial Statements

	Note	2022/23 R'000	2021/22 R'000
<b>7. Transfers and subsidies</b>			
Provinces and municipalities	28; Annex 1A	6 392	17 213
Departmental agencies and accounts	Annex 1B	210 392	206 765
Public corporations and private enterprises	Annex 1C	3 823	5 460
Non-profit institutions	Annex 1D	24 344	32 578
Households	Annex 1E	79 001	54 788
<b>Total</b>		<b>323 952</b>	<b>316 804</b>

### Provinces and municipalities

The decrease relates to payments made to municipalities in support of initiatives aimed at developing trading spaces for SMMEs implemented in the prior year.

### Departmental agencies and accounts

The increase is primarily due to an Enterprise Development initiative with Productivity SA and a Red Tape Reduction initiative which provided support to the Western Cape Liquor Authority to improve its liquor licensing system.

### Public corporations and private enterprises

The decrease in transfers to Public Corporations in Private Enterprises is due to the finalisation of the Tourism Niche and Product Development Fund during 2021/22 financial year.

### Non-profit institutions

The decrease relates to a decrease in allocation for an Enterprise Development initiative aimed at non-profit organisations which supports SMMEs within the Province. During the prior financial year, additional funding was received via the Department for the Western Cape Economic Development Partnership from the Department of Community Safety. The decrease also relates to the finalisation of the Tourism Niche and Product Development Fund during 2021/22 financial year.

### Households

The budgeted allocation for the Business Process Outsourcing Programme was increased due to the success demonstrated for work placement of unemployed youth.

### 7.1. Donations made in kind

Long Street Kiosk Project		376
Business Development Support Programme		494
Non-Profit Organisations		880
<b>Total</b>	Annex 1G	<b>1 750</b>

The **Donations made in kind** note was introduced during the 2022/23 financial year therefore no comparative figures are disclosed.

During the current financial year, various assets were donated to support the operations of twenty-six (26) businesses who formed part of the SMME Business Development Support Programme and Long Street Kiosks Project.

The Department donated assets which had reached the end of its useful life to twenty-three (23) Non-Profit Organisations.

## Notes to the Annual Financial Statements

	Note	2022/23 R'000	2021/22 R'000
<b>8. Expenditure for capital assets</b>			
<b>Tangible capital assets</b>		<b>3 893</b>	<b>2 646</b>
Machinery and equipment	25	3 893	2 646
<b>Intangible capital assets</b>		<b>612</b>	<b>25</b>
Software	26	612	25
<b>Total</b>		<b>4 505</b>	<b>2 671</b>

*The amount for machinery and equipment includes finance leases paid for government vehicle leases.*

*The increase in expenditure for capital assets primarily relates to the Computer Refresh project to provide for replacement Information Technology (IT) equipment for new employees and the purchase of equipment for the Business Development Support Programme aimed assisting SMMEs.*

### 8.1. Analysis of funds utilised to acquire capital assets - Current year

	2022/23		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible capital assets</b>	<b>3 893</b>	<b>-</b>	<b>3 893</b>
Machinery and equipment	3 893	-	3 893
<b>Intangible capital assets</b>	<b>612</b>	<b>-</b>	<b>612</b>
Software	612	-	612
<b>Total</b>	<b>4 505</b>	<b>-</b>	<b>4 505</b>

### 8.2. Analysis of funds utilised to acquire capital assets - Prior year

	2022/23		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible capital assets</b>	<b>2 646</b>	<b>-</b>	<b>2 646</b>
Machinery and equipment	2 646	-	2 646
<b>Intangible capital assets</b>	<b>25</b>	<b>-</b>	<b>25</b>
Software	25	-	25
<b>Total</b>	<b>2 671</b>	<b>-</b>	<b>2 671</b>

## Notes to the Annual Financial Statements

	Note	2022/23 R'000	2021/22 R'000
<b>8. Expenditure for capital assets (continued)</b>			
<b>8.3. Finance lease expenditure included in Expenditure for capital assets</b>			
<b>Tangible capital assets</b>			
Machinery and equipment		1 763	2 478
<b>Total</b>		<b>1 763</b>	<b>2 478</b>

**Finance lease** expenditure relates to vehicles leased from Government Motor Transport (GMT). The Department currently leases nineteen (19) vehicles. This remains unchanged from the previous year.

## 9. Cash and cash equivalents

Consolidated Paymaster General Account	15 958	20 271
Disbursements	(2 766)	(40)
Cash on hand	60	60
<b>Total</b>	<b>13 252</b>	<b>20 291</b>

The **Consolidated Paymaster General Account** comprises the bank account, which includes unspent voted funds, as well as Sectoral Education and Training Authority (SETA) and Government Technical Advisory Centre (GTAC) aid assistance balances paid into the Department's bank account on 31 March 2023.

**Disbursements** comprises outstanding payments which were released to payee bank accounts after financial year end.

## Notes to the Annual Financial Statements

### 10. Prepayments and advances

#### 10.1. Prepayments (Expensed)

	2022/23				
	Amount as at 1 April 2022	Less: Received in the current year	Add / Less: Other	Add Current year pre- payments	Amount as at 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Goods and services	4 783	(4 783)	-	4 773	4 773
Transfers and subsidies	556	(556)	-	5 100	5 100
<b>Total</b>	<b>5 339</b>	<b>(5 339)</b>	<b>-</b>	<b>9 873</b>	<b>9 873</b>

**Prepayments (expensed) included in goods and services**

*The amount primarily relates to annual data and software subscriptions and training costs for employees paid in advance of the 2023/24 financial year, in accordance with contractual conditions.*

**Prepayments expensed included in transfers and subsidies**

*The amount relates to advance payment of stipends paid for the Skills Development and Innovation Programme in order to alleviate cash flow constraints of the host companies where the learners are placed.*

	2021/22				
	Amount as at 1 April 2021	Less: Received in the current year	Add / Less: Other	Add Current year pre- payments	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Goods and services	6 430	(4 230)	(1 104)	3 687	4 783
Transfers and subsidies	-	-	-	556	556
<b>Total</b>	<b>6 430</b>	<b>(4 230)</b>	<b>(1 104)</b>	<b>4 243</b>	<b>5 339</b>

#### 10.2. Advances paid (Expensed)

	2022/23				
	Amount as at 1 April 2022	Less: Received in the current year	Add / Less: Other	Add Current year pre- payments	Amount as at 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Public entities	-	-	-	3	3
Other entities	449	(449)	-	360	360
<b>Total</b>	<b>449</b>	<b>(449)</b>	<b>-</b>	<b>363</b>	<b>363</b>

**Advances paid (Expensed)** relates to transfers made to Productivity SA for the SMME Booster Project to ensure that the entity is not disadvantaged for commitments made and that project delivery occurs.

## Notes to the Annual Financial Statements

### 10. Prepayments and advances (continued)

	2021/22				
	Amount as at 1 April 2021	Less: Received in the current year	Add / Less: Other	Add Current year pre-payments	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Other entities	-	-	-	449	449
<b>Total</b>	-	-	-	<b>449</b>	<b>449</b>

### 11. Receivables

	Note	2022/23			2021/22		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Recoverable expenditure	11.1	702	-	702	418	-	418
Staff debt	11.2	82	75	157	82	216	298
Other receivables	11.3	1 473	-	1 473	1 805	-	1 805
<b>Total</b>		<b>2 257</b>	<b>75</b>	<b>2 332</b>	<b>2 305</b>	<b>216</b>	<b>2 521</b>

Note	2022/23 R'000	2021/22 R'000
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#### 11.1. Recoverable expenditure

Damages and losses		702	418
<b>Total</b>	11	<b>702</b>	<b>418</b>

**Damages and losses** are expenses incurred which cannot be charged against voted funds. These funds are placed in a suspense account until an investigation has been concluded to determine the legitimacy of the transactions.

Included in the amount for **Recoverable expenditure** are four (4) cases relating to government vehicles, eighteen (18) cases relating to loss/theft of state assets and one (1) case relating to a supplier management fee earned by a service provider where the service level agreement was subsequently terminated. The eighteen (18) loss/theft cases related to losses/theft is from previous financial years which were lodged with the State Attorney in accordance with the Departments' Internal Control Policy but pending finalisation.

## Notes to the Annual Financial Statements

	Note	2022/23 R'000	2021/22 R'000
<b>11. Receivables (continued)</b>			
<b>11.2. Staff debt</b>			
Debt account		157	284
Salary reversal		-	10
Salary income tax		-	3
Salary tax debt		-	1
<b>Total</b>	<b>11</b>	<b>157</b>	<b>298</b>

*The above debts relate to current and past employees.*

<b>11.3. Other receivables</b>			
Goods and services:		<b>1 032</b>	<b>1 368</b>
WC Funding Fair Project		1 032	1 368
Transfers and subsidies:		<b>441</b>	<b>437</b>
Pick 'n Pay Township Revitalisation Programme		314	314
Transfers and subsidies – Township Revitalisation Project		81	77
Transfers and subsidies – Township Revitalisation Project		46	46
<b>Total</b>	<b>11</b>	<b>1 473</b>	<b>1 805</b>

### **WC Funding Fair Project**

*A service provider was appointed via a service level agreement, through an open bid process, to manage and arrange the logistical requirements for the Western Cape Funding Fair (WCFF) event scheduled for 9 and 10 June 2020. Funds were transferred to the service provider at the end of the financial year to secure the venue. On 20 March 2020, the WCFF Steering Committee (comprising Deloitte and DEDAT) decided to postpone the event amidst the COVID-19 pandemic and lockdown. During 2021 the appointed service provider was contacted by DEDAT to discuss the way forward on the hosting of the WCFF. It was determined that the event would no longer go ahead, and the service provider would be required to reimburse the Department. The service provider is required to refund the Department the funds transferred, after deducting the portion of management fees reasonably considered as earned by the service provider, for having met certain deliverables as per the service level agreement. The service provider has subsequently entered into an agreement to repay the debt. The agreement is being honoured.*

### **Pick 'n Pay Township Revitalisation Programme**

*The Department transferred funds during the 2018/19 financial year to a beneficiary for the purpose of opening a Market Store in Delft as part of the Pick 'n Pay Township Revitalisation Programme. The beneficiary spent a portion of the funds and later withdrew their interest to set up the Market Store on grounds of ill health of a director. The State Attorney was then consulted to cancel the transfer payment agreement and recover the unspent funds. The beneficiary was issued with a summons by the State Attorney and indicated intention to defend the summons. The plea is due in June 2023.*

### **Township Revitalisation Project**

*The Department transferred funds to two (2) beneficiaries in the 2018/19 financial year for the purpose of purchasing machinery and equipment for their businesses. The beneficiaries failed to provide supporting evidence for the purchase of the machinery and equipment. The State Attorney was then consulted to cancel the agreements and recover the unspent funds.*

## Notes to the Annual Financial Statements

	Note	2022/23 R'000	2021/22 R'000
<b>11. Receivables (continued)</b>			
<b>11.4. Impairment of receivables</b>			
Estimate of impairment of receivables		42	180
<b>Total</b>		<b>42</b>	<b>180</b>

All debts are individually reviewed for the possibility of impairment. The impairment includes debtors that were handed over to the State Attorney for recovery.

The following criteria was used for the impairment test of receivables:

- Non-payment by debtors that have shown no indication of recoverability for a period longer than 12-months.
- Debtors handed over to the State Attorney for collection and no indication of recovery is evident.

## 12. Investments

### Non-current

#### Shares and other equity

Atlantis Special Economic Zone Company (SOC) Limited	Annex 2A	169	169
Cape Town International Convention Centre Company (SOC) Limited (RF)	Annex 2B	303 790	303 790
Saldanha Bay IDZ Licencing Company (SOC) Limited	Annex 2A	63	63
<b>Total</b>		<b>304 022</b>	<b>304 022</b>
<b>Total non-current investments</b>		<b>304 022</b>	<b>304 022</b>
<b>Analysis of non-current investments</b>			
Opening balance		304 022	303 853
Non-cash movements		-	169
<b>Closing balance</b>		<b>304 022</b>	<b>304 022</b>

#### Atlantis Special Economic Zone Company (SOC) Limited - (ASEZ Co.)

On the 15th of December 2021, ASEZ Co. was listed as a Schedule 3D PFMA public entity. The Department is a majority shareholder (54.64%) in ASEZ Co., the shareholding comprises 100 no par value shares with an issue price of R1 per share. The purpose of ASEZ Co. is to establish and fulfil the purpose of a Special Economic Zone within the greater Atlantis area.

## Notes to the Annual Financial Statements

### 12. Investments (continued)

#### **Cape Town International Convention Centre Company (SOC) Limited (RF) - (CTICC)**

On 5 July 2004, the Department became a shareholder in CTICC. The shareholding comprises 14 200 shares translating to 25.09% investment.

On 28th March 2014, the CTICC issued a notice of fresh subscription offer letter to all its shareholders. The Department acquired 46 225 additional shares between the 2014/15 and 2017/18 financial years.

On 01 July 2021, a resolution was authorised to create 50 000 (fifty thousand) "C" ordinary shares of the same class, with no par value in CTICC. The need for this arose from the impact of COVID-19 on the core business of CTICC and the City of Cape Town, as the majority shareholder in CTICC, was approached to ascertain if the City of Cape Town would be willing to inject further funding into CTICC in return for additional shares.

At reporting date, the Provincial Government of the Western Cape has a shareholding of 22.20% (2022: 22.20%) in the CTICC.

The total number of shares held in CTICC is 60 425.

#### **Saldanha Bay IDZ Licencing Company (SOC) Limited - (SBIDZ)**

On 1 April 2017, the Department became a 100% shareholder in SBIDZ. The shareholding comprises 120 no par value shares. The purpose of SBIDZ is to establish and fulfil the purpose of a Special Economic Zone within the greater Saldanha Bay area.

	Note	2022/23 R'000	2021/22 R'000
<b>12.1. Impairment of investments</b>			
Estimate of impairment of investments		-	24 384
<b>Total</b>		<b>-</b>	<b>24 384</b>

The Department assesses at each reporting date whether there is any indication that the impairment loss may no longer exist or has reversed. The indicator for the impairment is a recoverable value lower than carrying value. The impairment above is calculated based on the revised assessment by the CTICC.

CTICC Management considers cash-generating assets to be those assets which are used to host events, which represents the company's core revenue stream, which is all of its assets as a cash-generating unit (CGU). As such, the impairment testing process applicable to cash-generating assets has been applied.

CTICC estimated the recoverable amount by calculating the value in use of the cash generating unit of R388 991 445 (2021: R308 732 454) and comparing it to the carrying value of the relevant assets in that cash-generating unit of R261 239 358 (2021: R418 570 968) at the date of impairment testing.

Therefore, the company has recognised an impairment reversal of R127 752 087 (2021: R109 838 514 impairment loss) as disclosed in the impairment line item on the Statement of Financial Performance.

In accordance with the Modified Cash Standards, the reversal of an impairment is not required for disclosure purposes.

## Notes to the Annual Financial Statements

	Note	2022/23 R'000	2021/22 R'000
<b>13. Voted funds to be surrendered to the Revenue Fund</b>			
Opening balance		6 503	4 175
Transferred from statement of financial performance		7 147	6 503
Paid during the year		(6 503)	(4 175)
<b>Closing balance</b>		<b>7 147</b>	<b>6 503</b>

*The closing balance relates to the unspent funds at the end of each financial year. These funds mainly relate to savings on compensation of employees, goods and services and transfers and subsidies.*

<b>14. Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund</b>			
Opening balance		105	1
Transferred from statement of financial performance		47 303	21 194
Own revenue included in appropriation		388	371
Paid during the year		(46 723)	(21 461)
<b>Closing balance</b>		<b>1 073</b>	<b>105</b>

*The closing balance relates to funds received from Banking Sector Training and Education Authority (BANKSETA) and other departmental revenue received in the current financial year but surrendered after the financial year end.*

<b>15. Payables - current</b>			
Clearing accounts	15.1	94	1
Other payables	15.2	157	11 531
<b>Total</b>		<b>251</b>	<b>11 532</b>

<b>15.1. Clearing accounts</b>			
<b>Description</b>			
Salary: Government Employee Housing Scheme (GEHS)		80	-
Salary: Income tax		13	-
Salary: Pension fund		1	1
<b>Total</b>	15	<b>94</b>	<b>1</b>

<b>15.2. Other payables</b>			
<b>Description</b>			
Manufacturing, Engineering and Related Services SETA		-	10 238
Transport Education Training Authority		157	1 288
Disallowance miscellaneous		-	5
<b>Total</b>	15	<b>157</b>	<b>11 531</b>

## Notes to the Annual Financial Statements

### 15. Payables - current (continued)

#### Transport Education Training Authority (TETA)

The Department entered into an agreement to a value of R3 995 000 with TETA for Skills Development and Innovation projects for the duration of 01 February 2021 to 31 March 2025 to support apprenticeships for learners which are effected as stipends.

The Department entered into a Memorandum of Agreement (MoA) with Africa Skills Village on 26 October 2021 for a period of 18 months in which 37 learners are placed at Africa Skills Village for experiential learning. The Department provides a monthly stipend for each learner.

Transport Education Training Authority (TETA)	
Full amount of the funding	R3 995 000
Period of the commitment	01 February 2021 – 31 March 2025
Amount received in current period	R255 000
Total amount received in prior periods	R2 142 000
Cash paid during current period - Transfers and subsidies	R1 386 000
Cash paid prior periods - Transfers and subsidies	R854 000
Balance of unspent portion of funds received	R157 000

#### Manufacturing, Engineering and Related Services SETA (merSETA)

The balance in the prior year pertaining to merSETA inclusive of administration fees received, was reimbursed in good faith in the current financial year. This repayment allowed the Department avoid risk related to the implementation of the project.

Note	2022/23 R'000	2021/22 R'000
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### 16. Net cash flow available from operating activities

Net surplus/(deficit) as per Statement of Financial Performance	57 229	24 381
Add back non-cash/cash movements not deemed operating activities	(59 597)	(12 801)
(Increase)/decrease in receivables	48	(1 684)
Increase/(decrease) in payables - current	(11 281)	11 531
Proceeds from sale of capital assets	(31)	(54)
Expenditure on capital assets	4 505	2 671
Surrenders to Revenue Fund	(53 226)	(25 636)
Own revenue included in appropriation	388	371
<b>Net cash flow generated/(utilised)</b>	<b>(2 368)</b>	<b>11 580</b>

## Notes to the Annual Financial Statements

	Note	2022/23 R'000	2021/22 R'000
<b>17. Reconciliation of cash and cash equivalents for cash flow purposes</b>			
Consolidated Paymaster General account		15 958	20 271
Disbursements		(2 766)	(40)
Cash on hand		60	60
<b>Total</b>		<b>13 252</b>	<b>20 291</b>

## 18. Contingent Assets

### 18.1. Contingent assets

Nature of contingent asset

	2022/23 R'000	2021/22 R'000
Western Cape Tourism, Investment and Trade Promotion Agency (Wesgro)	-	30 000
<b>Total</b>	<b>-</b>	<b>30 000</b>

#### **Wesgro**

*The reduction in the Contingent Asset relating to the previous financial year was concluded and paid by Wesgro to the Department in the current financial year.*

#### **Government Housing Scheme**

*As at financial year end, the Department is not able to reliably measure the Contingent Asset in terms of the Government Housing Scheme of the Individually Linked Savings Facility (ILSF) relating to resignations and termination of service.*

## 19. Accruals and payables not recognised

### 19.1. Accruals

	Note	2022/23			2021/22
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
<b>Listed by economic classification</b>					
Goods and services		40	-	40	249
Transfers and subsidies		146	-	146	82
<b>Total</b>		<b>186</b>	<b>-</b>	<b>186</b>	<b>331</b>

	Note	2022/23 R'000	2021/22 R'000
<b>Listed by programme level</b>			
Programme 1		38	146
Programme 2		-	90
Programme 3		-	1
Programme 4		-	1
Programme 5		-	6
Programme 6		2	3
Programme 7		146	84
<b>Total</b>		<b>186</b>	<b>331</b>

## Notes to the Annual Financial Statements

### 19. Accruals and payables not recognised (continued)

#### 19.2. Payables not recognised

Listed by economic classification	Note	2022/23			2021/22
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Goods and services		-	3	3	48
Transfers and subsidies		3	-	3	-
<b>Total</b>		<b>3</b>	<b>3</b>	<b>6</b>	<b>48</b>

Listed by programme level	Note	2022/23	2021/22
		R'000	R'000
Programme 1		-	14
Programme 2		-	10
Programme 3		-	16
Programme 4		3	1
Programme 5		-	7
Programme 7		3	-
<b>Total</b>		<b>6</b>	<b>48</b>

**Included in the above totals are the following:**

	Note	2022/23	2021/22
Confirmed balances with other departments	Annex 3	37	124
<b>Total</b>		<b>37</b>	<b>124</b>

### 20. Employee benefits

Leave entitlement	6 626	7 883
Service bonus	2 705	2 615
Capped leave	201	220
Other	56	-
<b>Total</b>	<b>9 588</b>	<b>10 718</b>

*Included in the 2022/23 disclosure for **Leave entitlement** is the credit amount of R18 135 (2022: R16 342) for leave owed to the Department for those employees who exceeded their leave credits due.*

**Capped leave** relates to annual leave due to employees accrued prior to 01 July 2000 which will be disbursed upon death, retirement, or medical boarding.

## Notes to the Annual Financial Statements

### 21. Lease commitments

#### 21.1. Operating leases

Not later than 1 year

Later than 1 year and not later than 5 years

Later than 5 years

**Total lease commitments**

2022/23	
Machinery and equipment	Total
R'000	R'000
345	345
121	121
-	-
<b>466</b>	<b>466</b>

Not later than 1 year

Later than 1 year and not later than 5 years

Later than 5 years

**Total lease commitments**

2021/22	
Machinery and equipment	Total
R'000	R'000
358	358
503	503
-	-
<b>861</b>	<b>861</b>

*The operating leases relate to nine (9) contracts for photocopy machines for a 36-month period. Ten (10) operating leases was maintained in the previous year.*

#### 21.2. Finance leases

Not later than 1 year

Later than 1 year and not later than 5 years

Later than 5 years

**Total lease commitments**

2022/23	
Machinery and equipment	Total
R'000	R'000
2 031	2 031
3 740	3 740
-	-
<b>5 771</b>	<b>5 771</b>

## Notes to the Annual Financial Statements

### 21. Lease commitments (continued)

#### 21.2. Finance leases

	2021/22	
	Machinery and equipment R'000	Total R'000
Not later than 1 year	1 653	1 653
Later than 1 year and not later than 5 years	1 693	1 693
Later than 5 years	-	-
<b>Total lease commitments</b>	<b>3 346</b>	<b>3 346</b>

*As determined by the National Accountant General, the arrangement between the Department of Economic Development and Tourism and Government Motor Transport (GMT) constitutes a finance lease.*

*The Department leased nineteen (19) vehicles from GMT as at 31 March 2023 (2022: 19). Daily tariffs are payable on a monthly basis, covering the operational costs, capital costs of replacement of vehicles, and the implicit finance costs.*

*The implicit interest is based on Provincial Treasury's approved tariffs for GMT. The Department uses the vehicle for most of the useful life of the vehicle. The agreement does not provide for contingent lease payments, and at the end of the useful life as determined by the lessor, the vehicles are returned where it is sold on auction for the benefit of the lessor.*

Note	2022/23 R'000	2021/22 R'000
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### 22. Irregular expenditure

Irregular expenditure - current year	4	-
<b>Total</b>	<b>4</b>	<b>-</b>

*The case identified during the current financial year relates to expenditure for travel and subsistence where the relevant HR Policies were not complied with.*

## Notes to the Annual Financial Statements

### 23. Related party transactions

*During the financial year the Department of Economic Development and Tourism (Department) maintained, and where applicable, received services from the following related parties:*

*The Department has three public entities under its control:*

*Western Cape Tourism Investment & Trade Promotion Agency (Wesgro);  
Saldanha Bay Industrial Development Zone Licencing Company (SBIDZ LiCo); and  
Atlantis Special Economic Zone Company (SOC) Limited.*

*The Department has a shareholding in Cape Town International Convention Centre Company (SOC) Limited (RF).*

*Ms J Johnston (Deputy Director General Strategic Economic Accelerators and Development) is Chairperson on the Board of Directors of Atlantis Special Economic Zone Company (SOC) Limited.*

*All Provincial Departments within the Western Cape are related parties.*

*The Department, Provincial Treasury, Western Cape Gambling and Racing Board and Atlantis SEZ (SOC) Limited are included in Minister Mireille Wenger's Cabinet portfolio.*

*The Department makes use of government motor vehicles managed by Government Motor Transport (GMT) based on tariffs approved by the Department of Provincial Treasury.*

*The Department received Security Advisory Services and Security Operations from the Department of Community Safety in the Western Cape.*

*The Department occupies a building free of charge by the Department of Transport and Public Works. Parking space is also provided for government officials at an approved fee that is not market related.*

*The Department received corporate services from the Corporate Services Centre of the Department of the Premier in the Western Cape Province with effect from 1 November 2010 in respect of the following service areas:*

*Information and Communication Technology;  
Organisation Development;  
Provincial Training (transversal);  
Human Resource Management;  
Enterprise Risk Management;  
Internal Audit;  
Provincial Forensic Services;  
Legal Services; and  
Corporate Communication.*

Note	2022/23 R'000	2021/22 R'000
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### 24. Key management personnel

Officials:

Management	17 044	15 589
<b>Total</b>	<b>17 044</b>	<b>15 589</b>

*Key management personnel are those officials having the authority and responsibility for planning, directing, and controlling the activities of the Department. The Accounting Officer assesses the independence and objectivity of key management personnel related to financial and operating decisions.*

## Notes to the Annual Financial Statements

### 25. Movable Tangible Capital Assets

Movement in Movable Tangible Capital Assets per asset register for the year ended 31 March 2023

	2022/23				Closing balance
	Opening balance	Value adjustments	Additions	Disposals	
	R'000	R'000	R'000	R'000	R'000
<b>Machinery and equipment</b>	16 551	-	2 174	(2 553)	16 172
Transport assets	-	-	-	-	-
Computer equipment	9 825	-	1 108	(1 732)	9 201
Furniture and office equipment	4 307	-	47	(123)	4 231
Other machinery and equipment	2 419	-	1 019	(698)	2 740
<b>Total movable tangible capital assets</b>	<b>16 551</b>	<b>-</b>	<b>2 174</b>	<b>(2 553)</b>	<b>16 172</b>

*Included in Computer equipment are five (5) laptops which are damaged.*

*Information on GG Vehicle Finance lease assets for the current and comparative years are disclosed in Annexure 6.*

#### 25.1. Movement in Movable Tangible Capital Assets per asset register for the year ended 31 March 2022

	2021/22				Closing balance
	Opening balance	Prior period error	Additions	Disposals	
	R'000	R'000	R'000	R'000	R'000
<b>Machinery and equipment</b>	19 814	-	168	(3 431)	16 551
Transport assets	-	-	-	-	-
Computer equipment	13 089	-	61	(3 325)	9 825
Furniture and office equipment	4 361	-	25	(79)	4 307
Other machinery and equipment	2 364	-	82	(27)	2 419
<b>Total movable tangible capital assets</b>	<b>19 814</b>	<b>-</b>	<b>168</b>	<b>(3 431)</b>	<b>16 551</b>

## Notes to the Annual Financial Statements

### 25. Movable Tangible Capital Assets (continued)

#### 25.2. Minor assets

Movement in Minor Capital Assets per the asset register for the year ended 31 March 2023

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	115	5 739	5 854
Additions	-	62	62
Disposals	-	(215)	(215)
<b>Total Minor assets</b>	<b>115</b>	<b>5 586</b>	<b>5 701</b>

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	112	112
Number of minor assets at cost	36	2 404	2 440
<b>Total number of minor assets</b>	<b>36</b>	<b>2 516</b>	<b>2 552</b>

*The number of R1 Minor assets relates to assets transferred from the Department of Transport and Public Works for no consideration.*

Movement in Minor Capital Assets per the asset register for the year ended 31 March 2022

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	115	6 287	6 402
Additions	-	14	14
Disposals	-	(562)	(562)
<b>Total Minor assets</b>	<b>115</b>	<b>5 739</b>	<b>5 854</b>

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	113	113
Number of minor assets at cost	36	2 465	2 501
<b>Total number of minor assets</b>	<b>36</b>	<b>2 578</b>	<b>2 614</b>

## Notes to the Annual Financial Statements

### 25. Movable Tangible Capital Assets (continued)

#### 25.3. Movable tangible capital assets written off

Movable Capital Assets written off for the year ended 31 March 2023

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Assets written off	-	80	80
<b>Total Movable Assets written off</b>	<b>-</b>	<b>80</b>	<b>80</b>

Movable Capital Assets written off for the year ended 31 March 2022

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Assets written off	-	47	47
<b>Total Movable Assets written off</b>	<b>-</b>	<b>47</b>	<b>47</b>

*The Assets written off in 2022/23 comprise of three (3) laptops.*

### 26. Intangible Capital Assets

Movement in Intangible Capital Assets per asset register for the year ended 31 March 2023

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Software	13 272	-	(3 240)	10 032
<b>Total Intangible Capital Assets</b>	<b>13 272</b>	<b>-</b>	<b>(3 240)</b>	<b>10 032</b>

*The Department currently has four (4) systems in use as at 31 March 2023:*

*JUMP;*

*Red Tape Case Management System;*

*Work Placement Management System; and*

*Tourist Guide Registration.*

*During 2021/22 financial year, the Department decommissioned the I-CAN Learn project including its presence in participating Department of Social Development Youth Cafés and DCAS Libraries across the Province due to re-prioritisation of projects and the related budgets. The I-CAN Learn system, the technical solution designed to support the project, was no longer required.*

## Notes to the Annual Financial Statements

### 26. Intangible Capital Assets (continued)

#### 26.1. Movement in Intangible Capital Assets per asset register for the year ended 31 March 2022

	2021/22				Closing balance
	Opening balance	Prior period error	Additions	Disposals	
	R'000	R'000	R'000	R'000	R'000
Software	13 253	-	25	(6)	13 272
<b>Total Intangible Capital Assets</b>	<b>13 253</b>	<b>-</b>	<b>25</b>	<b>(6)</b>	<b>13 272</b>

#### 26.2. Intangible capital assets: Capital Work-in-progress

##### Capital work-in-progress for the year ended 31 March 2023

	Opening balance 1 April 2022	Current Year WIP	Ready for use (Assets to the AR)/ Contracts terminated	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000
Intangible assets	-	612	-	612
<b>Total</b>	<b>-</b>	<b>612</b>	<b>-</b>	<b>612</b>

Note  
Annex 4

*The Administration Programme is currently developing an online application for the Departments' Financial Policy Manual.*

## Notes to the Annual Financial Statements

### 27. Statement of conditional grants and other transfers paid to municipalities

Name of municipality	2022/23							2021/22	
	GRANT ALLOCATION				TRANSFER			Other transfers	Actual transfer
	Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury/ National Department		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Bitou Municipality	600	-	-	600	600	-	-	750	750
Cape Agulhas Municipality	2 500	-	-	2 500	625	-	-	-	-
City of Cape Town	-	-	-	-	-	-	-	3 667	3 667
George Municipality	-	-	-	-	-	-	-	400	400
Hessequa Municipality	-	-	-	-	-	-	-	2 751	2 751
Langeberg Municipality	2 221	-	-	2 221	2 221	-	-	857	857
Mossel Bay Municipality	-	-	-	-	-	-	-	2 800	2 800
Oudtshoorn Municipality	-	-	-	-	-	-	-	2 000	2 000
Overstrand Municipality	-	-	-	-	-	-	-	650	650
Stellenbosch Municipality	1 690	-	-	1 690	1 184	-	-	710	710
Swartland Municipality	-	-	-	-	-	-	-	400	400
Swellendam Municipality	-	-	-	-	-	-	-	2 228	2 228
Witzenberg Municipality	1 762	-	-	1 762	1 762	-	-	-	-
<b>TOTAL</b>	<b>8 773</b>	<b>-</b>	<b>-</b>	<b>8 773</b>	<b>6 392</b>	<b>-</b>	<b>-</b>	<b>17 213</b>	<b>17 213</b>

## Notes to the Annual Financial Statements

### 28. Broad Based Black Economic Empowerment performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

Note	2022/23 R'000	2021/22 R'000
------	------------------	------------------

### 29. COVID-19 Response expenditure

Transfers and subsidies

**Total**

-	-	19
<i>Annex 5</i>	-	<b>19</b>

*The Covid-19 Response expenditure in prior year primarily relates to funding provided to SMMEs through our Covid-19 Relief Fund.*

Annexures to the Annual Financial Statements

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

Name of municipality	2022/23											2021/22	
	GRANT ALLOCATION				TRANSFER			SPENT				Other transfers	Actual transfer
	Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury/ National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	R'000	R'000
Bitou Municipality	600	-	-	600	600	-	-	600	600	-	100.0	750	750
Cape Agulhas Municipality	2 500	-	-	2 500	625	-	-	625	60	565	10.0	-	-
City of Cape Town	-	-	-	-	-	-	-	-	-	-	-	3 667	3 667
George Municipality	-	-	-	-	-	-	-	-	-	-	-	400	400
Hessequa Municipality	-	-	-	-	-	-	-	-	-	-	-	2 751	2 751
Langeberg Municipality	2 221	-	-	2 221	2 221	-	-	2 221	1 231	990	55.0	857	857
Mossel Bay Municipality	-	-	-	-	-	-	-	-	-	-	-	2 800	2 800
Oudtshoorn Municipality	-	-	-	-	-	-	-	-	-	-	-	2 000	2 000
Overstrand Municipality	-	-	-	-	-	-	-	-	-	-	-	650	650
Stellenbosch Municipality	1 690	-	-	1 690	1 184	-	-	1 184	696	488	59.0	710	710
Swartland Municipality	-	-	-	-	-	-	-	-	-	-	-	400	400
Swellendam Municipality	-	-	-	-	-	-	-	-	-	-	-	2 228	2 228
Witzenberg Municipality	1 762	-	-	1 762	1 762	-	-	1 762	1 762	-	100.0	-	-
<b>TOTAL</b>	<b>8 773</b>	<b>-</b>	<b>-</b>	<b>8 773</b>	<b>6 392</b>	<b>-</b>	<b>-</b>	<b>6 392</b>	<b>4 349</b>	<b>2 043</b>		<b>17 213</b>	<b>17 213</b>

Annexures to the Annual Financial Statements

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2022/23						2021/22	
	TRANSFER ALLOCATION				TRANSFER		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Atlantis Special Economic Zone (SOC) Limited	39 182	-	-	39 182	39 182	100.0	44 387	44 387
Saldanha Bay IDZ Licencing Company	41 977	-	-	41 977	41 977	100.0	40 054	40 054
Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro)	125 686	-	-	125 686	125 686	100.0	120 514	120 511
Productivity South Africa*	-	-	1 314	1 314	1 314	100.0	-	-
South African Broadcasting Corporation (SABC)**	7	-	-	7	6	86.0	7	6
Western Cape Liquor Authority ***	2 227	-	-	2 227	2 227	100.0	1 807	1 807
<b>TOTAL</b>	<b>209 079</b>	<b>-</b>	<b>1 314</b>	<b>210 393</b>	<b>210 392</b>	<b>100.0</b>	<b>206 769</b>	<b>206 765</b>

\* Productivity South Africa is a National entity of the Department of Labour and not a public entity of the Department.

\*\* SABC is a National entity of the Department of Communications and Digital Technologies (DCDT) and not a public entity of the Department.

\*\*\*The Western Cape Liquor Authority is a public entity of the Western Cape Department of Community Safety.

Annexures to the Annual Financial Statements

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

Name of public corporation/ private enterprise	2022/23								2021/22	
	GRANT ALLOCATION				EXPENDITURE				Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjust-ments	Total Available	Actual transfer	% of Available funds trans-ferred	Capital	Current		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
<b>Private Enterprises</b>										
<b>Transfers</b>										
Almenkerk Wine Estate CC	-	-	-	-	-	-	-	-	405	405
Amabal'engwe Game Farm and Tourism (Pty) Ltd	-	-	-	-	-	-	-	-	200	200
Buffelsdrift Lodge (Pty) Ltd	-	-	-	-	-	-	-	-	141	140
Country Hotels (Pty) Ltd	-	-	-	-	-	-	-	-	270	270
Edge Growth Access (Pty) Ltd	1 004	-	-	1 004	1 003	99.9	-	-	-	-
Flying Feet	-	-	-	-	-	-	-	-	221	220
Formula D Design Consultancy (Pty) Ltd	-	-	-	-	-	-	-	-	603	602
Gravity River Tours CC	-	-	-	-	-	-	-	-	263	260
Jaydu Creations CC	-	-	-	-	-	-	-	-	5	5
Labit Consulting (Pty) Ltd	-	-	-	-	-	-	-	-	2 910	2 910
Stellenbosch Adventure Centre CC	-	-	-	-	-	-	-	-	154	153
WCERA Prize Money	-	-	-	-	-	-	-	-	280	280
Womhub (Pty) Ltd	2 970	-	-	2 970	2 820	94.9	-	-	-	-
Woodstock Laundry (Pty) Ltd	-	-	-	-	-	-	-	-	15	15
<b>TOTAL</b>	<b>3 974</b>	<b>-</b>	<b>-</b>	<b>3 974</b>	<b>3 823</b>	<b>96.2</b>	<b>-</b>	<b>-</b>	<b>5 467</b>	<b>5 460</b>

## Annexures to the Annual Financial Statements

### ANNEXURE 1D

#### STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

Non-profit institutions	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjust-ments	Total Available	Actual transfer	% of available funds transferred		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Transfers</b>								
ASISA Foundation Trust	3 430	-	-	3 430	3 430	100.0	3 855	3 854
Bicycle Empowerment Network NPC	1 978	-	-	1 978	1 978	100.0	-	-
Breedekloof Wine and Tourism NPC	-	-	-	-	-	-	200	200
Cape Information and Technology Initiative (CiTi)	-	-	-	-	-	-	836	835
Dyer Island Conservation Trust	-	-	-	-	-	-	1 145	1 144
False Bay College	-	-	-	-	-	-	302	302
Genesis Community IT Initiative	990	-	-	990	990	100.0	700	700
Innovator Enterprise Development Trust	-	-	-	-	-	-	3 999	3 999
Reconstructed Living Lab NPC	1 411	-	-	1 411	1 411	100.0	2 150	2 150
SA Agri Academy NPC	1 325	-	-	1 325	1 325	100.0	2 000	2 000
The West Coast Fossil Park Trust	-	-	-	-	-	-	269	269
WCERA Prize Money	-	-	-	-	-	-	20	20
Western Cape Economic Development Partnership NPC	15 210	-	-	15 210	15 210	100.0	17 105	17 105
<b>TOTAL</b>	<b>24 344</b>	<b>-</b>	<b>-</b>	<b>24 344</b>	<b>24 344</b>		<b>32 581</b>	<b>32 578</b>

## Annexures to the Annual Financial Statements

### ANNEXURE 1E STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Transfers</b>								
Bursaries (non-employee)	77 000	-	1 063	78 063	78 062	100.0	53 666	53 240
Claims against the State	-	-	97	97	96	99.0	25	25
Donations and gifts	-	-	-	-	-	-	1	1
Leave gratuity	499	-	317	816	793	97.0	646	639
Pension penalty	-	-	50	50	50	100.0	883	883
<b>TOTAL</b>	<b>77 499</b>	<b>-</b>	<b>1 527</b>	<b>79 026</b>	<b>79 001</b>	<b>100.0</b>	<b>55 221</b>	<b>54 788</b>

### ANNEXURE 1F STATEMENT OF AID ASSISTANCE RECEIVED

Name of donor	Purpose	Opening balance	Revenue	Expenditure	Paid back on/by 31 March	Closing balance
		R'000	R'000	R'000	R'000	R'000
<b>Received in cash</b>						
Government Technical Advisory Centre (GTAC)	Work placement programme	2 785	5 091	2 312	-	5 564
<b>TOTAL</b>		<b>2 785</b>	<b>5 091</b>	<b>2 312</b>	<b>-</b>	<b>5 564</b>

Annexures to the Annual Financial Statements

ANNEXURE 1G

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship		2022/23	2021/22
		R'000	R'000
<b>Made in kind</b>			
Long Street Kiosk Project	Donations of computer equipment, furniture and other office equipment and other machinery and equipment	376	-
SMME Business Development Support Programme	Donations of computer equipment, furniture and other office equipment and other machinery and equipment	494	-
Non-Profit Organisations	Donations of computer equipment, furniture and other office equipment and other machinery and equipment	880	-
<b>TOTAL</b>		<b>1 750</b>	<b>-</b>

*During the current financial year, various assets were donated to support the operations of 26 businesses who formed part of the SMME Business Development Support Programme and Long Street Kiosks Project.*

*The Department donated various assets which had reached the end of its useful life to 23 Non-Profit Organisations.*

Annexures to the Annual Financial Statements

ANNEXURE 2A

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

Name of public entity	State Entities' PFMA Schedule type (state year end if not 31 March)	% Held 2022/23	% Held 2021/22	Number of shares held		Cost of investments		Net asset value of investments		Profit/(Loss) for the year		Losses guaranteed Yes/No
				R'000		R'000		R'000		R'000		
				2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	
National/ Provincial Public entity												
Atlantis Special Economic Zone Company (SOC) Limited	3D	54.6	54.6	100	100	169	169	75 766	62 563	13 204	1 691	No
Saldanha Bay IDZ Licencing Company (SOC) Limited	3D	100	100	120	120	63	63	809 439	876 650	(67 211)	32 417	No
<b>TOTAL</b>				<b>220</b>	<b>220</b>	<b>232</b>	<b>232</b>	<b>885 205</b>	<b>939 213</b>	<b>(54 007)</b>	<b>34 108</b>	

*The draft Atlantis SEZ Annual Financial Statements for the year ended 31 March 2023 was used to determine the net asset value and profit for the period.*

*The draft Saldanha IDZ Annual Financial Statements for the year ended 31 March 2023 was used to determine the net asset value and profit for the period.*

Annexures to the Annual Financial Statements

ANNEXURE 2B

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

Name of entity	Nature of business	Cost of investments		Net Asset value of investments	
		R'000	R'000	Paid back on/by 31 March	Closing balance
		2022/23	2021/22	2022/23	2021/22
<b>Non-controlled entities</b>					
Cape Town International Convention Centre	Provision of conferencing facilities	303 790	303 790	TBC	733 374
<b>TOTAL</b>		<b>303 790</b>	<b>303 790</b>	<b>TBC</b>	<b>733 374</b>

*The signed Annual Financial Statements of Cape Town International Convention Centre for the year ended 30 June 2022 was used for the net asset value and loss for the period.*

ANNEXURE 3

INTERGOVERNMENT PAYABLES

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23*	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Payment date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
<b>Current</b>								
Government Motor Transport	37	34	-	-	37	34		-
Western Cape Department of the Premier	-	13	-	-	-	13	05 April 2023	13
Western Cape Department of Cultural Affairs and Sport	-	77	-	-	-	77		-
<b>TOTAL INTERGOVERNMENT PAYABLES</b>	<b>37</b>	<b>124</b>	<b>-</b>	<b>-</b>	<b>37</b>	<b>124</b>		<b>13</b>

## Annexures to the Annual Financial Statements

### ANNEXURE 4 MOVEMENT IN CAPITAL WORK IN PROGRESS

Movement in capital work in progress for the year ended 31 March 2023				
	Opening balance	Current year CWIP	Ready for use (Asset Register)/ Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
<b>SOFTWARE</b>				
Software	-	612	-	612
<b>TOTAL</b>	-	<b>612</b>	-	<b>612</b>

*The Administration Programme is currently developing an online application for the department's Financial Policy Manual.*

### ANNEXURE 5 COVID-19 RESPONSE EXPENDITURE Per quarter and in total

Expenditure per economic classification	2022/23					2021/22
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Transfers and subsidies</b>	-	-	-	-	-	19
Transfers and subsidies: Private enterprises	-	-	-	-	-	19
<b>TOTAL COVID-19 RESPONSE EXPENDITURE</b>	-	-	-	-	-	<b>19</b>

Annexures to the Annual Financial Statements

**ANNEXURE 6**  
**TRANSPORT ASSETS**

Movable Tangible Capital Assets					
Transport assets as per GMT finance lease register for the year ended 31 March 2023					
Asset	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
GG Motor vehicles	4 641	-	1 636	(657)	5 620

Transport assets as per GMT finance lease register for the year ended 31 March 2022					
Asset	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
GG Motor vehicles	7 085	11	-	(2 455)	4 641

*The Department of Economic Development and Tourism utilised 19 Government motor vehicles during the period ended 31 March 2023 (2022: 19). The motor vehicles are leased under a finance agreement unique to the Western Cape Government and the annexure aims to improve the minimum reporting requirements as per the Modified Cash Standard.*



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**Western Cape  
Government**

PR 166/2023  
ISBN: 978-0-621-51263-2