

the dti

ANNUAL REPORT 2011 - 2012

"Ensuring an economy that benefits all"



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA



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Physical Address

the dti Campus

77 Meintjies Street

Sunnyside

Pretoria

0002

Postal Address

the dti

Private Bag X84

Pretoria

0001

the dti Customer Contact Centre: 0861 843 384

the dti Website: www.thedti.gov.za

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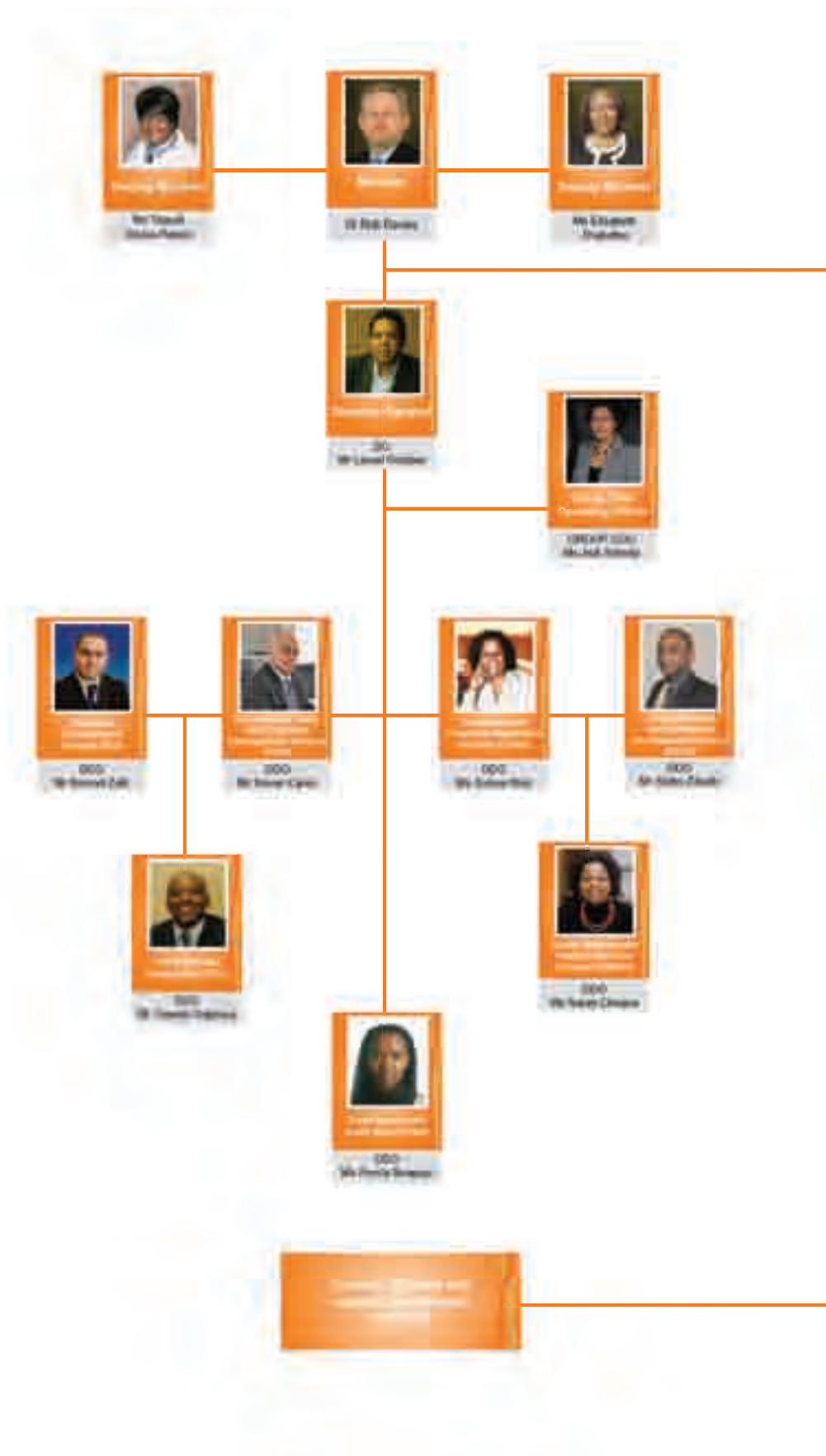
ABBREVIATIONS AND ACRONYMS

ACSA	Airports Company of South Africa
AED	African Economic Development
AGSA	Auditor-General South Africa
AIS	Automotive Investment Scheme
APDP	Automotive Production and Development Programme
APORDE	African Programme on Rethinking Development Economics
AU	African Union
API	Active Pharmaceutical Ingredients
BEE	Black Economic Empowerment
B-BBEE	Broad-Based Black Economic Empowerment
BBSDP	Black Business Supplier Development Programme
BEE	Black Economic Empowerment
BIT	Bilateral Investment Treaty
BPS	Business Process Services
BRICS	Brazil, Russia, India, China and South Africa
CAV	Centurion Aerospace Village
CCRD	Consumer and Corporate Regulation Division
CDC	Coega Development Corporation
CGETI	Contact Group on Economic and Trade Issues
CIF	Critical Infrastructure Fund
CIP	Critical Infrastructure Projects
CIPT	Companies and Intellectual Property Tribunal
CIPC	Companies and Intellectual Property Commission
CIS	Co-operatives Incentive Scheme
COMESA	Common Market for Eastern and Southern Africa
CONTRALESA	Congress of Traditional Leaders of South Africa
CSI	Corporate Social Investment
CSIR	Council for Scientific and Industrial Research
CSP	Customised Sector Programme
CT	Companies Tribunal
CTCIP	Clothing and Textile Competitiveness Improvement Programme
DBSA	Development Bank of Southern Africa
DG	Director-General
DIRCO	Department of International Relations and Cooperation
DST	Department of Science and Technology
EAAB	Estate Agency Affairs Board
EAC	East African Community
ECIC	Export Credit Insurance Corporation Soc Limited
EIC	Enterprise Information Centre
EEDD	Empowerment and Enterprise Development Division
EIP	Enterprise Investment Programme
ELIDZ	East London Industrial Development Zone
EMIA	Export Marketing and Investment Assistance
EPA	Economic Partnership Agreement
EU	European Union
ExBo	Executive Board of the dti
MTEF	Medium-Term Expenditure Framework
FDI	Foreign Direct Investment
FERs	Foreign Economic Representatives
FET	Further Education and Training
FRIDGE	Funds for Research into Industrial Development Growth & Equity

FTA	Free Trade Agreement
GDP	Gross Domestic Product
GLP	Good Laboratory Practice
GSSSD	Group Systems and Support Services Division
HDI	Historically Disadvantaged Individuals
IBSA	India-Brazil-South Africa
ICBE	Information Centre for Business Excellence
ICT	Information, Communication and Technology
ICTS	Information Co-operation, Trade and Security Cluster
IDC	Industrial Development Corporation
IDD	Industrial Development Division
IDZ	Industrial Development Zone
IFC	International Finance Corporation
IMS	Integrated Manufacturing Strategy
IOU	International Operations Unit
IP	Intellectual Property
IPAP 2	Industrial Policy Action Plan 2 (2010/11 – 2012/13)
IPCC	Industrial Participation Control Committee
IP	Intellectual Property
ITI	Investment Trade Initiative
ITED	International Trade and Economic Development Division
IWF	Isivande Women's Fund
MCEP	Manufacturing Competitiveness Enhancement Programme
MDP	Manufacturing Development Programme
MIP	Manufacturing Investment Programme
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NCA	National Credit Act
NEPAD	New Partnership for Africa's Development
NCC	National Consumer Commission
NCOP	National Council of Provinces
NCT	National Consumer Tribunal
NCR	National Credit Regulator
NGB	National Gambling Board
NIPP	National Industrial Participation Programme
NLA	National Liquor Authority
NLB	National Lotteries Board
NLDTF	National Lotteries Distribution Trust Fund
NMAC	National Manufacturing Advisory Centre
NMISA	National Metrology Institute of South Africa
NP WMD	Non-Proliferation of Weapons of Mass Destruction
NRCS	National Regulator for Compulsory Specifications
NRF	National Research Foundation
NSBAC	National Small Business Advisory Council
NP	Non-Proliferation
NTI	National Tooling Initiative
OCIPE	Office of Companies and Intellectual Property Enforcement
OECD	Organisation for Economic Co-operation and Development
OSTI	Ombudsman for Short term Insurance
PI	Production Incentive
PII	Partnership in Industrial Innovation

PPPFA	Preferential Procurement Policy Framework Act
PRASA	Passenger Railway Agency of South Africa
PTA	Preferential Trade Agreement
RBIDZ	Richards Bay Industrial Development Zones Company
REIPPP	Renewable Energy Independent Power Producer Programme
RIA	Regulatory Impact Assessment
RoO	Rules of Origin
SABS	South African Bureau of Standards
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAGDA	South African Graduate Development Association
SANAS	South African National Accreditation System
SARi	South African Renewable Initiative
SAWEN	South African Women Entrepreneurs' Network
SDIs	Spatial Development Initiatives
SDIP	Service Delivery Improvement Plan
seda	Small Enterprise Development Agency
SEZ	Special Economic Zones
SME	Small, Medium Enterprise
SMEDP	Small and Medium Enterprise Development Programme
SMMDP	Small and Medium Manufacturing Development Programme
SMMEs	Small, Medium and Micro Enterprises
SOEs	State-Owned Enterprises
SPiI	Support Programme for Industrial Innovation
STP	seda Technology Programme
SSAS	Sector Specific Assistance Scheme
SWEEEP	Sector Wide Enterprise, Employment and Equity Programme
TDCA	Trade, Development and Co-operation Agreement
TEO	The Enterprise Organisation
the dti	The Department of Trade and Industry
T-FTA	Tripartite-Free Trade Area
THRIP	Technology and Human Resource for Industry Programme
TISA	Trade and Investment South Africa
TM	Technical Mission
TSP	Tourism Support Programme
UN	United Nations
UNIDO	United Nations Industrial Development Organisation
UP	University of Pretoria
WEF	World Economic Forum
WB	World Bank
WIPO	World Intellectual Property Organisation
WTO	World Trade Organisation
Yip	Youth Internship Programmes

the dti Organogram



Foreword by the Minister

The 2011/12 financial year has seen progress in the implementation of the Department of Trade and Industry's (**the dti's**) key programmes. However, while 2011 saw some stabilisation of the South African economy – reflected in growth of 3,1% and the creation of 300 000 jobs – growth in both output and employment in the productive sectors of the economy remains sluggish, while global economic conditions continue to pose challenges.

The need to re-industrialise has been at the core of **the dti's** contribution to placing South Africa on a New Growth Path (NGP) economy. In implementing our Industrial Policy Action Plan (IPAP) over the past two-and-a-half years, a number of breakthroughs have been achieved from which invaluable lessons have been learnt.

These include positive results from some of our sector programmes. In the case of the automotive industry, technical work for the completion of the transition from the Motor Industry Development Programme (MIDP) to the Automotive Production and Development Programme (APDP) by 2013 has largely been completed. The development and early advancement of the Automotive Investment Scheme (AIS) has assisted in securing investment commitments worth R15 billion from both assemblers and component suppliers.

The Clothing and Textile Competitiveness Improvement Programme (CTCIP) has also begun to yield positive results, while a major breakthrough to facilitate a closer working relationship between clothing manufacturers and retailers was the agreement reached with the Foschini Group to procure garments from South African Small, Medium and Micro Enterprises (SMMEs).

Significant progress has been achieved in realigning procurement to our industrial policy imperatives. We have designated sectors that will ensure that Government expenditure is better leveraged to support the growth of domestic industries.

The 12 I Tax has supported large manufacturing investments worth R22,4 billion. This incentive has now been complemented by the announcement in the budget of R5,4 billion to support the Manufacturing Competitiveness Enhancement Programme (MCEP). The MCEP will be deployed towards upgrading the competitiveness of relatively labour-intensive and value-adding manufacturing sectors impacted by the currency, global crisis and electricity cost escalations.

Trade and competition policies are now more strategically aligned with industrial policy objectives. Tariff setting is significantly more sophisticated, informed by sectoral analysis and priorities. The work we have been doing to enhance our standards has assisted the growth of a range of new sectors, particularly related to green industries and industrial energy efficiency.

To broaden participation, **the dti** is completing draft legislation for Special Economic Zones (SEZs), which sets the basis for a broader range of industrial parks and infrastructure for effective clustering of value-adding and employment-enhancing manufacturers. In addition, the Co-operatives Amendment Bill has been tabled in Parliament. Meanwhile, a SMME review report was finalised, giving a status report and proposing interventions to improve the sector.

The National Treasury has issued practice notes to all national and provincial departments, including State-Owned Enterprises (SOEs), about the requirement of a 30-day payment time frame to SMMEs in accordance with Treasury regulations, with a view to addressing the cash-flow challenges faced by these enterprises.

To advance the programme of regional integration and development in Africa, the Tripartite Free Trade Agreement (T-FTA) has been launched. The T-FTA comprises the Southern African Development Community (SADC), the East African Community (EAC) and the Common Market of Eastern and Southern Africa (COMESA).

South Africa's entry into the BRICS (Brazil, Russia, India, China, South Africa) has been a major achievement in strengthening South-South relations. Our efforts to advance South Africa's trade and investment interest in the BRICS and IBSA (India, Brazil, and South Africa) summits, with respect to multilateral and bilateral economic collaboration, are yielding positive results. Following the state visit of President Jacob Zuma and the signing of the Comprehensive Strategic Partnership Agreement (CSPA) with China, **the dti** identified 10 value-added export products that South Africa can potentially supply to China. Trade exhibitions were held in Beijing and Shanghai in 2011, resulting in R400 million worth of orders.

Finally, we should note the implementation on 1 May 2011 of the Companies Act, 2008 (Act No. 71 of 2008), and the consequent establishment of the Companies and Intellectual Property Commission (CIPC).

In conclusion, I would like to express my appreciation to my colleagues, the Deputy Ministers Thandi Tobias-Pokolo and Elizabeth Thabethe, the Director-General Mr Lionel October and the entire staff of **the dti**, without whom the achievements reflected in this report would not have been possible.



A handwritten signature in black ink, appearing to read 'Rob Davies', written over a light blue circular stamp.

Dr Rob Davies, MP

Minister of Trade and Industry

Submission of the Annual Report to the Minister

To:

Dr Rob Davies (MP)

Minister of Trade and Industry

I have the honour to submit, in terms of Section 40 (1)(d) of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended) the Annual Report of the Department of Trade and Industry for the 2011/12 financial year.



Director-General

Mr Lionel October



Director-General Mr Lionel October

Introduction by the Director-General

During the 2011/12 financial year, **the dti** continued with the implementation of its programmes aimed at contributing to growing the economy and job creation. The department focused on various interventions underpinned by key policies relating to industrial development, trade and investment, and broadening participation.

In the area of industrial development, **the dti** launched a new iteration of the IPAP2 and continued implementation in various sectors. The results show that commendable progress has been made in securing investment commitments from various sectors such as automotives and clothing and textiles. Part of the key achievements relates to the designation of sectors resulting in government departments and major public entities procuring their goods and services locally. Designated sectors include rail rolling stock such as locomotives, wagon and carriages, power pylons, buses, clothing, textiles, leather and footwear, canned vegetables and set-top boxes for low-income households. The development and early advancement of the Automotive Investment Scheme (AIS) has assisted the department in securing investment commitments worth R15 billion from both assemblers and component suppliers.

To strengthen and align the procurement process with the Broad-Based Black Economic Empowerment (B-BBEE), the new Preferential Procurement Policy Framework Act Regulations were promulgated and took effect in December 2011.

the dti supplemented the 12 I Tax Incentive implemented by the National Treasury with the introduction of the MCEP, which was announced in the February 2012 Budget Speech by the Minister of Finance. The scheme is aimed at upgrading the competitiveness of relatively labour-intensive and value-adding manufacturing sectors impacted by the currency, global crisis and electricity cost escalations.

The CTCIP supports investment to promote the increase in local business competitiveness and prosperity. It approved disbursements totalling R112 million, R14,4 million of which was disbursed to 106 companies. Under the Production Incentive (PI), R624 million was approved and R310 million disbursed to 208 companies.

In relation to the promotion of trade relations between South Africa and the rest of the world, we continued our participation within the South African Customs Union (SACU) by ensuring that eight sectors for cross-border complementarities and value addition were identified as part of industrial development. Unified engagement in trade negotiations and the development of common institutions were realised.

Within the SADC, significant achievements were recorded in relation to the reduction of tariffs and meeting the obligations under the SADC trade protocol. We participated in various bilateral and multilateral engagements through effective participation in various structures, such as the World Trade Organisation (WTO) Ministerial Conference and the Organisation for Economic Co-operation and Development (OECD).

In promoting investment, **the dti** maximised its participation within the BRICS group by engaging with member countries through various meetings that took place during the year under review. Significant outcomes that emerged from these engagements relate to the proposed BRICS-led Development Bank to support infrastructure projects. **the dti** facilitated R6,42 billion in exports and R40,91 billion in potential investment projects. Furthermore, key achievements were realised through the organisation of various Investment Trade Initiatives (ITIs) to countries such as Zimbabwe, India, Brazil and Russia.

During the year under review, **the dti** refined the regulatory environment by effecting the Companies Act, 2008 (Act No. 71 of 2008), which was assented to by the President in April 2011. The Act came into effect on 1 May 2011 and gave rise to the establishment of key institutions such as the CIPC, which simplifies business registration processes, red-tape reduction and enhances the transparency of companies; the Companies Tribunal (CT), which provides for dispute resolution and administrative reviews made by the CIPC; the Take-Over Regulation Panel, which prescribes regulation on company takeovers; and the Financial Reporting Standards Council. Furthermore, the National Consumer Commission (NCC) was launched in terms of the Consumer Protection Act, 2008 (Act No. 68 of 2008) and provides consumers with

protection on issues relating to credit agreements, product quality, rights to refunds and repairs.

With regard to broadening participation, the Co-operatives Amendment Bill was produced and approved by Cabinet for introduction in Parliament. The Bill is aimed at establishing the Co-operatives Development Agency to professionalise the co-operatives environment through a dedicated institution that will provide support and capacity development. A business case outlining the form and shape of the proposed institution has been drafted and submitted to the National Treasury for comments and inputs.

The SEZ Bill was approved by Cabinet and published for comments. Under the SMME umbrella, 295 new SMMEs were supported and three new incubators established.

The department's vacancy rate has been reduced from 18% to 8,45%. This was achieved through commitments made by members of the senior management team during the planning and performance review sessions held throughout the financial year. This is a clear demonstration of commitment and decisiveness from the leadership and must be commended. Although progress has been made in the achievement of set objectives and targets, there were challenges, which we hope to address in the new financial year.

In conclusion, I would like to thank the Minister, the Deputy Ministers and the entire staff of **the dti** for their contribution to the work undertaken during the 2011/12 financial year.



Mr Lionel October
Director-General

the dti

Programme Performance



PART ONE: GENERAL INFORMATION

1.1 Vision

A South Africa that has a vibrant economy, characterised by growth, employment and equity, built on the full potential of all citizens. To this end, **the dti** seeks to be an outwardly focused, customer-centric organisation.

1.2 Mission

the dti aims to:

- Provide leadership to the South African economy through its understanding of the economy, its ability to identify economic opportunities and potential, and its contribution to Government economic priorities;
- Act as a catalyst for the transformation and development of the economy;
- Respond to the challenges and opportunities of the economic citizens and contribute to the achievement of Government's strategic objectives; and
- Provide a predictable, competitive, equitable and socially responsible environment for investment, enterprise and trade.

1.3 Values

- **Delivery:** Together we **DELIVER** value to the South Africa economy, its people and ourselves;
- **Trust:** **TRUST** and respect for others is the foundation of our success; and
- **Integrity:** In everything we say and do, our **INTEGRITY** and honour shine through.

1.4 Strategic objectives

the dti's strategic objectives for the period under review were to:

- Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation;
- Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives;
- Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth;
- Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner; and
- Promote a professional, ethical, dynamic, competitive and customer-focused working environment that ensures effective and efficient service delivery.

2. Legislative Mandate for the Year Ended 31 March 2012

the dti administered the following legislation:

Table 1

Name of Act	Purpose
1. Abolition of the Fuel Research Institute and Coal Act, 1983 (Act No. 30 of 1983)	To repeal the Fuel Research Institute and Coal Act, 1963, and to provide for the vesting of the assets and liabilities, and the transfer of the employees of the fuel Research Institute in and to the Council for Scientific and Industrial Research (CSIR).
2. Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006)	To provide for an internationally recognised and effective accreditation and monitoring system for the Republic of South Africa by establishing SANAS as a juristic person; to recognise SANAS as the only accreditation body in the Republic for the accreditation of conformity assessment and calibration as well as monitoring of good laboratory practice.
3. Alienation of Land Act, 1981 (Act No. 68 of 1981)	To regulate the alienation of land in certain circumstances and to provide for matters connected therewith.
4. Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	To establish a legislative framework for the promotion of black economic empowerment; to empower the Minister to issue codes of good practice and publish transformation charters; to establish the Black Economic Empowerment Advisory Council; and to provide for matters connected therewith.
5. Close Corporations Act, 1984 (Act No. 69 of 1984)	To provide for the formation, registration, incorporation, management, control and liquidation of close corporations.
6. Companies Act, 2008 (Act No. 71 of 2008)	To provide a new legislative framework for the incorporation, registration and management of companies; to establish a Companies and Intellectual Property Commission and Companies Tribunal; and to provide for matters connected therewith.
7. Consumer Protection Act, 2008 (Act No. 68 of 2008)	To promote a fair, accessible and sustainable marketplace for consumer products and services, and for that purpose to establish national norms and standards relating to consumer protection; to provide for improved standards of consumer information; to prohibit certain unfair marketing and business practices; to promote responsible consumer behaviour; to promote a consistent legislative and enforcement framework relating to consumer transactions and agreements; to establish the National Consumer Commission; and to repeal certain laws.
8. Convention on Agency in the International Sale of Goods Act, 1986 (Act No. 4 of 1986)	To provide for the application in the Republic of the Convention on Agency in the International Sale of Goods adopted by the International Institute of the United Nations Organisation for the unification of Private Law.

Name of Act	Purpose
9. Co-operatives Act, 2005 (Act No. 14 of 2005)	To provide for the formation and registration of co-operatives and matters incidental thereto.
10. Copyright Act, 1978 (Act No. 98 of 1978)	To regulate copyright in respect of, inter alia, artistic works, dramatic works, computer programs, musical and literary works.
11. Counterfeit Goods Act, 1997 (Act No. 37 of 1997)	To strengthen prohibitions on trade in counterfeit goods; confers powers on inspectors and the police to enter and search premises, with and without a warrant; and confers powers on Customs and Excise to seize and detain suspected counterfeit goods.
12. Designs Act, 1993 (Act No. 195 of 1993)	To consolidate the law relating to designs; to provide for the registration of designs; and to delineate the rights pertaining thereto.
13. Estate Agency Affairs Act, 1976 (Act No. 112 of 1976) (being transferred to the Department of Human Settlement)	To provide for the establishment of an Estate Agents Affairs Board and an Estate Agents Fidelity Fund and for the control of certain activities of estate agents.
14. Export Credit and Foreign Investments Insurance Act, 1957 (Act No. 78 of 1957)	To promote trade with countries outside the Republic by providing for the insurance on behalf of the Government of the Republic of contracts in connection with export transactions, investments and loans or similar facilities connected with such transactions.
15. Expropriation (Establishment of Undertakings) Act, 1951 (Act No. 39 of 1951)	To provide for the expropriation of land and the taking of the right to use land temporarily for or in connection with the objects or undertakings of national importance.
16. Housing Development Schemes for Retired Persons Act, 1988 (Act No. 65 of 1988)	To regulate the alienation of certain interests in housing development schemes for retired persons and to provide for matters connected therewith.
17. Intellectual Property Law Rationalisation Act, 1996 (Act No. 107 of 1996)	To provide for the integration of intellectual property rights subsisting in the ex-TBVC's (Transkei, Bophuthatswana, Venda and Ciskei) into the national system, to extend the South African intellectual property rights legislation throughout the Republic and to repeal certain intellectual property laws.
18. International Convention for Safe Containers Act, 1985 (Act No. 11 of 1985)	To provide for the application in the Republic of the International Convention for Safe Containers so as to maintain a high level of safety of human life in the handling, stockpiling and transporting of containers.
19. Liquor Act, 2003 (Act No. 59 of 2003)	To establish national norms and standards to maintain economic unity within the liquor industry; to provide for essential national standards and minimum standards required for the rendering of services; to provide for measures to promote co-operative government in the area of liquor regulation; and to provide for matters connected therewith.
20. Lotteries Act, 1997 (Act No. 57 of 1997)	To establish a National Lotteries Board and to regulate and prohibit lotteries and sports pools.
21. Manufacturing Development Act, 1993 (Act No. 187 of 1993)	To establish the Manufacturing Development Board; to provide for the establishment of programmes for manufacturing development; and for matters incidental thereto.

Name of Act	Purpose
22. Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006)	To provide for the use of measurement units of the International System of Units; to provide for the designation, keeping and maintenance of national measurement units and standards; to provide for the establishment and functions of the National Metrology Institute; and to provide for the repeal of certain laws.
23. Merchandise Marks Act, 1941 (Act No. 17 of 1941)	To make provision concerning the marking of merchandise and of coverings in or with which merchandise is sold and the use of certain words and emblems in connection with business.
24. National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977)	To provide for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and for the prescribing of building standards.
25. National Credit Act, 2005 (Act No. 34 of 2005)	To promote a fair and non-discriminatory marketplace for access to consumer credit and for that purpose to provide for the general regulation of consumer credit and improved standards of consumer information.
26. National Empowerment Fund Act, 1998 (Act No. 105 of 1998)	To establish a trust to promote and facilitate ownership of income-generating assets by historically disadvantaged persons, particularly assets in state-owned enterprises made available at a discount as part of restructuring programmes; gives powers to the trust to enable it to establish sub-trusts and investment companies to promote black economic empowerment.
27. National Gambling Act, 2004 (Act No. 7 of 2004)	To provide for the co-ordination of concurrent national and provincial legislative competence over matters relating to casinos, racing, gambling and wagering; and to provide for the continued regulation of those matters; for that purpose to establish certain uniform norms and standards applicable to national and provincial regulation and licensing of certain gambling activities; to provide for the creation of additional uniform norms and standards applicable throughout the Republic; to retain the National Gambling Board; to establish the National Gambling Policy Council; to repeal the National Gambling Act, 1996; and to provide for matters incidental thereto.
28. National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008)	To provide for the administration and maintenance of compulsory specifications in the interest of public safety, health and environmental protection; and to provide for the establishment of the National Regulator for Compulsory Specifications.
29. National Small Enterprise Act, 1996 (Act No. 102 of 1996)	To provide for the establishment of the Advisory Board and the Small Enterprise Development Agency (seda); and to provide for guidelines to be followed by organs of State to promote small enterprise in South Africa; and for matters incidental thereto.

Name of Act	Purpose
30. National Supplies Procurement Act, 1970 (Act No. 89 of 1970)	To empower the responsible Minister to manufacture, produce, acquire, hire or import goods; to acquire, hire or supply services; and to exercise control over goods and services and the manufacture, production, processing and treating of goods; and to provide for the establishment and administration of a National Supplies Procurement Fund.
31. Non-Proliferation of Weapons of Mass Destruction Act, 1993 (Act No. 87 of 1993)	To provide for control over weapons of mass destruction and to establish a council to control and manage matters relating to the proliferation of such weapons in the Republic; to determine its objectives and functions; and to prescribe the manner in which it is to be managed and controlled.
32. Patents Act, 1978 (Act No. 57 of 1978)	To provide for the registration and granting of letters, patents for inventions and for the rights of a patentee.
33. Performers Protection Act, 1967 (Act No. 11 of 1967)	To provide for the protection of the rights of performers of literary and artistic works.
34. Property Time Sharing Control Act, 1983 (Act No. 75 of 1983)	To regulate the alienation of time-sharing interests pursuant to property time-sharing schemes.
35. Protection of Businesses Act, 1978 (Act No. 99 of 1978)	To restrict the enforcement in the Republic of certain foreign judgments, orders, directions, arbitration awards and letters of request; to prohibit the furnishing of information relating to businesses in compliance with foreign orders, directions or letters of request.
36. Rationalisation of Corporate Laws Act, 1996 (Act No. 45 of 1996)	To provide that certain corporate laws shall apply throughout the Republic of South Africa, to repeal certain corporate laws and to provide for the retrospective incorporation of certain putative close corporations.
37. Registration of Copyright in Cinematograph Films Act, 1977 (Act No. 62 of 1977)	To provide for the registration of copyright in cinematograph films and for matters connected therewith.
38. Share Blocks Control Act, 1980 (Act No. 59 of 1980)	To control the operation of share block schemes, i.e. any scheme in terms of which a share, in any manner whatsoever, confers a right to or an interest in the use of immovable property.
39. Small Business Development Act, 1981 (Act No. 112 of 1981)	Whole Act was repealed save for Section 2A dealing with the application of the Insurance Act, 1943.
40. Space Affairs Act, 1993 (Act No. 84 of 1993)	To provide for the establishment of a Council to manage and control certain space affairs in the Republic; to determine its objects and functions; and to prescribe the manner in which it is to be managed and controlled.
41. Standards Act, 2008 (Act No. 8 of 2008)	To provide for the development, promotion and maintenance of standardisation and quality in connection with commodities and the rendering of related conformity assessment services; and for that purpose to provide for the continued existence of the SABS, as the peak national institution; to provide for the repeal of the Standards Act, 1993; and to provide for transitional arrangements.
42. Sugar Act, 1978 (Act No. 9 of 1978)	To consolidate and amend the laws relating to the sugar industry; and to provide for matters incidental thereto.
43. Temporary Removal of Restrictions on Economic Activities Act, 1986 (Act No. 87 of 1986)	To empower the President to suspend temporarily laws or conditions, limitations or obligations there under, if their application unduly impedes economic development or competition.

Name of Act	Purpose
44. Trade Marks Act, 1993 (Act No. 194 of 1993)	To consolidate the law relating to trademarks and to provide for the registration of trademarks, certification of trademarks and collective trademarks and for the protection of rights relating thereto.
45. Trade Metrology Act, 1973 (Act No. 77 of 1973)	To consolidate and amend the law relating to trade metrology so as to ensure the accuracy of measuring instruments utilised in trade on the basis of national measuring standards.
46. Unauthorised Use of Emblems Act, 1961 (Act No. 37 of 1961)	To provide for the continued operation of certain laws relating to the use of certain emblems and representations, and to extend the scope of such laws.

2.1 Public Entities Reporting to the Minister

Table 2

Name of the Public Entity	Enabling Legislation	Purpose
1. Companies and Intellectual Property Commission (CIPC)	Companies Act, 2008 (Act No.71 of 2008), as amended.	The CIPC was established to enforce intellectual property and company laws, including the registration of companies; promote voluntary resolution of disputes arising between a company and a shareholder or director, without intervening in or adjudicating on the dispute; to monitor patterns of compliance; evaluate complaints and initiate investigations, including referring matters to a court; and appearing before the court or the Companies Tribunal.
2. Estate Agency Affairs Board (EAAB) (being transferred to the Department of Human Settlement)	Estate Agency Affairs Act, 1976 (Act No. 112 of 1976).	The aim of the EAAB is to maintain and promote the standard of conduct of estate agents and to regulate the activities of estate agents, having due regard for the public interest.
3. Export Credit Insurance Corporation (ECIC)	Export Credit and Foreign Investments Insurance Act, 2001 (Act No. 9 of 2001, as amended)	The ECIC is a self-sustained, national export credit agency. Its mandate is to facilitate and encourage South African export trade by underwriting export credit loans and investments outside South Africa to enable South African contractors to win capital goods and services in other countries. It evaluates export credit and foreign investment risks and provides export credit and foreign insurance cover on behalf of the South African Government.
4. National Consumer Commission (NCC)	Consumer Protection Act, 2008 (Act No.68 of 2008).	The NCC is responsible for carrying out the functions and exercising the powers assigned to it. In carrying out its functions, the Commission may review international developments in the field of consumer protection; or consult any person, organisation or institution with regard to any matter relating to consumer protection.
5. National Consumer Tribunal (NCT)	National Credit Act, 2005 (Act No. 34 of 2005).	The NCT adjudicates any application that may be made to it, and makes any order provided for in respect of such an application; or allegations of prohibited conduct by determining whether prohibited conduct has occurred and, if so, by imposing a remedy. It grants orders for costs, and can exercise any other power conferred on it by law.
6. Companies Tribunal (CT)	Companies Act, 2008 (Act No. 71 of 2008)	The CT adjudicates in relation to any application that may be made to it in terms of this Act, and make any order provided for in this Act in respect of such an application.

Name of the Public Entity	Enabling Legislation	Purpose
7. National Credit Regulator (NCR)	National Credit Act, 2005 (Act No. 34 of 2005)	The NCR is responsible for the promotion and supports the development, where the need exists, of a fair, transparent, competitive, sustainable, responsible, efficient, effective consumer credit market and promotes historically disadvantaged persons; low-income persons and communities; and remote, isolated or low-density populations and communities in the end-user credit market. It conducts research and proposes policies to the Minister in relation to any matter affecting the consumer credit industry, including but not limited to proposals for legislative, regulatory or policy initiatives that would improve access to credit for persons contemplated above.
8. National Empowerment Fund (NEF)	National Empowerment Fund Act, 1995 (Act No. 105 of 1995)	The NEF promotes and facilitates black economic equality and transformation. It provides finance and financial solutions to black business across a range of sectors, and structures accessible retail savings products for black people based on state-owned equity investments. Its mandate and mission is to be Government's funding agency in facilitating the implementation of broad-based black economic empowerment (B-BBEE) in terms of the BEE codes of good practice.
9. National Gambling Board (NGB)	National Gambling Act, 2004 (Act No. 7 of 2004)	It was established to monitor and investigate, when necessary, the issuing of national licences by provincial licensing authorities entering into agreements with those authorities in respect of steps to be taken to correct any deficiencies; making recommendations; monitoring the socio-economic patterns of gambling activity within the Republic; and, in particular, research and identify factors relating to, and patterns, causes and consequences of: (i) the socio-economic impact of gambling; and (ii) addictive or compulsive gambling.
10. National Lotteries Board (NLB)	National Lotteries Act, 1997 (Act No. 57 of 1997)	It monitors and enforces the implementation of the national lottery and the establishment of private lotteries and promotional competition. It manages the National Lottery Distribution Trust Fund, which distributes proceeds from its share of the lottery sales to worthy causes.
11. National Metrology Institute of South Africa (NMISA)	Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006).	NMISA is responsible for realising, maintaining and disseminating the International System of Unit (SI). It maintains and develops primary scientific standards of physical quantities for South Africa and compares those standards with other national standards to ensure global measurement equivalence.
12. National Regulator for Compulsory Specifications (NRCS)	National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008)	The NRCS mandate is to protect consumers and promote South Africa's competitiveness by ensuring that regulated products manufactured and sold in the marketplace meet minimum safety, health and fair trade requirements.

Name of the Public Entity	Enabling Legislation	Purpose
13. Small Enterprise Development Agency (seda)	Small Business Act, 2004 (Act No. 29 of 2004, as amended).	seda provides non-financial business development and support services for small enterprises in partnership with other role players. Its mission is to develop, support and promote small enterprises to ensure their growth and sustainability.
14. South African Bureau of Standards (SABS)	Standards Act, 2008 (Act No. 8 of 2008).	The SABS aims to develop, promote and maintain South African National Standards; promote quality in connection with commodities, products and services; and render conformity assessment services and matters connected therewith.
15. South African National Accreditation System (SANAS)	Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006).	The aim of SANAS is to accredit or monitor for Good Laboratory Practice (GLP) compliance purposes, organisations falling within its scope of activity; promote accreditation as a means of facilitating international trade and enhancing South Africa's economic performance and transformation; promote competence and equivalence of accredited bodies; and promote the competence and equivalence of GLP complaint facilities.

3. Overview of past performance

The review of **the dti**'s performance covers five key themes that encapsulate the department's mandate and programmes:

- Industrial Development;
- Trade, Investment and Exports;
- Broadening Participation
- Regulation; and
- Administration and Co-ordination.

Industrial Development

A notable accomplishment for **the dti** in the area of Industrial Development has been the demonstration that industrial policy interventions have a positive impact on the South African economy. This resulted in the new iteration of the annual rolling IPAP, which was approved by Cabinet and launched on 2 April 2012.

The successful implementation of the second iteration of the IPAP, known as IPAP2, resulted in important achievements being made in priority sectors. These include Automotives, Business Process Services, Clothing and Textiles, Chemicals, Metal Fabrication, Capital and Transport Equipment. Interventions in these sectors show that major turnarounds can be attained when Government and its social partners constructively work together, leading to the sustainability and growth of sectors.

In the Automotives sector, for example, the implementation of the Automotive Production and Development Programme (APDP) helped renew confidence. This has been demonstrated through large investment commitments made by original equipment and component manufacturers. In addition, China's First Auto Works committed to an investment of \$100 million for a truck and car assembly plant, and Toyota SA to assembling minibus taxis locally.

Significant success was achieved with Business Process Services. Under the Monyetla II Programme, 3 400 young people were trained, 70% of whom were placed in employment by the Business Process Outsourcing (BPO) consortium. Furthermore, the first Amazon African customer service centre in Cape Town was launched in August 2011 to

service English- and German-speaking clients.

Significant competitiveness improvements have been seen in the Clothing and Textiles sector as a result of the implementation of the CTCIP. The CTCIP brought together manufacturers and retailers such as Foschini, Truworths and Edcon to take advantage of the proximity, quality and flexibility that domestic manufacturers offer. This has brought about the stabilisation of production and employment in the sector. Due to a policy decision to target specific products and components for local production, **the dti** successfully made a case to amend the procurement regulations to designate key sectors and industries from which government departments and SOEs must procure locally, through New Preferential Procurement Policy Framework Regulations. These regulations came into force on 7 December 2011 and, as a result, **the dti**, in collaboration with the Department of Science and Technology (DST), secured investment in a multi-product plant manufacturing facility to produce 500 tons of ARV Active Pharmaceutical Ingredients (APIs) per year from 2016. In addition, the first round of sector designations took place in December 2011 and included buses, rolling stock, power pylons, canned vegetables, clothing, textiles, leather and footwear, and set-top boxes. Work to designate pharmaceuticals has been approved by the Minister and awaits endorsement by the Department of Health.

Another major achievement has been the leveraging of large-scale public procurement in rail and electricity as part of Government's policy to upgrade local supply capacity and capabilities. This will ensure that Government expenditure is better leveraged to support the growth of domestic industries. As a result of this policy intervention, the Passenger Railway Agency of South Africa (PRASA) has agreed on a minimum local content threshold of 65% for the passenger coaches programme. The RFP will be issued in the new financial year. This programme will create substantial employment along the supply value chain. In addition, Transnet has committed to including the designated threshold in all future locomotive tenders. The targeted components for local production include inter alia car body parts, bogies, coupling equipment, suspension, ventilation and air-conditioning.

In recognition of the requirements for higher energy efficiency in the economy, **the dti** has secured minimum and ongoing

increasing levels of local content in the Renewable Energy Independent Power Producer Programme (REIPPP), which was launched by the Department of Energy in August 2011. Energy Efficiency Building Regulations were finalised by the department that makes Solar Water Heating obligatory for most new buildings from November 2011. Furthermore, the first round of Renewable Energy generation bids with minimum levels of local content requirements was awarded, and the South African Renewable Initiative (SARi) was launched during the 17th Conference of the Parties (COP17). These initiatives, coupled with the finalisation of new regulations on the mandatory blending of bio-fuels that were published for comment in the Government Gazette, provide a significant opportunity for South Africa to become a major manufacturer of components that support renewable energy projects.

Significant progress has been made in realigning industrial financing to support industrial policy interventions. Funding of R102 billion over the next five years has been earmarked by the Industrial Development Corporation (IDC) for IPAP, with specific allocations earmarked for labour-intensive investments, the 'green economy', the agricultural value chain, and companies in distress as a consequence of the global economic crisis.

Targeted incentives have demonstrated results through investments being made in the manufacturing and services sectors. Through the 12 I Tax Incentive programme, 14 projects with an investment value of R22,4 billion have been approved. This incentive has now been supplemented with the announcement in the budget of the MCEP. The MCEP provides enhanced manufacturing support aimed at encouraging manufacturers to upgrade their production facilities in a manner that sustains employment and maximises value-addition in the short to medium term. Additionally, legislation for SEZs sets the basis for a broader range of industrial parks and infrastructure for effective clustering of value-adding and employment-enhancing manufacturers. The SEZ Policy and Bill were approved by Cabinet for public comment, and public workshops were held until the end of March 2012.

Trade, Investment and Exports

Guided by the Trade Policy and Strategy Framework and in

support of its industrial development objectives, **the dti** played a prominent role in efforts to strengthen trade and economic integration in Africa. Within the Southern African Customs Union (SACU) Council, a work programme on industrial development has been agreed to by the Council. Eight sectors have been identified for cross-border complementarities and value-chains, with the agro-processing sector a pilot. Additionally, a process was initiated to develop a common SACU position on the Rules of Origin (RoO) for clothing and textiles in relation to the SADC. This will form the basis of a common negotiation mechanism for future agreements that SACU enters into. In SADC, the view was successfully advanced that focus should be given to consolidating the Free Trade Agreement (FTA), rather than moving towards a customs union, extending integration through the launch of the T-FTA, which comprises SADC, the EAC and COMESA. South Africa has met its obligations under the SADC Trade Protocol with 92,5% of tariffs at 0.

As part of advancing development and regional integration in Southern Africa and Africa, a summit was hosted where the T-FTA was launched. During the summit, South Africa's and SACU's positions on scope, principles, timeframes and institutional mechanisms to guide the negotiations were adopted. With regards to the continental FTA, South Africa's position regarding timing, scope and broad principles to boost intra-Africa trade was accepted in the African Union (AU) summit that was held in January 2012. The South African position proposes a gradual and functional approach to continental integration that builds on regional efforts such as the T-FTA. This work was undertaken based on the recognition that the continent has become the biggest opportunity for South Africa and the country, therefore, has to position itself to assist with the regeneration and industrialisation of Africa.

On bilateral work in Africa, co-operation memoranda of understanding (MoUs) were signed with partner countries in Africa. **the dti** provided the economic content for eight government-to-government engagements. Six trade and investment facilitation missions were undertaken, and technical co-operation arrangements were facilitated with three African country partners. We reviewed and prioritised work under the Spatial Development Initiative (SDI) programme. With the Department of International Relations and Co-operation (DIRCO), **the dti** led efforts to improve

co-ordination of South Africa's infrastructure development programme on the continent, notably in respect of the North-South Corridor under the NEPAD framework.

On the multilateral front, South Africa's ascendance into the BRICS alliance has been a major achievement in strengthening South-South relations. **the dti's** efforts to advance South Africa's trade and investment interest at the BRICS and IBSA summits, with respect to multilateral and bilateral economic collaboration, yielded substantial results. These included the terms of reference for the BRICS Contact Group on Economic and Trade Issues (CGETI), establishing a work programme for BRICS and a BRICS Development Bank to support infrastructure projects in BRICS and Africa. In addition, China announced its import and beneficiation-at-source policies. The top 10 investment projects and top 10 value-added export products have been identified for engagement with China and this model will be adopted for other high-growth markets.

During the year under review, **the dti** continued to represent South Africa at the Economic Partnership Agreement (EPA) negotiations with the European Union (EU) to establish a common trade-in-goods arrangement between SACU and the EU. Although there has been no political breakthrough to advance the WTO Doha Development Round, the department continued to participate in the negotiations with a view to ensuring a developmental outcome. Negotiating positions on all key issues have been strengthened and updated as the negotiations have unfolded.

the dti's efforts to attract investment into the South African economy facilitated R40 billion in potential investment projects. The investment initiatives that contributed to this positive trend include green field manufacturing plants by multinationals such as Unilever, Procter and Gamble, Kimberley Clark, Nestle, FAW Motors, Kiran Global Silica and LG.

The Unilever plant is environmentally sustainable and will become the design standard for all future Unilever plants globally. This reflects the type of quality investments and companies that have been set up in South Africa to service the African continent. **the dti's** efforts on this front have contributed to a shift in the composition of capital inflows

from portfolio to foreign direct investment (FDI). Through the expansion of market access for South African products, exports of R6,42 billion were achieved. Four ITIs were organised to Brazil, India, Russia and Zimbabwe, in which 51 emerging exporters and 39 SMMEs participated. A major achievement was the Airports Company of South Africa (ACSA) winning a concession to the value of R72 billion to operate and manage Guarulhos International Airport in Brazil as a result of **the dti's** efforts and ACSA's participation in the ITI to Brazil.

In support of the outgoing state visits, the department facilitated business delegations to Norway, France, Mozambique, Burundi, the United Arab Emirates, Oman, Finland, Denmark and Sweden, which were led by the State President or Deputy President. Support was provided to the business forum programme during incoming state visits from Tanzania, Benin and Turkey, the IBSA Forum, the SA-India CEOs Forum and the SA-Russia Business Council Forum. **the dti** also prioritised the development and implementation of a National Exporter Development Programme (NEDP), which envisages a series of robust initiatives to develop the capacity of exporters and, in so doing, expanding the exporter base of South Africa.

As part of initiatives to strengthen investment and trade links, **the dti** has continued to contribute to trade and investment policy development in South Africa. Work on a new model for bilateral investment treaties (BITs) was completed, which laid the basis to terminate or renegotiate existing BITs.

The department has provided secretariat and substantive support to the Inter-Ministerial Committee on Investment Policy, as mandated by Cabinet, and a Draft Investment Act has been developed. Once finalised, the Act will provide a transparent legal environment within which investment can take place in South Africa.

Broadening Participation

the dti played a meaningful role in broadening the participation of enterprises and regions within the economy. A process was undertaken to rethink key aspects of the country's small business development efforts and, to this end, a review of Government Support for Small Business

has been conducted. Recommendations from the review are currently being implemented to address the needs of small businesses in South Africa.

As part of its continued support to SMMEs, the department through the Small Enterprise Development Agency (**seda**) has to date established a network of branches, mobile units, information kiosks and Enterprise Information Centres (EICs) countrywide.

Furthermore, the Technology Incubation Programme of the department, which is managed by **seda**, approved 295 new SMMEs. Currently, there are 34 incubators countrywide supporting SMMEs in various industrial sectors, including agriculture, agro-processing, construction, Information and Communication Technology (ICT), manufacturing, mining and minerals beneficiation.

With regards to co-operatives, a review of the National Co-operatives Strategy and the Co-operatives Act has taken place. Cabinet approved the revised National Strategy and the introduction of the Co-operatives Amendment Bill into Parliament in 2012.

As part of strengthening support to SMMEs, the Workplace Challenge extended its scope to 396 small and medium enterprises and co-operatives. Productivity support is now also provided to three industrial clusters specialising in sawmilling, agro-processing and fishing in the Msinga and Doringbaai areas. In support of the National Skills Accord, **the dti** secured work experience placements for unemployed graduates in partnership with the Department of Labour, Productivity SA and the SA Graduate Development Association (SAGDA). Work is under way to secure a Memorandum of Understanding (MoA) with Majuba FET College to establish a Centre of Entrepreneurship in Newcastle.

The reduction of red tape and enhancement of business opportunities for SMMEs remains a priority of **the dti**. This year has seen the initiation of a national pilot project to establish six provincial Red Tape Reduction Forums. These forums have, through a comprehensive scoping exercise, identified specific priority interventions to be rolled out in the 2012/13 financial period. Progress made on the transformation

front included the review of the B-BBEE Act. The B-BBEE Amendment Bill is to be tabled in Cabinet in the first quarter of 2012. The process to refine the B-BBEE Codes of Good Practice is also under way and will be finalised in 2012. This refinement, together with the alignment of the B-BBEE Codes with the Preferential Procurement Policy Framework Act (PPPFA) Regulations, which came into effect on 7 December 2011, is a major policy change for the country. B-BBEE is now more aligned to the key priorities of Government, which are aimed at the creation of sustainable black enterprises and quality jobs.

In further institutionalising B-BBEE as a business imperative in South Africa, **the dti** has in conjunction with University of South Africa (UNISA) and University of the Witwatersrand (Wits) developed and launched a B-BBEE Management Development Programme (MDP). The B-BBEE MDP has sparked interest in the market.

The review of the Strategic Framework on Gender and Women Economic Empowerment has been finalised to affirm gender mainstreaming, including targeted interventions as the key pillars for promoting the economic participation of women.

Regulation

Part of **the dti** mandate is to facilitate a regulatory framework that is predictable, coherent and flexible for businesses and investors to do business in South Africa. In the year under review, two major pieces of legislation came into effect, namely the Companies Act, 2008 (Act No. 71 of 2008) and the Consumer Protection Act, 2008 (Act No. 62 of 2008).

The Companies Act established the CIPC to implement and enforce the Act to achieve simplicity and flexibility in the registration and maintenance of companies. Another critical feature of the Act is the introduction of the business rescue mechanism to assist companies to turn around instead of head for liquidation. According to Statistics South Africa (Stats SA), fewer companies closed down in 2011 than in 2010, with the total number of liquidations for 2011 falling 10,8% (from 3 992 in 2010 to 3 559 in 2011). However, a number of companies are reported to have initiated business rescue, a factor that may have contributed to the drop in liquidation

figures for the year under review. This area will be monitored in the next financial year to assess the impact of the business rescue mechanism.

The Consumer Protection Act established the NCC, which acts robustly in protecting the rights of consumers and helps uplift the service and quality standards for consumers in South Africa. South African consumers are among the best protected in the world and this contributes significantly to consumer confidence. The business sector is already showing compliance with consumer laws and this is reflected in the number of consent orders and conciliation processes that the regulator has concluded with companies to date. **the dti** will focus on ensuring that these agencies receive adequate support and resources to achieve the objectives of the legislation and are in line with Government priorities.

The Companies Act also established a Companies Tribunal, which will adjudicate disputes between companies and on matters referred to it by the CIPC regarding the violation of the Act. The introduction of the Tribunal provides a speedy and cost-effective redress mechanism, reducing the cost to companies by minimising time spent had the dispute been referred to normal courts. The Security Regulatory Panel, which is now the Takeover Regulation Panel, was established with the extended mandate under the Companies Act. The Financial Reporting Standards Council has also been established in terms of the Companies Act to advise the Minister on standards in line with international requirements. The Minister appointed a Specialist Committee to advise him on corporate law and policy matters. These institutions have commenced their work in the year under review.

Following the promulgation of the Patents Amendment Act of 2005, **the dti** proceeded to finalise the Intellectual Property Laws Amendment Bill for Protection of Traditional Knowledge. This Bill was debated and public hearings held. It has been adopted by the National Assembly and the National Council of Provinces (NCOP) and awaits assenting by the President. This groundbreaking Bill extended the protection afforded by intellectual property laws in South Africa to indigenous or traditional knowledge, which had remained unprotected and exposed to exploitation without compensation or recognition to rights owners, who are mostly rural persons. The Bill will afford rights owners the opportunity to commercialise the indigenous or traditional knowledge for income-generating

purposes and encourage further innovation.

With international developments in intellectual property law, there is a need to develop the Intellectual Property Policy Framework to include provisions that will facilitate access to medicine and education, exceptions, and interface between competition/consumer law and intellectual property. It is important that the policy addresses developmental and industrial policy imperatives. A draft policy has been developed and will be submitted to Cabinet for wider consultation with the public. Consultations with some key stakeholders were held through workshops, meetings and a conference.

This year, **the dti** finalised the Lotteries Policy and Amendment Bill, which improves the framework for the distribution of funds, streamlines processes, enhances accountability and measures to deal with conflict of interest, and provides for both application-based and proactive funding. The regulatory impact assessment (RIA) has been completed and the Bill will be processed to Cabinet. In response to the challenges relating to concerns raised about the manner in which businesses are conducted in communities, and the violence allegedly meted against businesses owned by foreigners, **the dti** has together with the Department of Co-operative Governance and Traditional Affairs (COGTA) commenced a process to review the Businesses Act. **the dti** also conducted a post-implementation regulatory impact assessment on the Credit Act and the report has been issued highlighting a number of areas that require legislative amendments.

the dti concluded two significant reviews in the areas of gambling and copyright. In this regard, the Gambling Review Commission Report was finalised and tabled in Parliament. The National Assembly has held public hearings on the report and produced its recommendations, and the matter is now in the NCOP for deliberation. Despite the recent recession, the South African gambling industry's gross revenue for 2011 increased by 5% to R17,140 billion from the previous year's R16,268 billion, according to the Casino Association of South Africa. It is reported that in the same year the industry contributed R4,5 billion in taxes to central Government. Concerns were raised though that proliferation and gaps in the regulatory framework could undermine the purpose of regulating gambling activities. The review was a comprehensive process to assess the regulatory framework, with a view to look at the socio-economic impact of gambling

activities and to arrest the apparent piecemeal approach to gambling activities and technological development within this industry.

In 2009, the President held a meeting with artists who raised various concerns, including the non-payment of royalties. The Minister appointed the Copyright Review Commission (CRC) to conduct an assessment of the concerns raised and advise him. The terms of reference included the assessment of the nature of contracts that companies enter into with artists, which artists allege are unfair and, at times, unconscionable. The report has been finalised, with findings and recommendations that require attention by a number of government departments, and will be released in due course. **the dti** continued to assess the market for gaps and this year developed regulations relating to processes for debt counselling in terms of the Credit Act, restrictions on gambling advertising, register for exclusion of persons from gambling, and re-certification of gambling machines in terms of the Gambling Act, as well as liquor processes in terms of the Liquor Act. The implementation of these regulations will be monitored in the next financial year.

It is estimated that every year about 25 000 babies are born with Foetal Alcohol Syndrome (FAS), which is caused by consuming alcohol during pregnancy. The prevalence of FAS is said to be as high as 12,2% in some areas of South Africa, while in countries such as the United States of America it ranges from 0,1 to 0,8%. In light of concerns, Cabinet established the Inter-Ministerial Committee on Substance Abuse, which developed an action plan to be implemented by various government departments, including **the dti**. This plan includes increasing visibility through inspections and raising awareness through campaigns. The department conducted 271 routine, 36 targeted and two joint inspections with other regulators. Capacity-building sessions were held with the South African Police Services, with the focus on inspection procedures. More than 100 police members were issued with inspection certificates to enhance the capacity to monitor compliance with the conditions of trade in the liquor industry. **the dti** held awareness campaigns on alcohol abuse, which included a Sobriety Week and a Consultative Conference reaching 3 429 stakeholders directly. This was coupled with a media campaign, which is estimated to have reached more than eight million people. Particularly concerning is the

increasing number of applications for trading certificates for the distribution of alcohol, especially those reflecting what appear to be residential addresses. In this regard, **the dti** has increased inspections prior to the issuing of trading certificates and moved to tighten conditions relating to zoning certificates. In the year under review, 67% of liquor applications and 59% of renewals were processed within turnaround times. The efficiencies in this area will improve with automation of the processes currently under way that will provide for, among others, the online renewal of trading certificates.

One of the challenges in implementing legislation is raising awareness and educating the public about the rights and obligations emanating from the legislation. Also, accessing rural communities for consultation purposes remains a challenge that must be overcome. To improve access to rural communities, **the dti** entered into a Memorandum of Agreement (MoU) with the Congress of Traditional Leaders of South Africa (Contralesa). Contralesa has undertaken to work with Government to facilitate outreach programmes to rural communities. The launch of the partnership was followed by a rollout programme in the North West, Northern Cape and Mpumalanga, which will continue through to other provinces in the next financial year. Major campaigns will be held in all provinces and will be followed by the deployment of field workers to facilitate access to government services, including field workers who will assist indigenous communities to register indigenous rights as recognised in terms of the amendments to the Intellectual Property Laws Amendment Bill upon its adoption.

Administration and Co-ordination

For an organisation to be operationally efficient in the pursuit of its goals and objectives, it is imperative that it invests in resources, systems and processes. **the dti** managed to fill critical positions and reduced its vacancy rate from 18% in 2010/11 to 8,45% in the 2011/12 financial year. Employees at various levels were provided with the requisite skills through various learning interventions as identified in their Personal Development Plans (PDPs).

The ICT infrastructure was upgraded to enable web-based applications and claims processes for incentives such as the

Enterprise Investment Programme (EIP) and Black Business Supplier Development Programme (BBSDP). This will shorten turnaround times.

The department had several engagements with the public through the “Taking **the dti** to the People” programme, which is championed by Deputy Minister Elizabeth Thabethe. The programme gives communities the opportunity to come face-to-face with **the dti** and to familiarise themselves with the services the department and its public entities have to offer. Moreover, members of the public are able to raise their concerns regarding the standards of services provided to them and this helps **the dti** to identify areas of improvement. **the dti** complied with legislative requirements pertaining to the payment of creditors within 30 days by ensuring that 95% of all eligible payments were processed within 21 days. As part of empowering historically disadvantaged individuals (HDIs), 55% on procurement spend was set aside. This is a significant achievement, given the stringent measures that still exist and is considered to be a regulatory burden for small businesses.

the dti's responsibility relating to the oversight of the public entities and statutory institutions reporting to it was strengthened through continuous engagement at strategic and operational levels. The Minister held individual engagements with the Commissioners and their deputies as well as the Chairpersons of Boards and/or Tribunals to discuss strategic priorities and challenges. The Director-General, Deputy Directors-General and staff at other levels engaged with officials from the various entities to discuss issues pertaining to the implementation of policies and programmes as well as budget allocation.

The department also intervened in situations where governance problems were identified as a risk and worked collaboratively with those entities to stabilise the situation. This included conducting independent investigations and taking decisive action based on the findings and recommendations. In compliance with the corporate governance principles as identified in the King III Report, **the dti** encouraged continued disclosure of personal interest by members charged with governance responsibility within these institutions and took action against those who did not adhere.

4. Overview on the performance of the South African economy for the year ended 31 March 2012

4.1 Global Economic Developments

The global economic recovery is fragile since the sovereign debt crisis still haunts Europe. The rate of the world's real gross domestic product (GDP) growth declined from 5,2% in 2010 to 3,8% in 2011. However, growth in developing economies was still generally robust during the course of 2011, but was moderated in the last quarter due to a deteriorating global demand, which affected export performance. Global trading activity was also negatively affected by a sharp decline in global export volumes from 15,4% in 2010 to 5,8% in 2011. The Eurozone remains fragile and is expected to fall back into a mild recession in 2012, while China, which contributed massively to the global recovery from the 2008/09 recession, is also expected to experience a slowdown in its growth momentum. As a result, the Chinese authorities recently revised the GDP growth target for 2012 to 7,5%.

In the US, the world's largest economy, economic conditions seem more positive than earlier anticipated. The manufacturing sector has shown increasing resilience, with the housing market showing signs of stabilising. Consumer spending is rising steadily, more jobs are being created and investment activity is increasing. This buoys sentiment that the imminent economic decline in the Eurozone might not drag the world economy through another recession in 2012.

According to the International Monetary Fund (IMF), the BRICS countries are expected to account for 61% of global growth in two years' time and about 47% of global GDP by 2050. The IMF also projects that developing countries' share of world trade will double over the next 40 years, from 37% in 2007 to 69% in 2050.

Already, South Africa's exports to the BRIC countries have increased significantly, with China being the main driving force behind this increase and India not far behind. Despite relatively good growth since 2001, export values to Russia lag far behind the rest.

However, South Africa's exports to the BRIC countries are still dominated by commodities such as iron ore, manganese ore and chromium ore, although manufactured products such as engines, polypropylene and chemicals, and wood and pulp are slowly starting to become more prominent.

Africa is the second fastest-growing continent in the world after Asia, driven by the boom in minerals, agriculture, transport, telecommunication and retail. Africa's enormous reserves of raw materials, 60% of the world's unused arable agricultural land, a young population, and a growing middle class with considerable purchasing power and urbanisation, alongside steady improvements in economic governance, are factors that could see the continent becoming the next leading source of global economic growth. Also, growth in Sub-Saharan Africa was robust in 2011, largely due to strong commodity prices and growing production volumes.

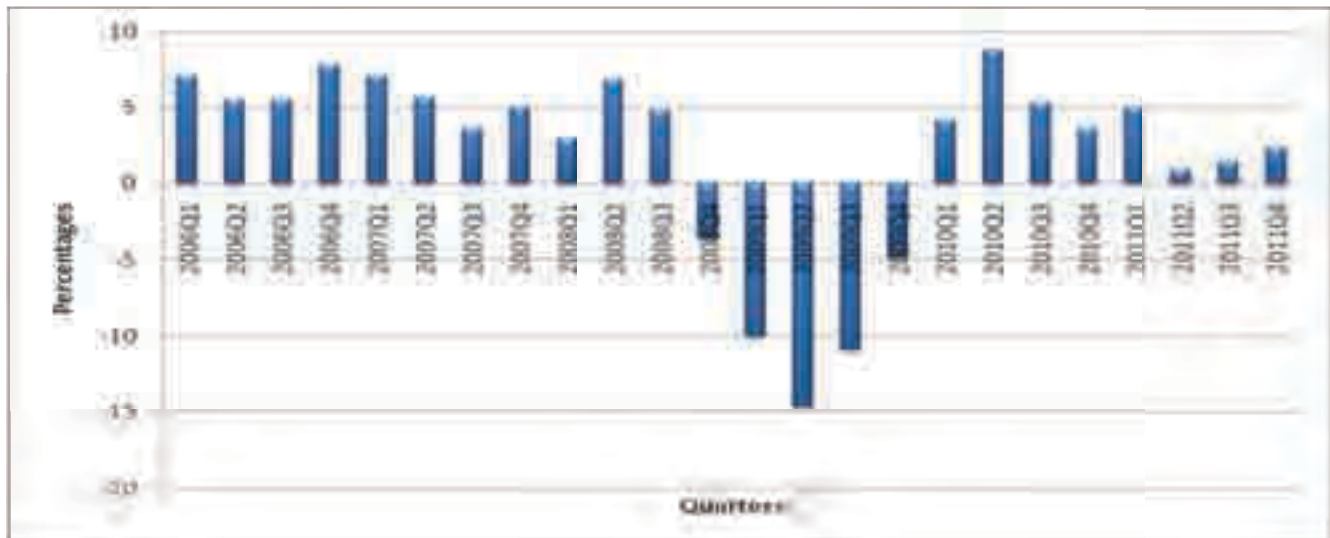
The global economy has significant implications for the domestic economy, and this has been evident in South Africa's poor economic performance in 2009, which was affected by the global recession. Therefore, further diversification of the economy from its heavy dependence on commodity to manufactured exports, together with the improvement of regional integration and investment into new economic infrastructure that facilitates intra-African trade, is crucial to respond to the current global economic developments.

It is for these reasons that South Africa is playing a prominent role in efforts to strengthen trade and economic integration in Africa – the Tripartite Initiative made up of SADC, the EAC and COMESA was launched in South Africa 2011. Such efforts suggest that while South Africa's economic links with traditional developed countries remain important, its prospects for growth and development will increasingly depend on diversifying and strengthening its economic links with dynamic economies of the South, including Africa.

4.2 Real Gross Domestic Product

South Africa needs much faster growth, sustained over a decade or more, to reduce poverty and unemployment in line with the objectives set out in the NGP. Growth must not only be rapid, it also needs to be inclusive, resulting in broadening economic participation and a decline in inequality. The year 2011 has seen stabilisation in the domestic economic recovery as it grew by 3,1% compared to 2,9% in 2010. The economy showed particularly good performances in the first and fourth quarters, with growth rates of 4,6% and 3,2% respectively. The buoyancy of real output in the fourth quarter was largely led by the mining and manufacturing sectors.

Figure 1: Real GDP growth 2006-2011



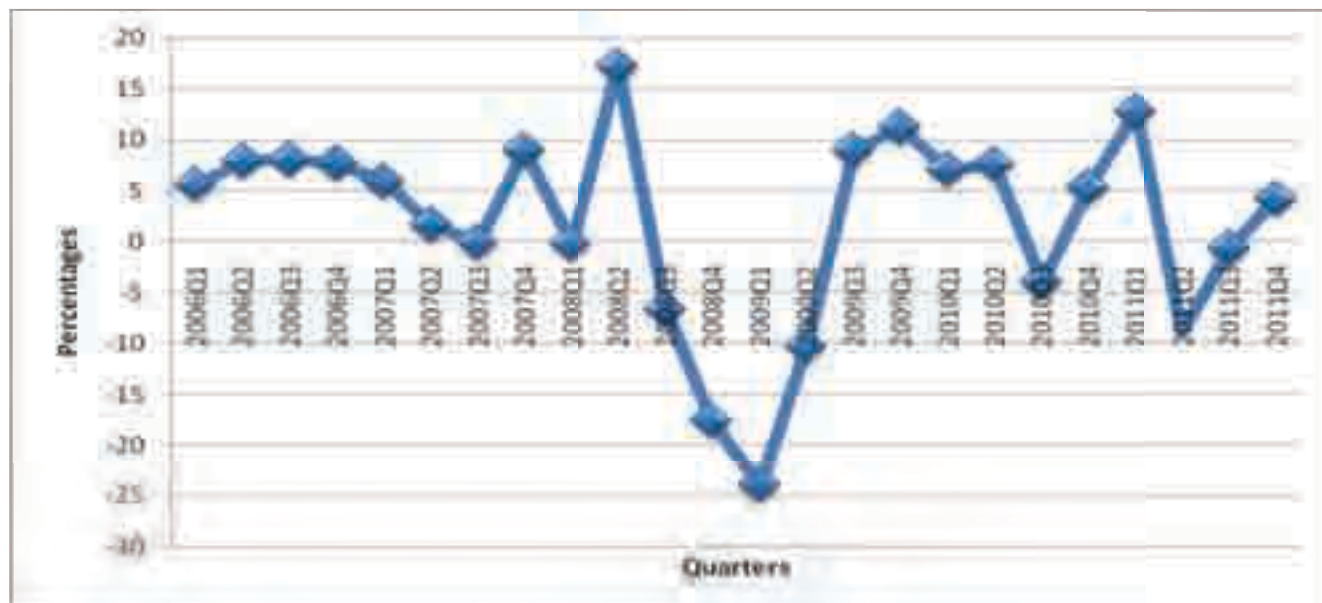
4.3 Manufacturing Value Added

After two consecutive declines of 6,5% in the second and 0,5% in the third quarter of 2011, the real value added by the secondary sector increased at an annualised rate of 3,5% in the fourth quarter. This increase could be ascribed to a rebound in the real value added by the manufacturing sector, increased production of electricity, gas and water, and a marginal improvement in construction-related activities.

Manufacturing production also declined in the second and third quarters of 2011, only to recover in the final quarter. Subsequent to the adverse impact of large-scale industrial action and subdued demand in the third quarter, manufacturing production increased at an annualised rate of 4,2% in the fourth quarter of 2011. This recovery was orchestrated by subsectors such as basic iron and steel; non-ferrous metal products; metal products and machinery; wood and wood products; and paper, publishing and printing. On the other hand, production declined in subsectors such as textiles; clothing, leather and footwear; radio, television and communication apparatus; and motor vehicles, parts and accessories and other transport equipment.

Consistent with higher production levels, capacity utilisation in the manufacturing sector rose from 79,6% in the third quarter of 2011 to 80,1% in the fourth.

Figure 2: Manufacturing Real Gross Value-Added Growth 2006 – 2011



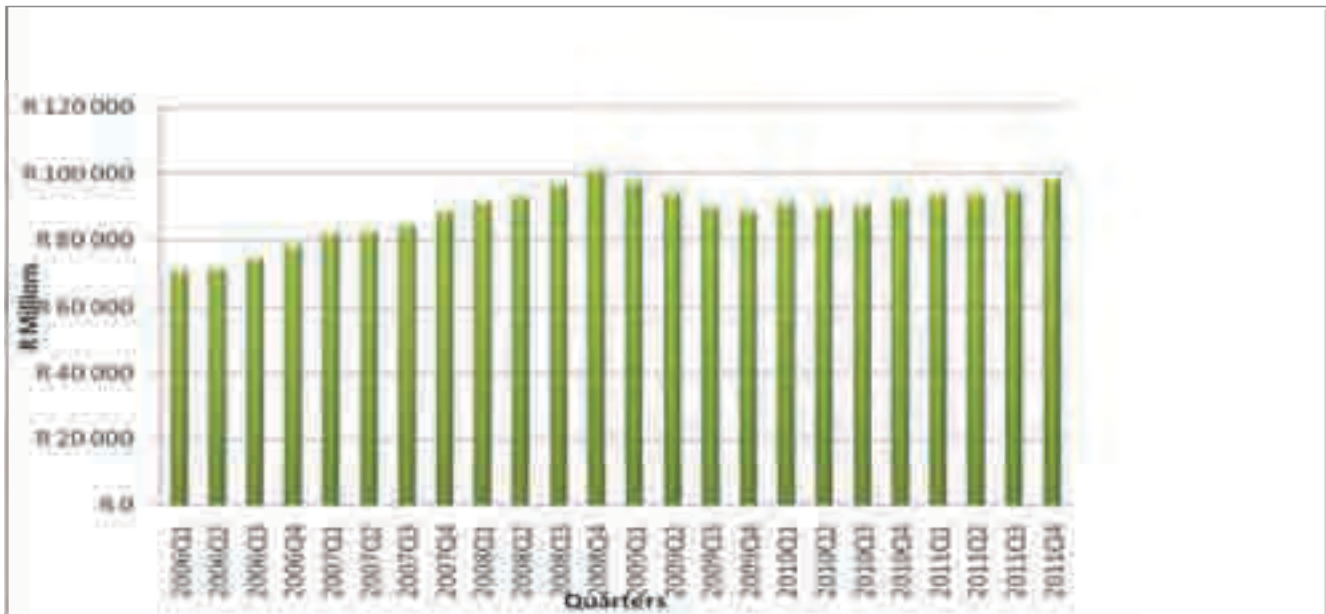
4.4 Investment

Real gross fixed capital formation grew steadily in 2011, showing an annual rate of 4,4%, recovering from a decline of 1,6% in 2010. The fourth quarter recorded a particularly strong performance of 7,2%, with public corporations recording the strongest acceleration in capital spending. Although capital formation by private business enterprises and general Government gained momentum in the final quarter, its level as a percentage of GDP remained low at 19%, a sharp deterioration from the 24,6% realised in the fourth quarter of 2008.

Over the past year, South Africa has gained some ground in becoming a more attractive investment destination. This is due to the changes that we have brought about in the regulatory environment, such as the introduction of new amendments into the Companies Act, which came into effect in April 2011. These resulted in significant improvements in the ease of doing business in South Africa. According to *Doing Business 2012*, an annual survey conducted by the World Bank, South Africa improved its ranking on the ease of doing business from 74 in 2011 to 44 out of 183 countries in 2012. The report attributes this improvement to the changes made when amending the Companies Act. In the World Economic Forum's 2012 Global Competitiveness Report, South Africa moved up four places to number 50 out of 142 countries surveyed.

Overall, South Africa was ranked number one in the ease of obtaining credit, the strength of the auditing standards, and the regulation of the securities exchange. In addition, it ranked number three in the protection of minority stakeholders and number 10 in the strength of protection of foreign investors. South Africa also managed to make inroads into the areas of ease of starting a business, moving from 74 to 44, and moved from 90 to 76 on the ease of registering a property. In terms of infrastructure, South Africa was ranked 43 and 46 out of 142 countries for the quality of roads and railroad infrastructure respectively.

Figure 3: Gross Fixed Capital Formation 2006 - 2011

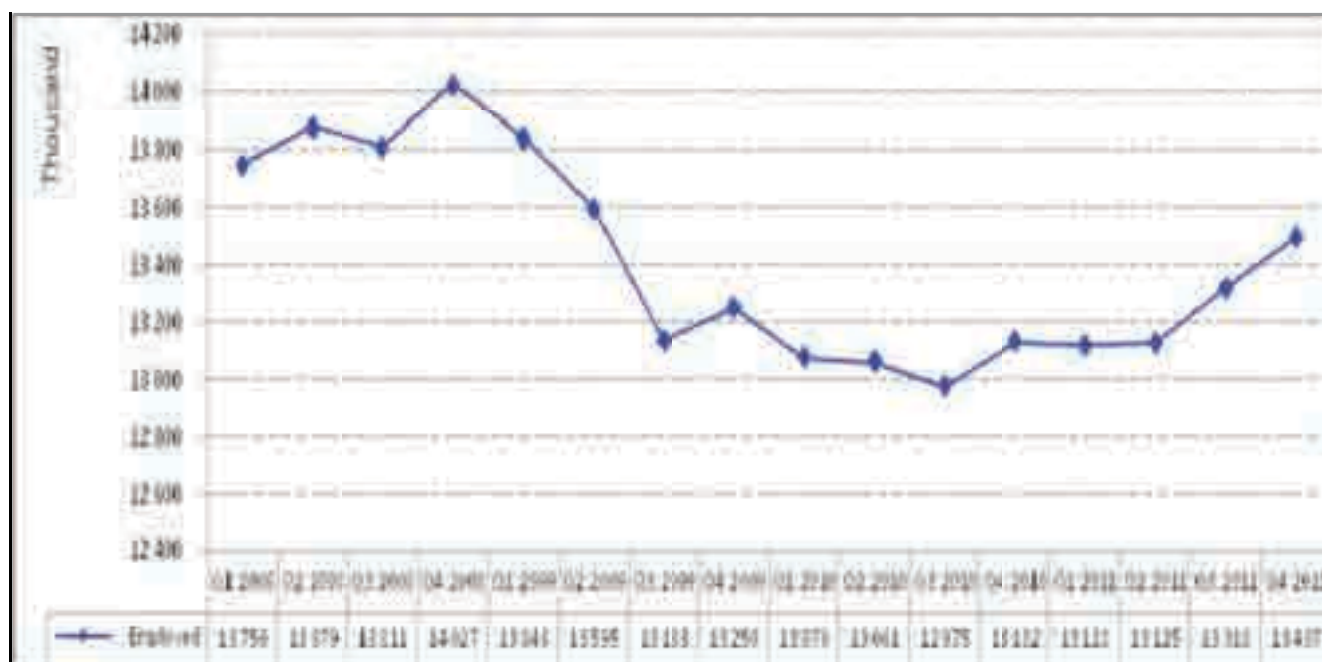


Source: Reserve Bank data

4.5 Employment

The weak global economic recovery, together with the prevailing uncertainty about the global economy, is still weighing significantly on job creation. However, there have been encouraging signs of an improvement on the employment front, since the economy managed to create 365 000 new jobs between the fourth quarters of 2010 and 2011. This growth was supported by finance and other business services contributing 145 000 jobs, trade contributing 85 000, and community and social services 76 000.

This increase in job creation was particularly strong in the fourth quarter of 2011, supported mainly by sectors such as the community and social services increasing by 66 000 jobs, manufacturing by 52 000 and trade by 48 000. The sectors that lost jobs in this period include construction, finance and other businesses, with each losing 29 000 jobs.

Figure 4: Total Employment 2008 - 2011

Source: QLFS quarter 4, 2011

4.6 Trade Balance

Global economic growth slowed significantly from 3,7% in the third quarter of 2011 to 2,6% in the fourth quarter, mainly on account of slower output growth in advanced economies. Emerging economies are the main driving force underpinning global growth, although the momentum shows sign of decline. Global economic growth prospects have deteriorated in recent months, leading to the IMF downgrading its world growth projections by 0,7 percentage points to 3,3% in 2012 and by 0,6 percentage points to 3,9% in 2013, citing the projected contraction in the euro area as the main reason for this downgrade.

Subdued business confidence emanating from the sovereign debt crisis in Europe continued to affect global trade and financial flows. The stagnation in world trade volumes in 2011 and the rising domestic expenditure, which manifested itself in increasing imports in South Africa, contributed to a decrease in South Africa's trade surplus with the rest of the world. This culminated in an annualised trade deficit of R17,1 billion in the fourth quarter of 2011, a significant deterioration from a surplus of R40,5 billion in the first quarter. This deficit is attributable to an increase in dividend payments to non-residents as a result of improved corporate performance as well as increases in payments for transport services. On an annual basis, South Africa's trade surplus with the rest of the world shrank from R27,2 billion in 2010 to R16,4 billion in 2011, notwithstanding the diversification in the country's export markets and favourable prices of exports.

4.7 Conclusion

Given an improvement in economic growth, job creation and investment, the fourth quarter of 2011 showed promising signs, including a reasonable performance by the manufacturing sector, which is the future engine of our economic growth. This occurred despite a gloomy global economic outlook. However, the imminent recession in Europe and signs of slowing down in emerging markets, including China, is cause for concern.

Further diversification of the South African economy from its heavy dependence on commodity to manufactured exports, together with the improvement of regional integration and investment into new economic infrastructure that facilitates intra-African trade, is crucial to respond to the current global economic developments. Also, South Africa needs to take advantage of its BRICS membership by intensifying efforts to increase exports to these countries, particularly of manufactured goods.

Trade diversification remains key to industrial development in South Africa to support the realisation of objectives outlined in the NGP. Unless South Africa continues to advance a developmental approach to regional and continental economic integration, whereby economic diversification and regional industrial development play a central role, Africa's full economic potential will remain unfulfilled.

It is for these reasons that South Africa should intensify its industrialisation efforts in the form of implementing IPAP and fast-tracking the implementation of the public infrastructure programme, ensuring that import leakage is kept to a minimum.

PART TWO: PROGRAMME PERFORMANCE

5.1 Voted Funds

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Over/Under Expenditure R'000
6,786,896	6,876,513	6,801,046	75,467
Responsible Minister	Minister of Trade and Industry		
Administering Dept	Department of Trade and Industry		
Accounting Officer	Director-General of Trade and Industry		

5.2 Aim of vote

The aim of **the dti** is to lead and facilitate access to sustainable economic activity and employment for all South Africans through its understanding of the economy, its knowledge of economic opportunities and potential, and its anticipation of future economic trends. The department also aims to catalyse economic transformation and development, and to provide a predictable, competitive, equitable and socially responsible environment for investment, enterprise and trade for economic citizens. In this way, **the dti** will contribute to achieving Government's vision of an adaptive and restructured economy, *characterised by accelerated economic growth, employment creation and greater equity by 2014.*

5.3 Departmental revenue, expenditure and other specific topics

Table 3: Departmental Revenue

	2008/09 Actual R'000	2009/10 Actual R'000	2010/11 Actual R'000	2011/12 Target R'000	2011/12 Actual R'000	% Deviation from target
Tax revenue	2,854	2,942	3,161	3,805	3,280	14
Non-tax revenue	246,517	459,482	740	23,851	21,009	12
Sale of goods and services other than capital assets	210	221	213	255	350	(37)
Fines, penalties and forfeits	144,395	336,296	14	-	189	-
Interest, dividends and rent on land	101,912	122,965	513	23,596	20,470	13
Sales of capital assets	110	-	93	-	10	-
Motor vehicle	110	-	93	-	10	-
Financial transactions (recovery of loans and advances)	59,845	47,610	31,636	87,355	54,390	38
TOTAL DEPARTMENTAL RECEIPTS	309,326	510,034	35,630	115,011	78,689	32

Table 4: Departmental expenditure

Programme	Voted for 2011/12	Rollovers and adjustments	Virement	Total voted	Actual expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	466,270	121,135	(17,488)	569,917	563,873	6,044
International Trade and Economic Development	129,679	15,126	(5,567)	139,238	132,920	6,318
Empowerment and Enterprise Development	839,695	26,000	30,550	896,245	887,513	8,732
Industrial Development	1,266,895	44,152	22,082	1,333,129	1,321,671	11,458
Consumer and Corporate Regulation	231,671	(2,000)	4,224	225,447	218,564	6,883
The Enterprise Organisation	3,469,114	(148,252)	(19,632)	3,301,230	3,283,549	17,681
Trade and Investment South Africa	306,131	39,016	(15,045)	330,102	317,388	12,714
Communication and Marketing	77,441	(5,560)	9,324	81,205	75,502	5,703
TOTAL	6,786,896	89,617	-	6,876,513	6,800,980	75,533

Table 5: Transfer payments

Name of Institution	Estimate Expenditure	Amount Transferred
	R'000	R'000
Automotive Production and Development Programme	951,548	951,457
Black Business Supplier Development Programme	54,058	52,627
Business Process Services Incentive: Incentive for call centres	83,564	82,226
Centurion Aerospace Village	10,000	10,000
Coega Development Corporation	383,718	383,718
Companies and Intellectual Property Commission	13,990	13,990
Co-operatives Incentive Scheme	54,414	49,113
Independent Regulatory Board of Auditors	750	750
Council for Scientific and Industrial Research: Aerospace Industry	17,291	17,291
Council for Scientific and Industrial Research: Fibre and Textile Centre of Excellence	3,001	3,000
Council for Scientific and Industrial Research: National Cleaner Production Centre	40,141	40,141

Name of Institution	Estimate Expenditure	Amount Transferred
	R'000	R'000
Industrial Development Corporation: Technology Venture Capital	5,001	5,001
Development Bank of Southern Africa – Regional Spatial Development Initiatives	17,500	17,500
East London Industrial Development Zone	171,282	171,282
Export Credit Insurance Corporation of South Africa	121,517	121,517
Export Consultancy Trust Fund: International Bank for Reconstruction and Development (World Bank)	5,875	5,875
Export Consultancy Trust Fund: International Finance Corporation	5,875	5,875
Export Market and Investment Assistance	168,644	168,608
Enterprise Investment Programme	683,542	682,545
Film and Television Production Incentive	216,913	216,534
French Institute of South Africa: African Programme on Rethinking Development Economics (APORDE)	2,200	2,200
Industrial Development Corporation: Funds for Research into Industrial Development Growth & Equity (FRIDGE)	4,630	4,630
Industrial Development Corporation: Customised Sector Programmes	57,427	57,427
Industrial Development Corporation: Clothing and Textile Production Incentive	600,000	600,000
Industrial Development Corporation: Isivande Women's Fund	10,700	10,700
Intsimbi: National Tooling Initiative	36,000	36,000
Business Process Outsourcing: National Skills Fund	4,892	4,892
National Consumer Commission	32,988	32,988
National Consumer Tribunal	28,833	28,833
National Credit Regulator	53,042	53,042
National Gambling Board	37,605	37,605
National Foundry Technology Network: Metals	7,000	7,000
National Metrology Institute of South Africa	87,581	87,581
National Regulator for Compulsory Specifications	37,173	37,173
National Research Foundation: Technology and Human Resources for Industry Programme	155,000	155,000
North West University: Advanced Manufacturing Skills Sector Support Centre	8,501	8,500
National Productivity Institute: Workplace Challenge	9,500	9,500
Critical Infrastructure Programme	118,540	118,473

Name of Institution	Estimate Expenditure	Amount Transferred
	R'000	R'000
Organisation for the Prohibition of Chemical Weapons	3,000	2,647
ProTechnik Laboratories	3,350	3,340
Proudly South Africa Campaign	7,000	7,000
Richards Bay Industrial Development Zone	60,682	60,682
South African Bureau of Standards: Research Contribution	181,496	181,496
South African Bureau of Standards: Plant Infrastructure	93,180	93,180
South African Bureau of Standards: Small Business Technical Consulting	1,158	1,134
South African National Accreditation System	30,623	30,623
South African Women Entrepreneurs Network	3,200	3,125
Small Enterprise Development Agency (seda)	441,514	441,514
seda : Technology Programme (Godisa)	120,000	120,000
Small and Medium Manufacturing Development Programme	914	914
Small and Medium Enterprise Development Programme	226,243	226,243
Industrial Development Corporation: Support Programme for Industrial Innovation	59,789	59,789
Council for Scientific and Industrial Research: Maritime Industry Project	1	-
United Nations Industrial Development Organisation	4,800	3,644
United Nations Industrial Development Organisation: Automotive Component Supplier Development Programme	7,152	7,152
Companies and Intellectual Property Tribunal	10,000	10,000
University of Pretoria: Advanced Engineering Centre of Excellence	1	-
South African Bureau of Standards: Upgrading of Vehicle Testing Facility	7,000	7,000
University of the Witwatersrand: National Aerospace Skills Sector Support Centre	6,301	6,300
Witwatersrand Business School: Centre of Entrepreneurship	1	-
World Intellectual Property Organisation	3,068	3,066
World Trade Organisation (WTO)	9,713	9,713
Industrial Development Zones - Other	1	-
TOTALS	5,580,423	5,569,156

5.4 Conditional grants and earmarked funds

5.4.1 Conditional grants

No conditional grants were awarded.

5.4.2 Earmarked funds:

Name of Institution	Estimate Expenditure (as per ENE)
	R'000
Intsimbi National Tooling Initiative: Tool, Die and Mould Technology	15,000
Remuneration Including Improved Conditions of Services: Department Companies and Intellectual Property Tribunal	602,237
Companies and Intellectual Property Tribunal	10,000
National Foundry Technology Network: Development of Metals Skills	7,000
South African Bureau of Standards: Upgrading of Vehicle Testing	7,000
Small Enterprise Development Agency (seda)	398,290
National Consumer Tribunal	28,833
National Credit Regulator	53,042

5.5 Capital investment, maintenance and asset management plan

5.5.1 Capital investment

Table 6: Capital investment

Name of Institution	Estimate Expenditure
	R'000
Coega Development Corporation	383,718
East London Industrial Development Zones (Pty) Ltd	171,282
Richards Bay Industrial Development Zone Company	60,682
South African Bureau of Standards: Plant Infrastructure	93,180
National Metrology Institute of South Africa: Infrastructure	25,000
Other Critical Infrastructure Programme	118,540

5.5.2 Maintenance

the dti entered into a 25-year contract with Rainprop (Pty) Ltd as the private party concessionaire responsible for providing fully serviced office accommodation at the dti Campus. The agreement was implemented in August 2003.

5.5.3 Asset Management Plan

As part of the Public-Private Partnership (PPP) agreement, the concessionaire will, for the duration of the contract period, own and maintain assets such as the land, buildings and majority of furniture items. Departmental assets excluded from this agreement include departmental vehicles, computer equipment and certain furniture items.

Departmental assets are managed in accordance with the policies issued by National Treasury and an asset register is maintained on the Logistical Information System (LOGIS). The department complied with the minimum requirements of the Asset Management Reforms as issued by National Treasury.

5.6 Policy and Legislative Changes

During the period under review, one of the policy changes has been the introduction in December 2011 of the Preferential Procurement Policy Framework (PPPF) Regulations that were promulgated in terms of the PPPF Act, 2000. Three Bills focusing on the development of SMMEs were finalised, namely: the Co-operatives Amendment Bill aimed at changing the co-operatives and establishing a dedicated agency; the Broad-Based Black Economic Empowerment (B-BBEE) Bill aimed at strengthening enforcement and compliance to the requirements; and the SEZ Bill aimed at implementing a role-ranging SEZ programme and providing comprehensive and cohesive marketing strategies.

On the regulatory front, both the Companies Act, 2008 (Act No. 71 of 2008) and the Consumer Protection Act, 2008 (Act No.62 of 2008) came into effect in the year under review. These pieces of legislation brought about the establishment of the CIPC and the NCC, which are responsible for the implementation and enforcement of the legislation. As these new laws have changed the regulatory landscape, it is crucial for the enforcers to adopt robust compliance strategies to achieve voluntary compliance, which should facilitate the speedy resolution of disputes and reduce red tape for companies operating in South Africa.

5.7 Performance Per Programme

5.7.1 Programme 1: Administration

(a) Purpose

To provide strategic leadership to the dti and its agencies, and ensure the successful implementation of the department's mandate through sustainable and integrated resource solutions and services that are customer-centric.

(b) Description of Sub-Programmes:

- (i) **The Offices of the Minister and Deputy Ministers** provide leadership and policy direction to the dti;
- (ii) **The Office of the Director-General (ODG)** provides overall management of the dti's resources;
- (iii) **Corporate Services** provides customer-centric and integrated resource solutions in human resource management, ICT, corporate governance, legal services and facilities management;
- (iv) **Office Accommodation** provides accommodation services to the dti and ensures continued maintenance service; and
- (v) **Financial Management** provides support to the dti, with respect to financial resource allocation and the management thereof, to aid the fulfilment of the department's goals and objectives.

Table 9: Performance against Planned Targets

Strategic Objective	Output	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
To create a professional, competitive and customer-focused environment that ensures effective and efficient service delivery	Annual adjusted HR plan	Percentage (%) of vacancy rate	18%	8,45%	The favourable variance is due to groundbreaking interventions in respect of adherence to lead times and the principle of 'use it or lose it'
		Percentage (%) of staff turnover	9%	10,6%	The real turnover for the dti is 6,7%, excluding transfer of staff to newly established Commissions (NCC and CIPC), which accounts for 3,9% of turnover
		Percentage (%) of people with disability	2,3%	2,64%	The favourable variance is ascribed to targeted recruitment for identified posts
		Percentage (%) of women employed in senior management positions	42%	43,81%	The favourable variance is a result of targeted recruitment for identified posts
	Creditors payments	Number of days taken to process payment after receipt of invoice	92% of all creditors payments made within 21 days	95% of 31 982 creditors payments were made within 10 days and the remainder within 21 days	None
	Service Delivery Improvement Plan (SDIP)	SDIP approved by Minister	Report on SDIP implementation submitted to the Minister	2009-2012 approved SDIP implemented and reviewed Draft report for the SDIP 2009-2012 developed and circulated to divisions for further inputs. Draft framework for the new SDIP for 2012-2015 has been developed and consulted with the divisions	None

5.7.2 Programme 2: International Trade and Economic Development (ITED)

(a) Purpose

To provide leadership on trade policy in South Africa to promote economic development by working to build an equitable multilateral trading system that facilitates development, by strengthening trade and investment links with key economies and fostering African development, including through regional and continental integration and development co-operation in line with NEPAD.

(b) Description of Sub-Programmes

- (i) **International Trade Development** facilitates bilateral and multilateral trade relations and agreements. The sub-programme makes transfers to: the Organisation for the Prohibition of Chemical Weapons, as the South African contribution to the Chemical Weapons Convention; ProTechnik Laboratories, as the South African contribution to international non-proliferation treaties and regimes; and the WTO, as the South African membership fee to this global organisation dealing with rules of trade between countries.
- (ii) **African Economic Development** facilitates bilateral and multilateral African trade relations aimed at deepening regional integration. The sub-programme makes transfer payments to the Development Bank of Southern Africa (DBSA) for regional spatial development initiatives (SDIs) aimed at accelerating sustainable socio-economic development.

Table 10: Performance against Planned Targets

Strategic Objective	Output	Performance Measure/Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Build mutually beneficial regional and global relations, to advance South Africa's trade, industrial policy and economic development	Trade negotiations concluded EPA with the EU, SACU India PTA SADC-EAC-COMESA (T-FTA)	Enhanced preferential market access	Report on progress	Progress reports prepared on EPA, SACU-India PTA and T-FTA negotiations	None
	Africa regional development programme implemented	Progress reports on: - five priority development areas in SACU; - SADC FTA ; and - SDI infrastructure projects	Report on implementation of agreed work programme and projects	Progress reports prepared on implementation of five priority development areas in SACU, SADC FTA and SDI infrastructure projects	None

5.7.3 Programme 3: Empowerment and Enterprise Development (EEDD)

- (a) **Purpose:** Lead the development of policies and strategies that create an enabling environment for SMMEs, and enhance the competitiveness of local and provincial economies, to achieve inclusive shared equity, growth and job creation.
- (b) **Description of sub-programmes**
- (i) **Broadening Participation** creates an enabling environment conducive to the development and growth of SMMEs and co-operative enterprises, and provides a broad range of business development support services. Provision is made for **seda**, which provides non-financial business development and support services for small enterprise.
- (ii) **Equity and Empowerment** promotes BEE and women's economic empowerment. The sub-programme makes transfer payments to the National Empowerment Fund, which targets transactions that present the best and highest contribution to the entity's empowerment measure; to the South African Women Entrepreneurs' Network (SAWEN), a networking platform administered by Khula Enterprise Finance, which supports and grows women's entrepreneurship; and to the IDC's Isivande Women's Fund, which provides financial support to women entrepreneurs.
- (iii) **Regional Economic Development** promotes spatially balanced economic development and productivity improvements by crafting policies, strategies and programmes that focus on underdeveloped regions. The sub-programme makes transfers to: the National Research Foundation's Technology and Human Resources for Industry programmes, which support research and technology development by strengthening the number and skills of appropriately trained people; Productivity South Africa's Workplace Challenge programme, which finances and supports world-class manufacturing and value chain efficiency improvements in South African companies; the IDC's Support Programme for Industrial Innovation, which enables private sector enterprises to develop new products and services; **seda's** Technology programme, which finances and supports early, seed and start-up technology ventures aimed at increasing South Africa's competitiveness; and the Centre for Entrepreneurship, which combines technical graduate training and entrepreneurship in the higher education curricula, thus empowering emerging entrepreneurs and unemployed graduates.

Table 11: Performance against Planned Targets

Strategic Objective	Output	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth	seda Technology Programme (stp)	Number of new incubators established (the figure is cumulative)	39	34	The process for establishing incubators took longer than anticipated and the allocated SWEEEP funding to STP has not been committed to establish an additional five new incubators
		Number of technology transfer interventions approved	40	33	seda received 58 requests and referred the balance to other institutions.

Strategic Objective	Output	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth	seda Technology Programme (stp)	Number of SMMEs approved for assistance	244	295	There was an increase in the number of incubators as a result of additional funding provided from seda savings
	SMMEs initiatives reviews	SMME Review Report including recommendations	Report on the implementation of recommendations in the review report	A final review report was presented to the Select Committee of International Relations and Co-ordination and Trade and Industry	None
	Workplace challenge programme	Number of new participating companies (signed MOUs)	300 companies	396	The accelerated recruitment drive and increased interest from Co-operatives in areas such as Doringbaai, Msinga and Tzaneen contributed to the increased number of 396 from the projected 300
	B-BBEE Act and Codes of Good Practice for B-BBEE	Approved B-BBEE Amendment Act	Draft amendment B-BBEE Bill and submit to Cabinet for approval	Draft amendment B-BBEE Bill and submitted to Cabinet for approval	None
		Codes of Good Practice for B-BBEE submitted to the Minister for approval	Codes of Good Practice for B-BBEE gazetted	Refined Codes of Good Practice finalised and presented to the Minister for sign-off	Further consultation by the principals on the Codes
	National Strategic Framework on Gender and Women Empowerment	National Strategic Framework on Gender and Women Empowerment approved	Gender and Women Empowerment National Strategic Framework submitted to the Minister for Cabinet approval	Final draft completed and to be presented to the Deputy Minister and thereafter to be presented to ExBo	Additional consultations with key stakeholders needed to take place. Further research was needed to strengthen the document

Strategic Objective	Output	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth	Finance access programme for women through the Isivande Women's Fund (IWF)	Number of new projects approved	50 projects	Nine new projects supported	There was no fund manager in place during the period under review. Fund manager appointed in July 2011
Facilitate transformation of the economy, to promote industrial development, investment, competitiveness and employment creation	Support Programme for Industrial Innovation (SPII)	Number of new approved projects	20 new projects contracted	52 new projects contracted	Target exceeded due to additional funding made available from the dti
		Value of new approved grants	Total value support of R40 million (SPII contribution R20 million and industry contribution R20 million)	R72, 982, 932 million SPII contribution R80 101 399 million Industry contribution	Target for SPII and Industry contributions exceeded due to additional funding made available from the dti
	Technology and Human Resources for Industry Programme (THRIP) for development of technological competencies	Number of students approved for THRIP funding	2 100 THRIP students	Supported 1 339 students under THRIP in all sectors	Less projects approved therefore less number of students (annual approvals)
		Number of researchers approved for THRIP funding in chemical, ICT, Metal and minerals, agriculture, Bio-tech and energy	700 THRIP researchers	Supported 850 researchers under THRIP in all sectors	Project leaders using more researchers to support projects (could be multi-disciplinary)

5.7.3 Programme 4: Industrial Development Division (IDD)

- (a) **Purpose:** Facilitate industrial development supported by Government procurement that creates an enabling environment for competitiveness, growth and job creation.
- (b) **Description of Sub-Programme**
- (i) **Industrial Competitiveness** develops policies, strategies and programmes to strengthen the ability of manufacturing and other value-added sectors to create decent jobs and increase value-addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling IPAP.
- (ii) **Customised Sector Programme** develops and implements high-impact sector strategies focused on manufacturing and other value-added sectors to create decent jobs and increase value-addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling IPAP.

Table 12: Performance against Planned Targets

Strategic Objective	Output	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation	Annual rolling IPAP	IPAP tabled at Cabinet annually	Table annual rolling IPAP to Cabinet by April 2011	<p>IPAP was approved by Cabinet in March and launched in April 2011</p> <p>Six IPAP implementation monitoring reports produced</p> <p>A number of strategies with action plans to promote competitiveness, growth and job creation in various sectors were finalised. Key action plans to be rolled out will form part of the next iteration of the IPAP</p> <p>Significant inputs made into the development of the MCEP to be effected in the 2012/13 financial year</p>	PAP tabled ahead of schedule

Strategic Objective	Output	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation	Annual rolling IPAP	IPAP tabled at Cabinet annually	Table annual rolling IPAP to Cabinet by April 2011	Continued engaging, consulting and partnering with key stakeholders in all IPAP priority sectors, resulting in among others: significant investment commitments in the Autos Sector; support of jobs in clothing and textile sector; new investment in BPS; and creation of a regulatory environment to promote investment in green industries	PAP tabled ahead of schedule
	Sectors/ subsectors for local procurement designated	Number of sectors/ subsectors to be designated	Six sectors/ subsectors designation templates completed and submitted to the National Treasury	Six sector designation templates completed and submitted to National Treasury Work in advanced stage on the designation template for pharmaceuticals	Commenced work on other sector designation templates ahead of schedule

5.7.5 Programme 5: Consumer and Corporate Regulation

(a) **Purpose:** Develop and implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens.

(b) **Description of Sub-Programmes**

- (i) **Policy and Legislative Development** develops regulatory solutions, including through ongoing legislative reviews.
- (ii) **Enforcement and Compliance** provides the public and private sector with policy reviews and briefings on trends analysis, impact assessments, market surveys and the effectiveness of regulatory agencies voluntary compliance.
- (iii) **Regulatory Services** monitors and funds a number of regulatory agencies, including:

- The National Gambling Board (NGB), which provides a regulatory framework for gambling practices;
- The National Consumer Tribunal (NCT), which ensures equity in the credit market and balances the rights and responsibilities of credit providers and consumers;
- The National Credit Regulator (NCR), which regulates the consumer credit industry to improve consumer protection in the end-user credit market;
- The National Consumer Commission (NCC), which ensures well-functioning markets that are fair, competitive and responsible to consumers;
- The Companies and Intellectual Property Commission (CIPC), which regulates the enforcement of intellectual property and company laws, including registration of companies;
- The National Lotteries Board (NLB), which regulates the National Lottery and all other South African lotteries;
- The Estate Agency Affairs Board (EAAB), which regulates the activities of estate agents and protects consumers;
- The Companies and Intellectual Property Tribunal (CIPT), which adjudicates matters arising in terms of the Companies Act, 2008 (Act No. 71 of 2008);
- The Takeover Regulation Panel and the Financial Reporting Standards Council, which will be established following the Companies Act, 2008 (Act No. 71 of 2008) and will regulate affected transactions and issue standards; and
- The World Intellectual Property Organisation (WIPO), which facilitates the South African contribution to an international regime for intellectual property.

Table 13: Performance against Planned Targets

Strategic Objective	Output	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Create a fair regulatory environment that enables trade and enterprise development in an equitable and socially responsible manner	Impact assessment of regulation on business and economic citizens	Number of impact assessment (RIA) reports produced Report on RIA with recommendations produced	Three RIA reports	Three RIA reports produced for approval (NCA, EAAB and Lotteries)	None
	Policies, Bills and Regulations to enforce business practices	Number of policies	1 policy on intellectual property	Intellectual property policy framework produced Intellectual Property Amendment Bill for protection of traditional knowledge adopted by Cabinet and NCOP	None

Strategic Objective	Output	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Create a fair regulatory environment that enables trade and enterprise development in an equitable and socially responsible manner	Policies, Bills and Regulations to enforce business practices	Number of draft Bills	2 draft Bills on Estate Agency and National Lottery	Two Bills drafted for approval and EAAB Bill tabled in Cabinet Lotteries Bill awaited conclusion of Gambling Review report process	Lotteries Bill awaiting Cabinet tabling
		Number of regulations	3 Regulations on Gambling, NCA, Estate Agency Affairs	Gambling Review hearings only concluded in quarter 4; National Amendment Bill not tabled Estate Agency Affairs Policy and Bill produced and submitted to Cabinet. Debt Counselling Regulations produced and published for comments Advertising Regulations Amendments and the Exclusions Register Regulations developed for publication as well as the Re-certification of the Gambling Machines Regulation 8(4) Companies Act Regulations produced and approved for publication.	Estate Agency Affairs Board and National Lotteries regulations to be drafted once Bills have been approved by Cabinet. Estate Affairs Board function to be transferred to the Department of Human Settlements and proclamation finalised and submitted to the Presidency

5.7.6 Programme 6: The Enterprise Organisation (TEO)

- (a) **Purpose:** To stimulate and facilitate the development of enterprises through the provision of incentive measures that support investment, job creation and regional economic development, such as industrial development zones.
- (b) **Description of Sub-Programmes**
- (i) **Broadening Participation Incentives** provide incentive programmes that promote broadened participation by historically disadvantaged communities and marginalised regions in the mainstream of the economy. The Black Business Supplier Development Programme (BBSDP) and Cooperatives Incentives Scheme (CIS) form part of this sub-programme.
 - (ii) **Competitiveness Incentives** provide incentive programmes that promote industrial upgrading and the growth of South African goods and services in the global economy. Incentive programmes under this sub-programme include Export Marketing and Investment Assistance (EMIA), the Sector-Specific Assistance Scheme (SSAS) and the Green Enterprise Competitiveness Programme (GEMP).
 - (iii) **Manufacturing Incentives** provide incentive programmes that promote additional investments in the manufacturing sector. Incentive programmes under this sub-programme include the Manufacturing Investment Programme (MIP) within the Enterprise Investment Programme (EIP), the Small and Medium Enterprise Development Programme (SMEDP), the Small and Medium Manufacturing Development Programme (SMMDP), and the Automotive Production and Development Programme (APDP).
 - (iv) **Services Sector Incentives** provide incentives that promote increased investment and growth in the services sectors. Incentive programmes under this sub-programme include the Business Process Services Programme (BPSP), previously known as the Business Process Outsourcing (BPO) programme, the film and television production incentive, and the Tourism Support Programme (TSP) within the EIP.
 - (v) **Infrastructure Development Support** leverages investments to the South African economy by providing infrastructure critical to industrial development, thus increasing exports of value-added commodities and creating employment opportunities. Incentive programmes under this sub-programme include the Critical Infrastructure Programme (CIP) and the Industrial Development Zone (IDZ) programme.
 - (vi) **Product and Systems Development** aims to develop, review, monitor and evaluate incentive programmes to support the National Industrial Policy Framework (NIPF) and its action plan as well as sector strategies to address identified market failures.
 - (vii) **Business Development and After Care** facilitates access to targeted enterprises through the dissemination of information on TEO's incentive programmes as well as the provision of business advisory services to potential and existing clients.

Table 14: Performance against Planned Targets

Strategic Objective	Output	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation	Automotive Incentive Scheme (AIS) and 12 I tax allowance	Number of enterprises approved for incentives	AIS: 60	AIS: 92	Increased uptake due to proactive interaction with clients
			12 I: 10	12 I: 14	
		Value of projected investments from projects approved	AIS: R5,1bn	AIS: R4,7bn	Increased uptake due to proactive interaction with clients
			12 I: R8bn	12 I: R22.4bn	
	Number of new jobs projected from projects approved	AIS: 2 500	AIS: 5 344	Increased uptake due to proactive interaction with clients	
		12 I: 2 000	12 I: 1 969	None	
	Critical infrastructure programme	Number and value projects approved	Eight (8) projects approved, worth R4bn	Six projects approved, worth R9.9bn	Capacity constraints due to resignations
	Export Marketing and Investment Assistance (EMIA)	Number of enterprises approved to participate in the EMIA scheme	EMIA-435	896 enterprises approved	More companies using EMIA as a result of a reduction in number of National Pavilions
	Industrial Competitiveness Upgrading Programme (ICUP)	Number of enterprises approved for ICUP grants	220 enterprises approved	The incentive was not launched due to the incorporation of the MCEP	The incentive was not launched due to the incorporation of the MCEP
	Business Process Services (BPS) Film and TV production	Number of BPS approved projects for grants	10 BPS projects	23 projects approved for grants	None
Number of productions approved for grants under the film and TV productions programme		60 film productions	72 film productions approved for grants	Increased uptake	
Value of offset investments leveraged through grants approved for BPS and Film		BPS: R350m	R4,1bn	Increased uptake due to allowance of retrospective applications	
	Film: R1,5bn	R2bn	Increased uptake due to allowance of retrospective applications		

Strategic Objective	Output	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation	Business Process Services (BPS) Film and TV production	Number of projected jobs from applications for BPS grants	5 000 ¹	15 149 over a period of three years	Increased uptake due to allowance of retrospective applications
	Industrial Development Zones (IDZ) policy and legislation approved	IDZ policy approved	Industrial Development Zones (IDZ) policy and legislation submitted to Parliament	SEZ policy and Bill approved by Cabinet for public comment	None
Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth	Implementation of the Enterprise Investment Programme (EIP)	Number of SMMEs approved for EIP (MIP and TSP) incentive	EIP-MIP: 390	648	Increased confidence by private sector in the programme
			TSP 260	158	
		Value of projected investments from projects approved	EIP-MIP: R6bn	R10,65bn	
			EIP-TSP: R4bn	R1,65bn	
	Number of new projected jobs from approved projects	EIP-MIP: 8400 ²	15 586	Increased confidence by private sector in the programme	
		EIP-TSP: 5 600 ³	1 744		
CIS and BBSDP programme	Number of enterprises approved for CIS and BBSDP grants	CIS: 130	183	Increased confidence by private sector in the programme	
		BBSDP: 1 455	299	Increased marketing of the incentives	

1 Job figures taken from application forms

2 Job figures taken from application forms

3 Job figures taken from application forms

5.7.7 Programme 7: Trade and Investment South Africa (TISA)

(a) **Purpose:** Increase export capacity and support direct investment flows through strategies for targeted markets and an effectively managed network of foreign trade offices.

(b) **Description of Sub-Programmes**

(i) **Investment Promotion and Facilitation** facilitates the increase in the quality and quantity of foreign and domestic direct investment by providing an investment recruitment, problem-solving and information service. The sub-programme is promoting South Africa as an investment destination, with a target of R115 billion over three years, and is responsible for organising an international investment conference annually.

(ii) **Export Development and Promotion** develops new and existing South African exporter capabilities. It provides information, financial support and practical assistance to sustain organic growth in traditional markets and penetrate new high-growth markets.

(iii) **International Operations** manages and administers the department's foreign office network of 27 countries economic representatives covering a footprint of 45 countries to promote trade and investment in South Africa.

Table 15: Performance against Planned Targets

Strategic Objective	Output	Performance Measure/ Indicator	Actual Performance against		Reason for Variance
			Target	Actual	
Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth	Increased value added exports to and inward investment from key developing countries of the South	Increased trade and investment by 15%	South Africa's trade and investment with key developing countries of the South increase by 5%	<p>South Africa's exports to key developing countries of the South increased by over 5%. Of the R6,42bn export sales facilitated, 47% was from Africa and the Middle East and 15% from Asia</p> <p>In terms of an investment pipeline of potential projects of R40,91bn an amount of R14,81bn has been recorded representing 36,2% from developing countries which include China, India, South Korea, Singapore and Russia</p>	Increased promotional activities in developing countries of the South (Africa, Middle East and Asia)

Strategic Objective	Output	Performance Measure/ Indicator	Actual Performance against		Reason for Variance
			Target	Actual	
	Increased manufactured exports under EMIA	Value of increase in exports	R800m	R6,42bn export sales	Increased activities in emerging high-growth markets over the last three years
	Investment facilitation in targeted sectors	Value of investment pipeline	R40bn	R40,91bn	Better uptake of manufacturing, renewable energy projects and green fields manufacturing plants by multinationals to support their African expansion

5.7.8 Programme 8: Marketing and Communication Division

- (a) **Purpose:** Facilitate greater awareness of the department's role and increase the uptake of its products and services.
- (b) **Description of Sub-Programmes**
- (iv) **Brand Management** manages the dti's image and ensures that excellent customer service standards are upheld. This entails improving customer touch points and ensuring strong customer relationship management.
- (v) **External Communications** creates consumer awareness and educational campaigns to ensure a meaningful understanding of the department's offerings.
- (vi) **Media and Public Relations** ensures that the department's image is visible by improving media relations management and public relations activities.

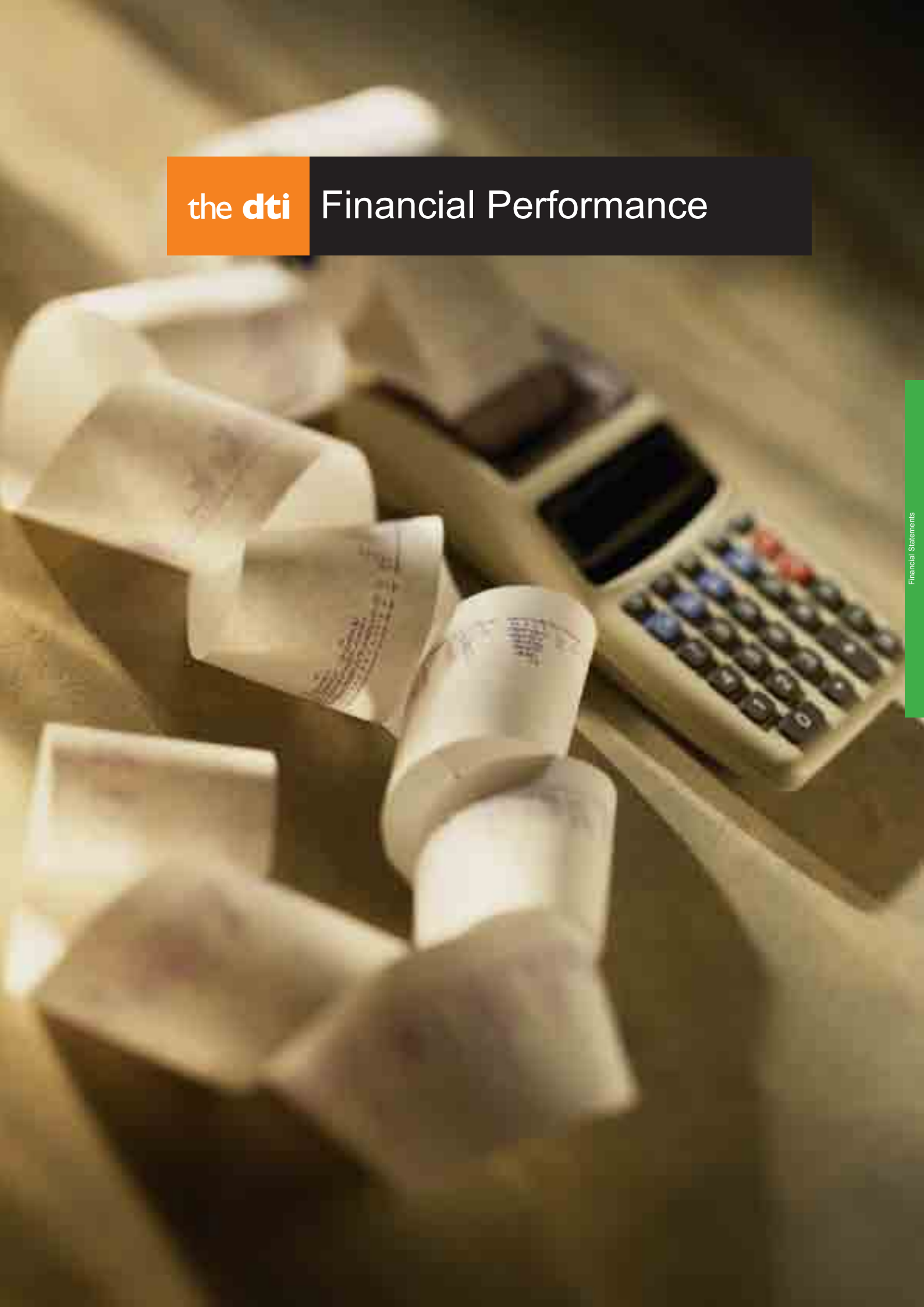
Table 16: Performance against Planned Targets

Strategic Objective	Output	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
To create a professional, competitive and customer-focused working environment that ensures effective and efficient service delivery	Public awareness platforms and events	Number of programme-focused publications	8	Seven publications	Production of one handbook still under way
		Number of multimedia awareness campaigns	6	Nine campaigns	Increased outward missions recruitment and public consultations

Strategic Objective	Output	Performance Measure/ Indicator	Actual Performance against Target		Reason for Variance
			Target	Actual	
To create a professional, competitive and customer-focused working environment that ensures effective and efficient service delivery	Public awareness platforms and events	Number of events and outreach initiatives	80	26	Late cancellation of events by the divisions/ stakeholders

the dti

Financial Performance



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REPORT OF THE AUDIT COMMITTEE

We are pleased to present our Audit Committee report for the financial year ended 31 March 2012.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee consists of the members listed hereunder and meets at least four times per annum as per its approved terms of reference.

During the current year four meetings were held.

<u>Name of Member</u>	<u>Number of meetings attended</u>
<u>Non Executive Members</u>	
Mr L Yanta (Chairperson)	4
Mr D Braithwaite	4
Ms P Ndumo	4
Ms V du Preez	4
Mr D Dharmalingam	3
<u>Executive Member</u>	
Mr L October (Director-General: May 2011)	4

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1)(a) of the PFMA and Treasury Regulations 3.1.13. The Audit Committee also reports that it has appropriate terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter, and has discharged all its responsibilities as contained therein.

THE EFFECTIVENESS OF INTERNAL CONTROL

The systems of internal control are designed to provide cost-effective assurance that assets are safeguarded, and that liabilities and working capital are efficiently managed.

In line with the PFMA and the King 111 Report requirements relating to the public sector, internal audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of an appropriate quarterly reporting process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. A separate Risk Management Committee monitors and oversees the control of Risk Areas throughout the dti.

From the various reports of the internal auditors, the Audit Committee noted that no significant or material non-compliance with prescribed policies and procedures has been reported.

Based on the audits conducted and presented at the Audit Committee meeting for the 2011/12 year, the Committee concludes that the controls evaluated during those audits were adequate and materially effective for most of the areas tested. We do, however, emphasise that in certain instances controls were found to be partially effective and needed further improvements.

QUALITY OF MANAGEMENT REPORTS

The Committee is satisfied with the content and quality of the quarterly reports prepared and issued by the Accounting Officer and the department during the year under review. Certain improvements have, however, been recommended to the Office of the Chief Financial Officer.

EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee has:

- Reviewed and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the annual report;
- Reviewed the Auditor-General's final management letter and management's response thereto;
- Reviewed the appropriateness of accounting policies and practices; and
- Reviewed significant adjustments resulting from the annual audit.

The Audit Committee concurs with and accepts the conclusions of the Auditor-General on the annual financial statements.



Chairperson of the Audit Committee

31 July 2012

Report of the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa

1. General Review of the State of Financial Affairs

1.1 Strategic Overview

During the year under review, **the dti** focused on the implementation of various policies and legislation towards achieving its key mandates. To this end, key achievements were recorded as outlined below:

(a) Industrial Development

A notable accomplishment for **the dti** in the area of Industrial Development has been the demonstration that industrial policy interventions have a positive impact on the South African economy. The new iteration of the annual rolling IPAP, which was approved by Cabinet and launched on 2 April 2012, further strengthens and deepens these interventions in the South African economy. The successful implementation of the second iteration of the IPAP, known as IPAP2, resulted in important achievements being made in various sectors. These include Automotives, Business Process Services, Clothing and Textiles, Chemicals, Metal Fabrication, and Capital and Transport Equipment. Interventions in these sectors show that major turnarounds can be attained when Government and its social partners constructively work together, leading to the sustainability and growth of sectors.

Of importance is that the department secured investment commitments resulting in the creation of jobs. For example, the implementation of the Automotive Production and Development Programme (APDP) helped renew confidence, demonstrated largely by original equipment and component manufacturers. This confidence has been expressed through investment commitments of more than R15 billion.

In addition, China's First Auto Works committed to an investment of \$100 million for a truck and car assembly plant and Toyota SA to assembling minibus taxis locally. Achievements made in Business Process Services include R3.4 billion in new investment secured and 1 373 jobs created over the past year. A further set of approved projects will create about 11 000 jobs over the next three years. Under the Monyetla II Programme, 3 400 young people were trained, 70% of whom were placed in employment by the Business Process Outsourcing (BPO) consortium. Furthermore, the first Amazon African customer service centre in Cape Town was launched in August 2011 to service English- and German-speaking clients.

Significant competitiveness improvements have been seen in the Clothing and Textiles sector as a result of the implementation of the CTCP. The CTCP brought together manufacturers and retailers such as Foschini, Truworths and Edcon to take advantage of the proximity, quality and flexibility that domestic manufacturers offer. This has brought about the stabilisation of production and employment in the sector, with 208 companies and 48 384 jobs being supported.

Due to a policy decision to target specific products and components for local production, **the dti** successfully made a case to amend the procurement regulations to designate key sectors and industries from which government departments and SOEs must procure locally. These regulations came into force on 7 December 2011 and, as a result, **the dti** in collaboration with the Department of Science and Technology (DST) secured investment in a multi-product plant manufacturing facility to produce 500 tons of ARV Active Pharmaceutical Ingredients

(APIs) per year from 2016. In addition, the first round of sector designations took place in December 2011 and included buses, rolling stock, power pylons, canned vegetables, clothing, textiles, leather and footwear, and set-top boxes. Work to designate pharmaceuticals has been approved by the Minister and awaits endorsement by the Department of Health.

(b) Trade, Investment and Exports

In this area, **the dti** played a prominent role to strengthen trade and economic integration in Africa. Within SACU, a work programme on industrial development has been agreed to by the Council. Eight sectors have been identified for cross-border complementarities and value-chains, with the agro-processing sector a pilot. Additionally, a process was initiated to develop a common SACU position on the rules of origin for clothing and textiles in relation to SADC. This will form the basis of a common negotiation mechanism for future agreements that SACU enters into. In SADC, the view was successfully advanced that focus should be given to consolidating the Free Trade Agreement (FTA), rather than moving towards a customs union, extending integration through the launch of the T-FTA, which comprises SADC, the EAC and COMESA.

As part of advancing development and regional integration in Southern Africa and Africa, a summit was hosted where the T-FTA was launched. During the summit, South Africa and SACU's positions on scope, principles, time frames and institutional mechanisms to guide the negotiations were adopted. With regards to the continental FTA, South Africa's position regarding timing, scope and broad principles to boost intra-Africa trade were accepted in the AU summit, which was held in January 2012. The South African position proposes a gradual and functional approach to continental integration that builds on regional efforts such as the T-FTA. This work was undertaken based on the recognition that the continent has become the biggest opportunity for South Africa, and the country has to position itself to assist with the regeneration and industrialisation of the continent.

On bilateral work in Africa, co-operation memoranda of understanding (MoU) were signed with partner countries. **the dti** provided the economic content for eight Government-to-Government engagements. Six trade and facilitation missions were undertaken, and technical co-operation arrangements were facilitated with three African country partners.

On the multilateral front, South Africa's ascendance into the BRICS alliance has been a major achievement in strengthening South-South relations. **the dti's** efforts to advance South Africa's trade and investment interest at the BRICS and IBSA summits, with respect to multilateral and bilateral economic collaboration, yielded substantial results. These included terms of reference for the BRICS Contact Group on Economic and Trade Issues (CGETI), establishing a work programme for BRICS and a BRICS Development Bank to support infrastructure projects in BRICS and Africa. In addition, China announced its import and beneficiation-at-source policies. The top 10 investment projects and top 10 value-added export products have been identified for engagements with China and this model will be adopted for other high-growth markets.

During the year under review, **the dti** continued to represent South Africa at the EPA negotiations with the European Union (EU) to establish a common trade in goods arrangement between SACU and the EU.

As a result of **the dti's** efforts to attract investment into the South African economy, R41 billion in potential investment projects and 42 691 potential jobs were facilitated in the past financial year. The investment initiatives that contributed to this positive trend include greenfield manufacturing plants by multinationals such as Unilever, Procter and Gamble, Kimberley Clark, Nestle, FAW Motors, Kiran Global Silica and LG. The Unilever plant is environmentally sustainable and will become the design standard for all future Unilever plants globally. This reflects the type of quality investments and companies set up in South Africa to service the African continent. **the dti's** efforts on this front have contributed to a shift in the composition of capital inflows from portfolio investment to foreign direct investment (FDI).

Exports of R6.42 billion were achieved through the expansion of market access for South African products. Four ITIs were organised to Brazil, India, Russia and Zimbabwe, in which 51 emerging exporters and 39 SMMEs participated.

A major achievement was ACSA winning a concession to the value of R72 billion to operate and manage Guarulhos International Airport in Brazil as a result of **the dti**'s efforts and their participation in the ITI to Brazil.

In support of the foreign State visits, the department facilitated business delegations to Norway, France, Burundi, the United Arab Emirates, Oman, Finland, Denmark and Sweden, which were led by the State President or Deputy President. Support was provided to the business forum programme during incoming State visits from Tanzania, Benin, and Turkey.

(c) Broadening participation

the dti played a meaningful role in broadening the participation of enterprises and regions within the economy. A process was undertaken to rethink various key aspects of the country's small business development efforts and, to this end, a review of Government Support for Small Business has been conducted. Recommendations from the review are currently being implemented to address the needs of small businesses in South Africa.

As part of its continued support to SMMEs, the department through **seda** has to date established a network of 42 branches, 17 mobile units, 47 information kiosks and three EICs countrywide.

Furthermore, the Technology Incubation Programme of the department, which is managed by **seda**, created 295 new SMMEs and supported 1 089 SMMEs, 31% of which were women-owned and 86% black-owned. This led to the creation of 1 499 direct jobs. Currently, there are 34 incubators countrywide supporting SMMEs in various industrial sectors, including agriculture, agro-processing, construction, ICT, manufacturing, mining and minerals beneficiation.

With regards to co-operatives, a review of the National Co-operatives Strategy and the Co-operatives Act has taken place. In 2012 Cabinet approved the revised National Strategy and the introduction of the Co-operatives Amendment Bill into Parliament. In addition, for the year under review, a total of 355 new small-scale co-operatives were established. To encourage the establishment and sustainability of co-operatives, 280 were trained on the co-operative concept.

Progress made on the transformation front included the review of the B-BBEE Act. The B-BBEE Amendment Bill is to be tabled in Cabinet in the first quarter of 2012. The process to refine the B-BBEE Codes of Good Practice is also under way and will be finalised in 2012. This refinement, together with the alignment of the B-BBEE Codes with the PPPFA Regulations, which came into effect on 7 December 2011, is a major policy change for the country. B-BBEE is now aligned to the key priorities of Government, which are aimed at the creation of sustainable black enterprises and quality jobs.

(d) Regulation

Commendable achievements were recorded to ensure improvement in compliance with the legislative and regulatory requirements. The Companies Act, 2008 (Act No. 74 of 2008) was amended and assented to by the Honourable President. The Act was effected on 1 May 2011, its purpose being to promote compliance with the Bill of Rights as provided for in the Constitution in the application of company law and to promote the development of the South African economy.

As a result of its enactment, various institutions were established, namely the CIPC, which simplifies business

registration process, red tape and enhances the transparency of companies; the Companies Tribunal, providing for dispute resolution and administrative reviews made by the CIPC; the Take-Over Regulation Panel prescribing regulation on company takeovers; and the Financial Reporting Standards Council, which receives and considers any relevant information relating to the reliability of and compliance with financial reporting standards and advises the Minister on matters relating to financial reporting standards. The NCC was launched in terms of the Consumer Protection Act, 2008 (Act No. 68 of 2008) to provide consumers with protection on issues relating to credits agreements, product quality, rights to refunds and repairs.

As part of reviewing legislations, the Intellectual Property Bill was submitted to Parliament and is being processed. The Gambling Review Report was processed by the Portfolio Committee on Trade and Industry and is awaiting adoption by Parliament. **the dti** assessed the effectiveness of legislation, which resulted in the finalisation of three impact assessment reports in relation to the National Credit Act, National Lotteries Act, Estate Agency Affairs Act and Co-operatives Act.

In promoting co-operative governance, **the dti** entered into a Memorandum of Agreement with Contralesa, which aims to build and formalise relations. This included the rolling out of programmes in three provinces (the North West, Northern Cape and Mpumalanga), reaching more than a million people through direct (workshops) and indirect (community radio stations) interactions. Furthermore, a liquor conference was hosted and attended by stakeholders from various countries to discuss the challenges relating to the regulation of the industry. The outcomes of this conference will help craft a way forward on the regulatory approach that needs to be introduced.

(e) Administration and Co-ordination

For an organisation to be operationally efficient in the pursuit of its goals and objectives, it is imperative that it invests in resources, systems and processes. **the dti** managed to fill critical positions and reduced its vacancy rate from 16.9% to 8.4%. Employees at various levels were provided with the requisite skills through various learning interventions as identified in their Personal Development Plans (PDPs).

The ICT infrastructure was upgraded to enable web-based applications and claims processes for incentives such as the Enterprise Investment Programme (EIP) and Black Business Supplier Development programme (BBSDP). This will shorten the turnaround times.

Requirements pertaining to the payment of creditors within 30 days were met by ensuring that 95% of all eligible payments were processed within 21 days. As part of empowering Historically Disadvantaged Individuals (HDIs), 55% on procurement spend was set aside. This is a significant achievement, given the stringent measures and red tape that still exist and are considered to be a regulatory burden for small businesses.

1.2 Key policy decisions and developments

Although the department has identified its medium-term results, the primary objective is to ensure direct contribution towards three of the 12 Outcomes of Government, namely:

- Outcome 4 – Decent employment through inclusive growth;
- Outcome 11 – Creating a better South Africa, a better Africa and a better world.
- Outcome 12 – An efficient, effective and development-orientated public service and an empowered, fair and inclusive citizenship.

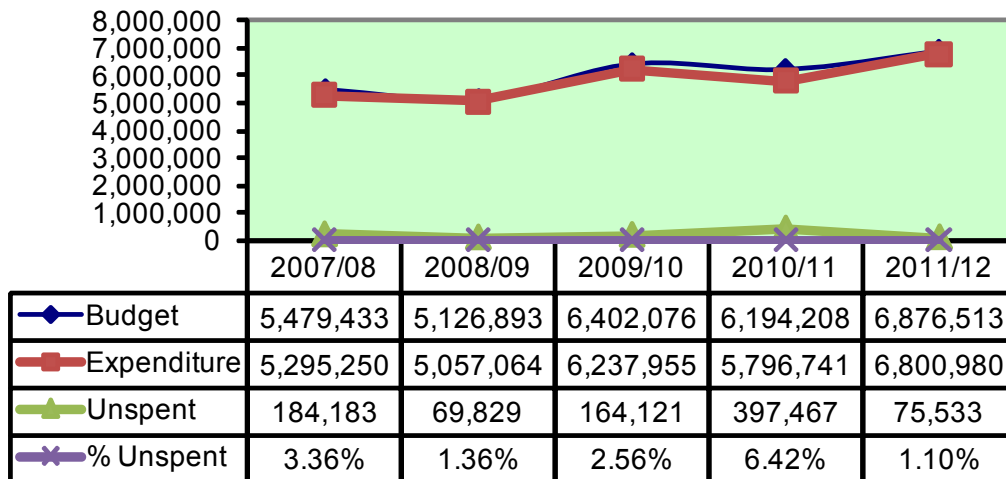
1.3 Overview of spending trends

The budget allocation for the 2011/12 financial year was R6.9 billion compared with R6.2 billion in 2010/11. The expenditure for 2011/12 was R6.8 billion, i.e. 99% of the budget, and in 2010/11 it stood at 94%, i.e. R5.8 billion. This spending pattern should be considered in the context of the departmental cost drivers, comprising mainly incentive schemes and transfer payments. Approximately 65% of the expenditure consisted of incentives and 16% of transfers to the departmental agencies. The remaining funds were utilised for operational expenses. The majority of the dti's transfer payments to business incentive schemes, as well as the infrastructure and investment support programmes, reside within the EED, Industrial Development and TEO divisions.

The underspending was mainly in the areas of TISA as well as Communication and Marketing divisions.

No requests will be made for the rollover of funds.

The expenditure pattern over the past five years, as compared with the budget allocations, is reflected in the graph below:



Five-Year Comparison of Budget vs Actual Expenditure – R'000

As depicted in the graph above, the budget versus the actual expenditure for the 2011/12 financial year shows a substantial increase in the spending over the past financial years.

The table reflects the categories against which the department's expenditure had been incurred:

Description	2011/12		2010/11	
	R'000	%	R'000	%
Payments to agencies	1,058,599	15.6%	838,980	14.5%
Compensation	566,988	8.3%	514,524	8.9%
Incentives	4,440,568	65.3%	3,859,334	66.6%
Incentives: Capital	910,410	13.4%	1,229,092	21.2%
Other Incentives	3,530,158	51.9%	2,630,242	45.4%
Goods & Services	593,730	8.7%	475,241	8.2%
Other Payments	104,605	1.5%	93,473	1.6%
Capital	36,490	0.5%	15,189	0.2%
Total Expenditure	6,800,980	100%	5 796 741	100%

Programme 1: Administration

This programme provides strategic leadership to **the dti** and its agencies. It comprises support for the offices of the Minister, Deputy Ministers and Director-General. The Director-General's office consists of the Agency Management Unit, Strategy Unit, Internal Audit, Financial Management, Corporate Governance as well as the Economic Research and Policy Co-ordination Unit. The programme also includes the Group Systems and Support Services Division (GSSSD), which houses human resource management and the learning centre, legal services, accommodation management and information systems.

Expenditure increased by 28% from R440 million in 2010/11 to R564 million in 2011/12. This is largely a result of the increase in expenditure on capital assets and the write-off of debts.

Programme 2: International Trade and Economic Development (ITED)

This programme is responsible for the development of policies and design of policy instruments for economic activity, aimed at further integrating South Africa into the global economy. This will be done by negotiating international trade agreements and managing South Africa's tariff regime. This programme also fosters economic integration in Africa within the New Economic Programme for African Development (NEPAD) framework.

ITED provides leadership on trade policy in South Africa to promote economic development by working to build an equitable multilateral trading system that facilitates development, strengthening trade and investment links with key economies, and fostering African development through regional and continental integration and development co-operation in line with NEPAD.

The division experienced an increase in expenditure of 24%, from R107 million in 2010/11 to R133 million in 2011/12. This is largely a result of international legal fees and costs associated with travel and subsistence.

Programme 3: Empowerment and Enterprise Development (EED)

EED is responsible for creating an enabling environment conducive for the development and growth of SMMEs and co-operative enterprises, and to increase their contribution to the country's Gross Domestic Product (GDP), as well as improve the lives of all South Africans. Equity and Empowerment seeks to implement BEE and gender policies, while Regional Economic Development aims to enhance the competitiveness of local and provincial economies for sustained economic growth, as well as provide innovation and technology support.

The division experienced an increase in expenditure of 11%, from R798 million in 2010/11 to R888 million in 2011/12. This is largely a result of the increase in transfer payments to seda, the CSIR: Fibre and Textile Centre of Excellence, and the National Productivity Institute.

Programme 4: Industry Development

Industrial Competitiveness does advocacy work and develops policies and interventions, such as technical infrastructure support diversification. It eliminates intermediate barriers to entry, deepens domestic technology linkages, and participates in dynamic value chains to improve the industrial competitiveness of the South African economy. The Customised Sector Programme seeks to develop high-impact, sector-specific strategies that are crucial for economic growth and employment creation.

A large number of the dti Group of institutions report to this division. Its expenditure increased by 16%, from R1,145 billion in 2010/11 to R1,322 billion in 2011/12. This is largely a result of the increase in transfer payments to SANAS and the Centres of Excellence.

National Industrial Participation Programme (NIPP)

the dti has been mandated with the management and monitoring of the NIPP. The objectives include increasing the levels of foreign direct investment, market access for South African value-added goods and services, job creation and skills development. This is achieved via the lever of Government procurement. Participation in the NIPP becomes obligatory when the imported content of any public sector purchase or lease of goods or services equals or exceeds US\$10 million.

The table below sets out the updated progress as at 31 March 2012 of the performance of the Strategic Defence Packages (SDPs). All seven obligors completed their NIPP obligations to date.

	<i>Obligor 1</i>	<i>Obligor 2</i>	<i>Obligor 3</i>	<i>Obligor 4</i>	<i>Obligor 5</i>	<i>Obligor 6</i>	<i>Obligor 7</i>
	'000	'000	'000	'000	'000	'000	'000
<i>Value of milestone due</i>	\$7,200,000	€2,852,460	\$2,047,600	\$652,409	\$767,930	\$17,750	£108,644
<i>Milestone/obligation date</i>	April 2009	January 2008	October 2008	April 2007, extended until April 2009	April 2007, extended until April 2009	February 2010	September 2010
<i>Over/under achieved</i>	Achieved in full.	Achieved in full	Achieved in full	Achieved in full	Achieved in full	Achieved in full	Achieved in full
<i>Date milestone/obligation actually achieved</i>	April 2011	February 2010	February 2010	August 2008	March 2009	May 2010	December 2010

Obligor 1: The last and final milestone has been achieved in full with an excess of \$457,705,964 NIPP credits.

Obligor 2: The last and final milestone has been achieved in full with an excess of €265,300,570 NIPP credits.

Obligor 3: The last and final milestone has been achieved in full with an excess of \$14,485,360 NIPP credits.

Obligor 4: The last and final milestone has been achieved in full with an excess of \$48,327,681 NIPP credits.

Obligor 5: The last and final milestone has been achieved in full with an excess of \$36,440,941 NIPP credits.

Obligor 6: The last and final milestone has been achieved in full with an excess of \$4,740,926 NIPP credits

Obligor 7: The last and final milestone has been achieved in full with an excess of £61,330,858 NIPP credits

On obligations unrelated to the defence procurements, significant progress has been made in getting the automotive sector to participate in the programme, with most Original Equipment Manufacturers (OEMs) having signed agreements with the dti. This has led to a number of localisation programmes in the cases of Volkswagen, General Motors, Nissan and Toyota. This has continued to motivate component manufacturing locally as NIPP is used as part of the OEM's effort to bring work to South Africa.

To date and in totality, the NIPP has seen the implementation of more than 251 projects, and credits in excess of US\$20 billion have been awarded. This was primarily in the form of investments made, as well as exports generated, which have led to the

creation and/or retention of approximately 50 000 direct and indirect jobs.

To monitor the obligors' performance, **the dti** has over the past years endeavoured to develop an industrial participation electronic database that would allow staff to electronically update information. This database has been procured from an external vendor and has been customised and implemented. The data is currently being captured.

Programme 5: Consumer and Corporate Regulation (CCRD)

CCRD's purpose is to develop and implement regulatory solutions for investors, inventors and consumers.

The division experienced an increase in expenditure of 51%, from R145 million in 2010/11 to R219 million in 2011/12. This increase is largely a result of an increase in the transfer payment to The National Gambling Board and the establishment of the new Companies Tribunal.

Programme 6: The Enterprise Organisation (TEO)

TEO supports **the dti's** strategic objectives of growth, equity and employment creation by providing efficient administration of enterprise support measures.

The division experienced an increase in expenditure of 18%, from R2,793 billion in 2010/11 to R3,284 billion in 2011/12. This is largely a result of increased incentive payment to the APDP, the EIP, and the Film and TV Production Incentive.

Programme 7: Trade and Investment South Africa (TISA)

To increase export capacity and support direct investment flows, through targeted strategies and an effectively managed network of foreign trade offices.

The programme experienced a decrease in expenditure of 4%, from R329 million in 2010/11 to R317 million in 2011/12. This decrease is largely a result of fewer claims received for foreign mission offices.

Programme 8: Communication and Marketing

Communication and Marketing is responsible for promoting a greater awareness of **the dti** by professionally packaging and branding its products and services, and facilitating access to and an uptake of these among the greater populous of South Africa. The division also seeks to position **the dti** as a driver of economic development and growth; building an image of trust and confidence, by improving brand presence and visibility through proactive marketing and public relations activities; establishing and maintaining effective communication and co-ordination within the department; and ensuring that activities are impact-oriented, customer-centric in focus, nationally and internationally relevant, and entrench the positive values of *Batho Pele*.

This programme experienced an increase in expenditure of 90%, from R40 million in 2010/11 to R76 million in 2011/12. The increase is attributed to the increase in advertising of the department's products and services, taking **the dti** to the people and *The Big Break Legacy* television show.

1.4 Virements

A total of R61.9 million was re-directed between the main divisions of the vote by means of virement transactions approved by National Treasury, to address various changes in operational requirements. The most important operations for which redirected funds were utilised are as follows:

Virements between Programmes

VIREMENTS FROM THE FOLLOWING PROGRAMME	VIREMENTS TO THE FOLLOWING PROGRAMME	R'000	REASONS
Programme 1: Administration		(17,488)	R8 million was moved to Programme 8 for <i>The Big Break Legacy</i> and R10 million was moved to SANAS at Programme 4
Programme 2: International Trade and Economic Development		(5,567)	R5 million was moved to the EIP at Programme 6
Programme 5: Consumer and Corporate Regulation		(4,224)	R4 million was moved to Programme 3 for the relocation of seda
Programme 6: The Enterprise Organisation		(19,632)	Savings from different incentive payments under Programme 6 were moved to fund the relocation cost of seda under Programme 3
Programme 7: Trade and Investment South Africa		(15,045)	Savings due to less claims received from foreign missions were moved to fund the EIP under Programme 6, and for write-offs under Programme 1
	Programme 3: Empowerment and Enterprise Development Division	30,550	Savings from Programme 6 and Programme 5 were moved to fund the relocation cost of seda and the Centres of Excellence
	Programme 4: Industrial Development	22,082	Savings from Programme 1 were moved to fund SANAS and the Centres of Excellence
	Programme 7: Communication and Marketing	9,324	Savings from Programme 1 were moved to fund <i>The Big Break Legacy</i>
TOTAL		-	

1.5 Other material matters

1.5.1 Unauthorised expenditure

No unauthorised expenditure took place in the 2011/12 financial year.

1.5.2 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure of R162 000, as per Disclosure Note 30 of the Annual Financial Statements, relates to 'no-show' charges of R65 000 and wasteful expenditure of R97 000. With the exception of one case of R2 000 that is pending investigation, all of the cases were condoned.

1.5.3 Irregular expenditure

The irregular expenditure incurred during the 2011/12 financial year totalled R59.5 million and R277 000 was condoned by the Accounting Officer as disclosed in Disclosure Note 29.3 to the Annual Financial Statements.

The irregular expenditure incurred during the 2010/11 and 2011/12 financial years relate mainly to the deviation from procurement policies and directives. In terms of National Treasury directives such deviations must be approved by the Accounting Officer or the appropriately delegated officials. The department has approved delegations for the approval of all expenditure, but although not specifically reflected therein, it was believed that such delegations inherently provided for the approval of deviations by the delegated officials. It has subsequently transpired that delegations for approval for deviation from procurement policies and directives must be specifically stated in the delegation of powers. The delegations have been updated to provide for this requirement.

The majority of the deviations are for procurement where three quotations were not obtained. Such instances relate to training and conferences where there is only a single service provider for the service, and also where three or more quotes were requested but less than three was actually received. It should be noted that value for money was received in all instances and there is also no reason to believe that any instance of fraud or corruption have occurred in any of the procurement that has been deemed to be irregular.

Internal controls have been increased to minimise the exposure of **the dti** to future irregular expenditure. Controls include training and awareness sessions for staff on procurement processes, and increasing the capacity within the finance unit including the creation of an internal control unit to identify and investigate all non compliance with procurement policies and procedures.

2. Services rendered by the department

2.1 Tariffs and Fees Charged by the Department

The following amounts, based on the annual turnover of applicants, are charged by the National Liquor Authority (NLA) for liquor licences, which are accounted for as revenue accruing to the National Revenue Fund (NRF):

- Application fee: Between R500 and R25 000;
- Initial registration fee: Between R2 000 and R15 000;
- Annual renewal fee: Between R1 500 and R15 000;
- Fee for transfers: Between R1 500 and R15 000; and
- Fee for Notices of changed conditions: Between R1 500 and R15 000.

2.2 Free services

No free services were rendered by the department that would have yielded significant revenue had a tariff been charged.

2.3 Inventories

Inventories of **the dti** consist primarily of stationery, which is valued in terms of the latest average price of all items in the store. The value of these items stood at R3.9 million at financial year end.

3. Capacity constraints

The medium- to long-term strategy of the department is to 'grow its own trees' by building internal capacity rather than being dependent on traditional methods of recruitment. Emphasis is on applied tertiary developmental programmes that respond to the skills needs of the department. For this purpose, the department rolled out the Capacity Building Programme on Economic Development and Industrial Policy in 2011, in collaboration with the University of the Witwatersrand. This programme consists of a certificate programme as well as honours and master's degrees and, to date, 48 students have been or are in the process of being exposed to the programme. Other programmes that have been rolled out that support this approach are the internship and bursary programmes, outreach programmes at universities, schools and career fairs, as well as the e-recruitment database that facilitates skills search and matching.

Much focus is placed on the further development and retention of employees of **the dti** through the implementation of the Human Resource Development Strategy, which has increasingly directed its focus on functional training as well as the Retention Strategy and Policy.

As a result of the Presidential Directive and a focused effort on the filling of vacancies, the department has managed to significantly reduce its vacancy rate of 16.9% as on 31 March 2011 to 8.4% by 31 March 2012.

This reduction was achieved through focused sessions where the movement of individual vacancies was monitored, deployment of resources and applying a 'use-it-or-lose-it' principle. Regular progress reports were presented at the Executive Board (ExBo), Operations Committee (Opscom) and Audit Committee.

4. Utilisation of donor funds

There are three main agreements that support **the dti**'s objectives, of which two are with the European Commission (EC) and one with the USA. The two agreements with the EC include the Sector-Wide Enterprise, Employment and Equity Programme (SWEEEP) and Risk Capital Facility (RCF).

SWEEEP is a sector-wide programme between South Africa and the EC to provide budget support to **the dti** for the implementation of various initiatives. Utilisation of this funding commenced during 2004. The fourth and final tranche was paid by the EC into the Reconstruction and Development Programme (RDP) account on 24 December 2008. Although the EU has already done a final report on the programme, not all the committed funds have been paid out.

The RCF is managed by the Industrial Development Corporation (IDC). Phase two of the RCF was approved and an amount of R182 million paid into the RDP account by the EC on 23 December 2008.

The RCF 2 is playing a critical role in job creation and economic development, principally within under-developed and under-funded communities, where its impact will be most felt. Due to the programme meeting all requirements of the Finance Agreement with the EU, the amount of R32 248 591.08 was disbursed during the 2010/11 financial year and R98 318 480.08 during the 2011/12 financial year.

The agreement with USAID supported economic growth in the financial sector, private sector competitiveness, small business development, Black Economic Empowerment (BEE) and skills development activities, although no direct funding was disbursed to projects during the reporting period.




the dti also participated in the new funding support from the Employment Creation Fund agreement between the Government and the EU. The programme was developed as a sector support to the economic cluster programme of action. The Fund was established to create long-term sustainable employment and contribute to the national target of halving unemployment and poverty by the year 2014.

The EC has made an amount of R339 614 250.00 available for the fund during this financial year. The Department of International Development United Kingdom (DFID) has also made funds available as part of the Employment Creation Fund.

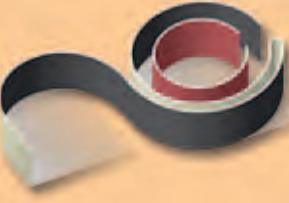

5. Trading Entities and Public Entities



The public entities listed below were funded from the department's vote during the 2011/12 financial year:

Name of Entity	Purpose of Entity	Type of Institution	Transfers 11/12 (10/11) R'000	Enabling Legislation/ Type of Listing
Development Finance Institutions				
Small Enterprise Development Agency (seda) 	Implement small enterprise development support service and products through a national integrated service delivery network, to improve the contribution of small enterprises to the economy, employment and equity.	Development finance	561,514 (477,621)	Small Business Act, 2004 (Act No. 29 of 2004, as amended) Schedule 3B
National Empowerment Fund (NEF) 	Promote savings and investments among Historically Disadvantaged Persons (HDPs) through its retail activities, and fund economic empowerment and black business through its investments division.	Development Finance	Nil Nil	National Empowerment Fund, 1998 (Act No. 105 of 1998) Schedule 3A
Regulatory Agencies				
National Gambling Board (NGB) 	Provide advice on the national gambling industry, and promote uniform norms and standards across provinces.	Regulatory	37,605 (22,000)	Gambling Act, 2004 (Act No. 7 of 2004) Schedule 3A

Name of Entity	Purpose of Entity	Type of Institution	Transfers 11/12 (10/11) R'000	Enabling Legislation/ Type of Listing
<p>National Lotteries Board (NLB)</p> 	<p>Exercise national control over lottery activities.</p>	<p>Regulatory</p>	<p>Nil</p>	<p>Lottery Act, 1997 (Act No. 57 of 1997) Schedule 3A</p>
<p>South African National Accreditation System (SANAS)</p> 	<p>Provide an accreditation system for laboratories, certification, inspection and Good Laboratory Practice (GLP). Establish laboratory, personnel and certification body in South Africa, as well as mutual recognition agreements with international accreditation organisations.</p>	<p>Regulatory</p>	<p>30,623 (18,239)</p>	<p>Accreditation for Conformity Assessment Calibration and Good Laboratory Practice Act, 2006 (Act No.19 of 2006) Schedule 3A</p>
<p>National Credit Regulator</p> 	<p>Regulate the South African credit industry.</p>	<p>Regulatory</p>	<p>53,042 (46,000)</p>	<p>National Credit Act, 2005 (Act No. 34 of 2005)</p>

Name of Entity	Purpose of Entity	Type of Institution	Transfers 11/12 (10/11) R'000	Enabling Legislation/ Type of Listing
Companies and Intellectual Property Commission (CIPC) 	Registration of Companies, Co-operatives and Intellectual Property Rights (trade marks, patents, designs and copyright) and maintenance thereof.	Regulatory	13,990	Companies Act, 2008 (Act No. 71 of 2008)
National Consumer Tribunal 	Adjudicate a wide variety of applications and hear cases against credit providers that contravene the Act.	Regulatory	28,833 (22,059)	National Credit Act, 2005 (Act No. 34 of 2005)
National Regulator for Compulsory Specifications (NRCS) 	Administer compulsory specifications, otherwise known as technical regulations.	Regulatory	37,173 (33,042)	National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008)
Estate Agency Affairs Board (EAAB) 	Regulate and control activities of estate agents.	Regulatory	Nil	Estate Agency Affairs Act, 1976 (Act No. 112 of 1976)

Name of Entity	Purpose of Entity	Type of Institution	Transfers 11/12 (10/11) R'000	Enabling Legislation/ Type of Listing
 <p>National Consumer Commission</p>	<p>The Commission is charged with the responsibility to enforce and carry out the functions assigned to it in terms of the Act, which aims to promote, protect and advance the social and economic welfare of consumers in South Africa by providing leadership, advocacy and a system of rapid redress thereby creating a fair and accessible consumer marketplace.</p>	<p>Regulatory</p>	<p>32,988</p>	<p>Section 85 of the Consumer Protection Act, 2008 (Act No. 68 of 2008)</p>
<p>Companies Tribunal</p>	<p>The Companies Tribunal may adjudicate in relation to any application that may be made to it, and make any order as provided for in the Companies Act in respect of such an application, and in addition serve as a forum for voluntary alternative dispute resolution.</p>	<p>Regulatory</p>	<p>10,000</p>	<p>Companies Act, 2008 (Act No. 71 of 2008)</p>
Specialist Services				
 <p>Export Credit Insurance Corporation of South Africa (ECIC)</p>	<p>Facilitate and encourage South African export trade, by underwriting export credit loans and investments outside South Africa to enable South African contractors to win capital goods and services in other countries.</p>	<p>Specialist Services</p>	<p>121,517 (120,488)</p>	<p>Export Credit and Foreign Investments Insurance Act, 2001 (Act No. 9 of 2001, as amended) Schedule 3B</p>

Name of Entity	Purpose of Entity	Type of Institution	Transfers 11/12 (10/11) R'000	Enabling Legislation/ Type of Listing
South African Bureau of Standards (SABS) 	Promote the standardisation and quality management in industry and commerce, and supervising trade metrology and units of measure.	Specialist services	282,810 (354,155)	Standards Act, 2008 (Act No. 8 of 2008) Schedule 3B
National Metrology Institute of South Africa (NMISA) 	Support global competitiveness through the provision of fit-for-purpose international acceptable measurement standards and measurements.	Specialist services	87,581 (57,519)	Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006) Schedule 3A

6. Organisations to which Transfer Payments Have Been Made

Transfer payments made towards entities are reflected in the above summary, as well as in Annexures 1C, E and F of the financial statements. The entities to which transfer payments were made are dependent on the fiscus for the funding of their operations and programmes, and are aligned to the objectives of **the dti**.

7. Public-Private Partnerships (PPP)

7.1 Office Accommodation

the dti entered into a 25-year contract with Rainprop (Pty) Ltd as the private party concessionaire responsible for providing fully serviced office accommodation at **the dti** Campus. The agreement was implemented in August 2003.

Further focus was placed on expanding capacity within **the dti**, to execute the PPP agreement. Additional specialist positions that were created have been filled. In the past financial year, the department did not use a quantity surveyor consultant and all work was assessed via in-house capacity.

Variation orders proceeded, though particular challenges around project management resulted in frustration to clients.

Unitary payments are based on a baseline amount of R108.6 million (2004) per annum, which appreciates at CPI on 1 July of each year. Cash flows in the form of unitary payments and payments to Rainprop (Pty) Ltd towards pass-through costs commenced during April 2004. In 2011/12, such payments totalled R180.2 million, compared to the R172.9 million for the 2010/11 reporting period.

Payments made regarding variation orders amounted to R6.1 million in 2011/12, which is slightly more than R4.7 million for the previous year. This is due to some works that are still in progress.

Variation orders relate to changes and additions to the design of the building, and changes to accommodate increased numbers of staff, more so since **the dti** is also now providing accommodation for the Economic Development Department (EDD) and some of its agencies. This has expanded the staffing complement that must be supported on **the dti** Campus.

Payments of R1.8 million were made during the reporting period for small works compared to the R2.7 million for the previous year. An amount of R3.1 million was paid in respect of a service variation order for Campus security, which was to have been included in the unitary payment.

Cash flows in the form of pass-through costs to Rainprop (Pty) Ltd for services such as rates, electricity, water and consumables amounted to R14.2 million. Performance deductions of R5,426.31 were charged and recovered from Rainprop (Pty) Ltd, while performance bonuses of R549.27 were paid to Rainprop.

the dti paid an amount of R990,739.07, including interest of R25,962.14, for security-related under-delivery during 2007/08. **the dti** withheld an amount that it believed was not due and payable. This claim was subsequently disputed by the concessionaire and the arbitration hearing was held in December 2010. The result of the arbitration was not in favour of the department and the amount had to be paid. Details of the agreement and associated costs are reflected in Note 31 of the financial statements.

7.2 Fleet Management

the dti participates in the Department of Transport's Fleet Management contract for the use of its pool vehicles. This agreement is a full maintenance lease transversal contract regulated by the National Treasury PPP and Supply Chain Management regulations. **the dti** leases short-term, long-term, chauffeur and point-to-point driven services. The contract term was five years and commenced on 1 December 2006, but was extended by the Department of Transport for a further two years. An amount of R3.9 million was paid during the 2011/12 towards this agreement.

8. Corporate governance arrangements

Good corporate governance underpins the effectiveness of the leadership of **the dti**. The Corporate Governance Directorate ensures that key governance principles are entrenched in departmental policies, and provides risk management and corporate secretariat support to the Executive.

The highest executive structure in the department is the Executive Board (ExBo), which is supported by the Audit Committee (AC), the Risk Management Committee (RMC), the Operations Committee (Opscom) and the Bid Adjudication Committee (BAC) at an operational level. The AC and RMC are chaired by external members to ensure transparency and objectivity in the

discharge of oversight responsibilities.

The aforementioned committees effectively discharged their various responsibilities during the year under review as evidenced by the records of meetings.

The following paragraphs provide a synopsis of activities undertaken by the aforementioned structures during the year under review.

8.1 Executive Board (ExBo)

ExBo comprises the heads of divisions i.e. deputy directors-general, Group Chief Financial Officer (GCFO), Chief Financial Officer (CFO), Group Chief Operations Officer (GCOO), Head of Ministry and Head of Communications and Marketing, and is chaired by the Director-General. The Chief Information Officer (CIO) and the Head of Economic Research and Policy Co-ordination (ERPC) also serve as standing attendees.

The position of a Chief Risk and Compliance Officer has been established to further enhance capacity in this area of work and the incumbent would also serve as a member of ExBo.

The primary role of ExBo is to provide direction towards the achievement of departmental strategic objectives. This is done in consultation with the Minister. To this end, **the dti's** 2011/2014 Medium Term Strategic Plan and 2011/12 Business Plan were considered and approved by ExBo.

As part of the annual strategic planning process, ExBo conducts a strategic risk assessment to identify risks that could impede the department from achieving set targets. ExBo also provides oversight of the actions identified and implemented to minimise these risks.

the dti's performance monitoring system provides for quarterly reviews of the implementation of departmental business plan by ExBo. The purpose of such reviews is to evaluate progress reports against set targets and take corrective action where necessary.

Furthermore, ExBo considers and approves policy recommendations of strategic importance.

ExBo conducted a self-assessment on its effectiveness and this was used to inform the revision of its Terms of Reference. The ToR was aligned to the King Report on Governance (King III) to ensure best practice.

8.2 Fraud prevention

Management continued to report to the RMC according to the Fraud Prevention Plan Implementation Matrix, which is based on identified fraud risks. The Matrix is revised annually and aligned to the risk assessment process.

Promotion of Ethical Conduct and Fraud Prevention Workshops were held during the 2011/12 financial year. The training interventions were focused and tailored to address the unique fraud/ethical challenges of the particular audience. Ethics training is also included in the induction programme for all new staff members. **the dti** continues to investigate all cases of reported and suspected fraud and corruption through the Internal Audit Unit's forensic component and its co-sourced forensic

service providers. Appropriate action is taken in this regard and extensive reporting is done at pre-risk meetings.

8.3 Risk Management Committee (RMC)

The RMC, which is responsible for oversight of the management of identified risks, continued to meet on a quarterly basis during the past financial year. All divisions are represented at the RMC meetings, and provision is made for two external members, who are members of the dti Audit Committee. The RMC is chaired by one of these external members. The risk management function is vested in the Corporate Governance Unit.

Risk assessment, which includes operational and strategic risks, is conducted annually to ensure alignment with the strategic objectives and priorities of the department. Thereafter, quarterly reviews are conducted during the year to track progress and ensure relevance. Divisional managers are required to report to the RMC on a quarterly basis on progress in addressing the identified risks. Divisional management also addresses matters of risk at business unit management meetings.

Pre-Risk Management Committee

The Pre-Risk Management Committee comprises the Chairperson of the RMC; a second external RMC member; the Chief Financial Officer; the Director: Legal Services; the Director: Employee Relations; the Chief Operations Officer: GSSSD; and the Chief Audit Executive. The committee is responsible for the oversight of forensic investigations in **the dti** and met on a quarterly basis during the past financial year. During these meetings, progress on forensic investigations is tracked and feedback is provided on the status of the implementation of recommendations made in forensic investigation reports.

Overall, good progress was made in institutionalising the RMC. However, more emphasis will be placed on creating divisional capacity to manage risks.

The RMC Charter was extended to include oversight of the management of strategic risks and ethics. **the dti** also adopted a Risk Management Strategy for the organisation at Opscom.

8.4 Disclosure of Financial Interests by Senior Managers

For the 2010/11 disclosure period, 100% of senior managers disclosed their financial interests, which were noted by the Minister and submitted to the Public Service Commission (PSC). An audit was conducted by **the dti** Internal Audit to compare the information disclosed by members with the information on the CIPRO database.

Disclosures for the 2011/12 period have been received by the Corporate Governance Directorate and are en route to the Minister for signature. It is anticipated that **the dti** will again submit to the PSC ahead of the deadline of 31 May 2012. Also, for the second year in a row, there is compliance by 100% of SMS. This indicates continuous improvement by the department in this area.

8.5 Health and Safety

All identified Occupational Health and Safety (OHS) representatives and other safety team members within internal divisions of **the dti** were trained. The terms of some OHS representatives are coming to an end and new representatives will be nominated by divisions for training in 2012/13. Section 16 (2) appointments, as contemplated in the OHS Act, have been completed and

training on management responsibilities was completed in December 2011.

There has been good attendance of OHS representatives at the statutory safety meetings. The four statutory meetings were completed and OHS representatives requested an increased frequency of meetings.

OHS inspections were executed in all regional offices and reports sent to the respective landlords to action findings. Follow-up inspections were executed during February 2012.

In terms of the Emergency Reaction Plan, evacuations were conducted successfully at Blocks A, B, D and the Shared Service Centre.

8.6 Operations Committee (Opscom)

Opscom is a sub-committee of ExBo tasked with ensuring operational effectiveness of the department. The members of Opscom are representatives from the various divisions, and chaired by the Group Chief Operations Officer (GCOO) in relation to divisional business plans, and divisional progress reporting against such plans.

During the year under review, Opscom considered and recommended various corporate policies on finance, procurement, human resources and ICT for the Director-General's approval.

As part of assisting ExBo in cascading the planning and organisational performance review process, Opscom evaluated and provided inputs into 2011/12 divisional plans.

In striving to continuously improve the performance monitoring system, Opscom has implemented a Divisional Report Card System, which is a dashboard of indicators on divisional 'operational wellness' and is tabled quarterly. The report card covers indicators in financial performance, human resource management, resolution of audit queries, operational performance and divisional planning.

8.7 Operational Policies

Opscom continues to play a pivotal role in ensuring an effective operational environment in **the dti**.

A total of 21 policy frameworks, strategies and plans covering human resources, finance, ICT, governance, monitoring and evaluation, service delivery, accommodation and security were considered and recommended for approval during the year under review.

8.8 Internal Audit

The capacity of the Internal Audit Unit has been enhanced to increase its audit coverage in line with identified risks and to perform more specialist audits, such as performance, information technology (IT) and corporate governance audits. The Internal Audit Unit and appointed consultants are managing identified risks in the Fraud Prevention and Risk Assessment plans and in respect of general corporate governance concerns at **the dti**.

The internal capacity of **the dti** in-house function was further strengthened during the reporting period, with the appointment of two additional assistant-directors (ASDs), one in performance audit and one in IT audit. The unit has been 100% capacitated

since February 2012.

Forensic audit services continue to be co-sourced, for the first six months to Gobodo Forensics Investigative Accounting (PTY) Ltd, and then to the newly appointed consultants, Grant Thornton Business Advisory Services, which commenced work in September 2011. The forensic audit capacity, along with the Internal Audit capacity, enabled **the dti** to improve its internal and risk management controls and corporate governance processes.

An amount of R1.2 million was paid to KPMG for outsourced and co-sourced audit services during the 2011/12 financial year, while R1.5 million was paid to the forensic consultants for conducting co-sourced forensic investigations.

For the reporting period, the Internal Audit Unit spent an estimated 17 000 direct hours on audit work at **the dti**. A total of 33 internal audit reports and one ad-hoc verification review were issued to management and presented to the Audit Committee. These included 24 compliance audits, five performance audits, four IT audits and the Management Performance Assessment Team (MPAT) verification review.

The Internal Audit Unit revised its audit methodology to include an auditor's identification of risks during the planning phase of the audit, and developed a guideline on the rating of audit findings, as significant versus less significant findings. The Internal Audit Charter was also subject to its annual review.

8.9 Audit Committee

The Audit Committee for the 2011/12 financial year comprised five independent, external members as well as the Director-General of **the dti**, who is the only internal member.

The Audit Committee is responsible for monitoring the internal control environment of **the dti**, through its oversight of the Internal Audit function, as well as the review of the quarterly management accounts, the annual financial statements, the external audit process and oversight of the risk management environment.

The Audit Committee amended its Charter for 2011/12 to include the role it has to play in relation to KING III prescripts relevant to the public sector environment. Four scheduled Audit Committee meetings took place for the period under review.

8.10 Minimising the Impact of the Department on the Environment

In accordance with its environmental strategy, and in compliance with the National Environmental Management Act (NEMA), **the dti** undertook the following environment-related actions:

- **the dti** Campus continued to address its impact on the environment by the efficient use of energy and water, landscaping and efficient waste management, such as recycling and the re-use of equipment;
- **the dti** also continued with its energy-saving programme to alleviate electricity consumption, which was monitored for deviation on a monthly basis; and
- **A plan** has been devised to commence with key activities to reduce Campus waste and improve on the management thereof.

the dti reported on progress against its Environmental Implementation Plan (EIP), which was adopted by the Committee on Environmental Co-ordination (CEC) of the Department of Environmental Affairs. Specific actions include controls to ensure that recipients of grants adhere to environmental requirements, while specific grants for waste minimisation projects are allocated.

the dti has compiled its 2010-2014 EIP, which was approved and adopted by the CEC on 25 February 2011. This will now be gazetted, in terms of Section 15 (2) (b) of the National Environmental Management Act (Act No. 107 of 1998).

8.11 Departmental Bid Adjudication Committee (BAC)

The departmental BAC continues to ensure that the awarding and adjudication of bids is done in a fair, transparent and competitive manner in accordance with the Treasury Regulations on Supply Chain Management. The BAC meetings are held on a weekly basis and a total of 16 bids were awarded during the 2011/2012 financial year.

No concerns around irregularity or corruption were raised during this period, which is indicative of adherence to PFMA requirements regarding fairness, equitability, transparency, competitiveness and cost-effectiveness.

In line with the Departmental Financial Delegation of Authority, the BAC considers and approve bids with values ranging between R500,000 and R4 million. With regard to bids with values higher than R4 million, the BAC makes recommendations to the Accounting Officer for his consideration and approval.

The committee comprises the following members, who have extensive knowledge and experience in public finance, legal and economic research and policy matters:

- Sarah Choane Deputy Director-General: GSSSD
- Analize Jooste Chief Operating Officer: GSSSD
- Caroline Kongwa Chief Director: Legal Services
- Mpho Ramatla Acting Chief Financial Officer
- Pearl Kgalegi Director: Economic Research and Policy Co-ordination
- Deon Fourie Director: Supply Chain Management

9. Discontinued Activities/Activities to be Discontinued

During the period under review, no new activities were introduced and no activities discontinued.

10. New and Proposed Activities

No new activities were introduced during the 2011/12 financial year.

11. Asset Management

As part of the PPP agreement, the concessionaire will, for the duration of the contract period, own and maintain assets

such as the land, buildings and the majority of furniture items. Departmental assets excluded from this agreement include departmental vehicles, computer equipment and certain furniture items. Departmental assets are managed in accordance with the policies issued by the National Treasury and an asset register is maintained on the Logistical Information System (LOGIS). The department complied with the minimum requirements of the Asset Management Reforms as issued by National Treasury.

12. Events after the Reporting Date

No events took place after the reporting date of 31 March 2012 that would impact on the financial position of **the dti** at that date.

13. Pre-determined Objectives

During the reporting period, the department approved a policy on managing organisational performance. This document aims to address shortcomings in the development of the strategic and annual performance plans in areas such as performance indicators and targets. This was identified by the Auditor-General as a gap during the audit of the Annual Report for the 2010/11 financial year. **the dti** implemented various interventions to ensure that there are no repeated findings.

the dti developed Standard Operating Procedures on planning and reporting and ensured that all managers in the department are taken through the planning and reporting process in detail. Workshops were held at divisional level and focus groups trained on monitoring and evaluation, with the assistance of leading academic institutions. Moreover, during the third and fourth quarters of the financial year, **the dti** reviewed its Medium Term Strategic Plan (MTSP) for 2011-2014 to ensure that performance targets that were not compliant with the requirements as contained in the Framework for Managing Programme Performance Information (FMPPPI) are rephrased to remove ambiguity. **the dti's** planning and performance monitoring framework is robust, and several planning and reporting sessions were held, attended by the entire cadre of senior management, from the level of director upwards to director-general. These sessions were either led by the Minister or the Director-General. This was also supplemented by the Opscom, while divisional sessions focused on more operational issues.

Indicator profiles were developed, providing detailed information for each of the performance indicators contained in the MTSP 2011-2014, the Strategic Plan 2012-2017 and the Annual Performance Plan 2012-2015. This will simplify the process of validating the information contained in documents and clarify how the work of the department is measured.

14. SCOPA Resolutions

No Finance Act was promulgated during the reporting period regarding SCOPA resolutions on unauthorised expenditure.

Nature of disclaimer, adverse opinion and matters of non-compliance	Progress made in resolving matter
<p>Emphasis of matters</p> <p>ODG: Irregular expenditure of R28,323,000 was incurred that related to supply chain management and the compensation of employees</p>	<p>The identified transactions were condoned by the Accounting Officer on 5 December 2011. Increased management controls have been implemented that, among others, provide for the delegation of powers to the GCFO in respect of single-source procurement, the monthly review of all payments for exceptions, the implementation of the recent directives of Treasury on procurement and supply chain management, and the updating of internal accounting checklists.</p> <p>Since irregular expenditure is normally incurred outside the procurement process, awareness sessions on procurement policies and processes are also conducted with staff.</p>
<p>Significant uncertainties</p> <p>No provision was made in the AFS for liabilities relating to lawsuits</p>	<p>Provisions are made where the liability can be determined or estimated.</p>
<p>Restatement of corresponding figures</p> <p>ODG: Notes 17 and 27 of the 2010/11 AFS have been restated, given errors discussed during 2011</p>	<p>Greater emphasis has been placed on quality checking the AFS prior to submission.</p>
<p>Pre-determined objectives</p> <p>Regarding measurability, the indicators were not well defined or verifiable, while targets were not specific and measurable</p> <p>32% of planned and reported indicators were not clear and unambiguous data definition was not available</p> <p>Valid performance management processes and systems that produce actual performance against planned indicators did not exist for 26% of the indicators</p> <p>24% of the planned and reported targets were not specific in identifying the required level of performance</p> <p>23% of the planned and reported targets were not measurable in identifying the required performance</p>	<p>A mid-term review during the 2011/12 financial year was performed on the MTSP to address the weaknesses identified by the Auditor-General. The revised document was approved by the Minister and copies thereof were provided to National Treasury, the Auditor-General and the Portfolio Committee on Trade and Industry.</p> <p>The Strategic Plan for 2012-2017 and the APP for 2012-2015 are also inclusive of the improved performance information. Continuous monitoring and performance reporting are taking place on a quarterly and bi-annual basis by Opscom and ExBo respectively.</p>

Nature of disclaimer, adverse opinion and matters of non-compliance	Progress made in resolving matter
<p>Reliability of information</p> <p>The reported performance information was deficient in respect of the criteria of validity, accuracy and completeness</p> <p>For 24% of the targets, the validity, accuracy and completeness could not be established as sufficient and appropriate audit evidence could not be provided</p>	<p>In addition to the aforementioned comments, divisions are now required to maintain a portfolio of evidence to support the targets that have been achieved.</p>
<p>Compliance with laws and regulations</p> <p>The AFS were not prepared in all material aspects with generally recognised accounting practices in so far as misstatements were identified in respect of accruals, intangible assets, tangible assets and irregular expenditure</p>	<p>Greater emphasis has been placed on quality checking the AFS prior to submission.</p>
<p>Procurement and contract management</p> <p>Certain goods and services with a transaction value between R10 000 and R500 000 were procured without inviting at least three written quotations</p>	<p>In addition to the comments as per the 'Emphasis of Matters' heading, the policy directives on quotations and tenders have been circulated to all staff, while the powers in respect of single-source procurement were delegated to the Group CFO.</p>
<p>Certain employees performed remunerative work outside the employment of the Department without written permission</p>	<p>All identified cases where employees performed remunerative work outside the employment of the dti were investigated and handled in accordance with the applicable policy provisions of the DPSA and PSC.</p>
<p>Expenditure Management</p> <p>The Accounting Officer did not take effective and appropriate steps to prevent and detect irregular expenditure</p>	<p>See comments under 'Emphasis of Matters'.</p>
<p>Asset Management</p> <p>The Accounting Officer did not implement proper controls systems for the safeguarding and maintenance of assets to prevent theft, losses, wastage and misuse</p>	<p>Bi-annual asset verifications are performed and reconciled to the asset register. Monthly reconciliations are performed between the BAS accounting system and the asset register and verified by a senior official. All losses are investigated and reported to the SAPS.</p>

Nature of disclaimer, adverse opinion and matters of non-compliance	Progress made in resolving matter
<p>Leadership</p> <p>the dti leadership did not exercise appropriate oversight to ensure that planned and reported indicators and targets were in accordance with National Treasury's Framework for Managing Programme Performance, and did not have sufficient monitoring controls to ensure compliance with applicable laws and regulations</p>	<p>See comments under 'Other legal and regulatory requirements'.</p>
<p>Management did not have adequate controls to ensure that the financial statements submitted for audit were accurate and complete. Furthermore, sufficient and appropriate evidence with regard to performance information could not be obtained</p>	<p>Regarding the financial statements, and as per the Report of the Auditor-General on the AFS for 2010/11, all the reported misstatements were subsequently corrected. Management is also producing monthly management accounts and interim financial statements on a quarterly basis. Greater emphasis is being placed on quality checking the AFS prior to submission.</p> <p>Regarding performance information, appropriate evidence on actual performance is being kept by the heads of the various divisions.</p>

It should be noted that the dti utilises an audit findings matrix whereby all audit findings are recorded and progress monitored by both management and the Audit Committee.

16. Exemptions and Deviations Received from the National Treasury

No exemptions were requested or approved for the department in terms of the Public Finance Management Act (PFMA) and Treasury Regulations, as may be applicable to any of the reporting requirements.

17. Approval

The attached Annual Financial Statements have been approved, in my professional capacity as Accounting Officer of the dti.



L. OCTOBER

DIRECTOR-GENERAL

Date: 31 July 2012

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE 36: DEPARTMENT OF TRADE AND INDUSTRY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Department of Trade and Industry set out on pages 58 to 189, which comprise the appropriation statement, the statement of financial position as at 31 March 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the *Departmental Financial Reporting Framework* prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (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.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Trade and Industry as at 31 March 2012, and its financial performance and cash flows for the year then ended in accordance with the *Departmental Financial Reporting Framework* prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

EMPHASIS OF MATTER PARAGRAPHS

I draw attention to the matters below. My opinion is not modified in respect of these matters:

Significant uncertainties

7. With reference to note 24 to the financial statements, the department has disclosed contingent liabilities in respect of lawsuits and incentive grants approved by the department but not paid. The department is opposing the lawsuits while the incentive grants are subject to the applicant meeting certain obligations. The ultimate outcome of these matters cannot currently be determined, and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

8. As disclosed in notes 24, 26, and 32 to the financial statements, the corresponding figures for 31 March 2011 have been restated as a result of errors discovered during 2012 in the financial statements of the department at, and for the year ended, 31 March 2011.

Material impairments and losses

9. As disclosed in note 8 to the financial statements, material losses to the amount of R36 million were incurred as a result of a write-off of irrecoverable debtors.
10. As disclosed in note 34 to the financial statements, material impairment to the amount of R175 million were incurred as a result of debtors outstanding for longer than 12 months.

ADDITIONAL MATTER PARAGRAPHS

I draw attention to the matters below. My opinion is not modified in respect of these matters:

Financial reporting framework

11. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework and not that they 'present fairly'. Section 20 (2)(a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

Unaudited supplementary schedules

12. The supplementary information set out on pages 171 to 189 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

14. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual

performance information report as set out on pages 42 to 56 of the annual report.

15. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury *Framework for Managing Programme Performance Information*.
16. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
17. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matters

18. Although no material findings concerning the usefulness and reliability of the performance information was identified in the annual performance report, I draw attention to the following matters below:

Achievement of planned targets

19. Of the 56 planned targets, only 42 were achieved during the year under review. This represents 25% of total planned targets that were not achieved during the year under review. This was mainly due to the fact that targets were not suitably developed during the strategic planning process.

Material adjustments to the annual performance report

20. Material misstatements in the annual performance report were identified during the audit, all of which were corrected by management.

Compliance with laws and regulations

21. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Annual financial statements

22. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by Section 40(1)(b) of the Public Finance Management Act. Material misstatements of contingent liability, accruals and key management personnel identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

23. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation (TR) 16A6.1.

24. Employees of the department performed remunerative work outside their employment in the department without written permission from the relevant authority as required by Section 30 of the Public Service Act.

Asset management

25. Proper control systems to safeguard and maintain assets were not implemented, as required by Section 38(1)(d) of the PFMA and TR 10.1.1(a).

Expenditure management

26. The accounting officer did not take reasonable steps to prevent irregular and fruitless and wasteful expenditure, as required by Section 38(1)(c)(ii) of the PFMA and TR 9.1.1.

Human resources management

27. A written policy on overtime was not in place as required by Public Service Regulation (PSR) 1/V/D2(b).

Internal control

28. I considered internal control relevant to my audit of the financial statements and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Leadership

29. The accounting officer did not exercise sufficient oversight to ensure compliance with applicable laws and regulations.

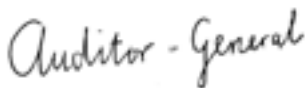
Financial and performance management

30. Management did not have adequate controls to ensure that the financial statements and performance reports submitted for audit purposes are accurate and complete.

OTHER REPORTS

Investigations

31 As a result of a complaint lodged by the National Consumer Commissioner, an investigation is being conducted by the Public Protector South Africa to probe certain allegations against the accounting officer of the department. The investigation was still ongoing at the reporting date.



Auditor-General

Pretoria

31 July 2012



Appropriation per programme									
APPROPRIATION STATEMENT	2011/12					2010/11			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	544,546	(29,082)	(12,841)	502,623	497,252	5,371	98.9%	431,061	425,008
Transfers and subsidies	4,862	1,916	-	6,778	6,767	11	99.8%	4,437	3,405
Payment for capital assets	37,997	1,415	(13,671)	25,741	25,079	662	97.4%	12,566	9,740
Payment for financial assets	-	25,751	9,024	34,775	34,775	-	100%	2,284	2,284
	587,405	-	(17,488)	569,917	563,873	6,044	98.9%	450,348	440,437
2. International Trade and Economic Development									
Current payment	111,855	(1,524)	(5,567)	104,764	98,903	5,861	94.4%	92,706	75,772
Transfers and subsidies	32,450	1,224	-	33,674	33,310	364	98.9%	31,807	30,636
Payment for capital assets	500	300	-	800	707	93	88.4%	575	541
	144,805	-	(5,567)	139,238	132,920	6,318	95.5%	125,088	106,949
3. Empowerment and Enterprise Development									
Current payment	85,246	(1,260)	2,226	86,212	77,933	8,279	90.4%	73,443	62,045
Transfers and subsidies	779,632	863	28,324	808,819	808,740	79	99.9%	735,594	735,528
Payment for capital assets	817	397	-	1,214	840	374	69.2%	997	504
	865,695	-	30,550	896,245	887,513	8,732	99.0%	810,034	798,077

Appropriation per programme									
APPROPRIATION STATEMENT	2011/12					2010/11			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4. Industrial Development									
Current payment	96,272	(2,633)	2,082	95,721	85,692	10,029	89.5%	82,676	69,793
Payment for capital assets	1,044	271	-	1,315	1,070	245	81.4%	965	526
Payment for financial assets	-	800	-	800	800	-	100%	-	-
	1,311,047	-	22,082	1,333,129	1,321,671	11,458	99.1%	1,160,961	1,145,129
5. Consumer and Corporate Regulation									
Current payment	63,495	(240)	(18,224)	45,031	38,521	6,510	85.5%	67,871	51,830
Transfers and subsidies	165,376	236	14,000	179,612	179,610	2	99.9%	127,060	92,908
Payment for capital assets	800	-	-	800	429	371	53.6%	600	283
Payment for financial assets	-	4	-	4	4	-	100%	-	-
	229,671	-	(4,224)	225,447	218,564	6,883	96.9%	195,531	145,021
6. The Enterprise Organisation									
Current payment	122,799	(1,000)	-	121,799	114,036	7,763	93.6%	106,818	99,115
Transfers and subsidies	3,197,063	482	(23,000)	3,174,545	3,164,898	9,647	99.7%	2,938,333	2,692,604
Payment for capital assets	1,000	518	3,368	4,886	4,615	271	94.5%	1,500	1,274
Payment for financial assets	-	-	-	-	-	-	-	1	1
	3,320,862	-	(19,632)	3,301,230	3,283,549	17,681	99.5%	3,046,652	2,792,994

Appropriation per programme									
APPROPRIATION STATEMENT	2011/12					2010/11			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7. Trade and Investment South Africa									
Current payment	203,630	(2,005)	(14,984)	186,641	174,092	12,549	93.3%	191,822	167,250
Transfers and subsidies	140,267	174	-	140,441	140,435	6	99.9%	159,172	159,172
Payment for capital assets	1,250	1,822	(61)	3,011	2,854	157	94.8%	2,460	2,139
Payment for financial assets	-	9	-	9	7	2	77.8%	22	21
	345,147	-	(15,045)	330,102	317,388	12,714	96.1%	353,476	328,582
8. Communication and Marketing									
Current payment	71,350	(244)	8,960	80,066	74,365	5,701	92.9%	51,454	39,224
Transfers and subsidies	-	244	-	244	243	1	99.6%	144	144
Payment for capital assets	531	-	364	895	894	1	99.9%	520	184
	71,881	-	9,324	81,205	75,502	5,703	93.0%	52,118	39,552
Sub Total	6,876,513	-	-	6,876,513	6,800,980	75,533	98.9%	6,194,208	5,796,741
Statutory Appropriation									
Transfers and subsidies	4,892	-	-	4,892	4,892	-	100%	65,240	65,240
TOTAL	6,881,405	-	-	6,881,405	6,805,872	75,533	98.9%	6,259,448	5,861,981

	2011/12		2010/11	
	Final Appropriation R'000	Actual Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000
TOTAL (brought forward)	6,881,405	6,805,872	6,259,448	5,861,981
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	78,707		35,630	
Aid assistance	617,503		343,019	
Actual amounts per statement of financial performance (total revenue)	7,577,615		6,638,097	
ADD				
Aid assistance		195,844		108,654
Actual amounts per statement of financial performance (total expenditure)		7,001,716		5,970,635

Appropriation per economic classification									
Economic Classification	2011/12					2010/11			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	621,344	(23,405)	(9,550)	588,389	566,988	21,401	96.4%	551,748	514,524
Goods and services	677,849	(14,656)	(28,798)	634,395	593,730	40,665	93.6%	545,826	475,241
Interest and rent on land	-	73	-	73	73	-	100%	276	275
Transfers and subsidies									
Departmental agencies and accounts	1 004,125	2,250	52,224	1 058,599	1 058,599	-	100%	872,762	838,980
Universities and technikons	3,504	1,300	10,000	14,804	14,800	4	99.9%	16,298	14,793
Foreign governments and international organisations	40,420	1,263	-	41,683	40,172	1,511	96.4%	39,084	36,642
Public corporations and private enterprises	4,470,245	3,000	(23,000)	4,450,245	4,440,568	9,677	99.8%	4,105,170	3,859,334
Non-profit institutions	14,700	(4,500)	-	10,200	10,125	75	99.3%	37,800	37,800
Households	387	3,388	100	3,875	3,849	26	99.3%	2,754	1,657
Payment for capital assets									
Machinery and equipment	25,315	7,501	(10,721)	22,095	20,137	1,958	91.1%	15,602	12,875
Software and other intangible assets	18,624	(2,778)	721	16,567	16,353	214	98.7%	4,581	2,314
Payment for financial assets	-	26,564	9,024	35,588	35,586	2	99.9%	2,307	2,306
Sub Total	6,876,513	-	-	6,876,513	6,800,980	75,533	98.9%	6,194,208	5,796,741

The prior year amount for Goods and Services has been increased by R411,000 as a result of reclassification of payments to Board members from Compensation of Employees.

Statutory Appropriation

	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Direct charges against the National/Provincial Revenue Fund									
Current payments									
National Skills Fund	4,892	-	-	4,892	4,892	-	100%	65,240	65,240
Sub Total	4,892	-	-	4,892	4,892	-	100%	65,240	65,240
TOTAL	6,881,405	-	-	6,881,405	6,805,872	75,533	98.9%	6,259,448	5,861,981

	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 1: Administration									
1.1 Ministry									
Current payment	38,867	(2,075)	-	36,792	36,424	368	99.0%	30,950	28,998
Transfers and subsidies	-	294	-	294	293	1	99.7%	711	-
Payment for capital assets	1,490	79	(321)	1,248	946	302	75.8%	1,490	1,468
	40,357	(1,702)	(321)	38,334	37,663	671	98.2%	33,151	30,466
1.2 Office of the Director-General									
Current payment	75,811	(9,013)	(4,741)	62,057	61,681	376	99.4%	47,539	46,034
Transfers and subsidies	4,630	78	-	4,708	4,706	2	99.9%	3,480	3,159
Payment for capital assets	907	93	(400)	600	531	69	88.5%	986	448
	81,348	(8,842)	(5,141)	67,365	66,918	447	99.3%	52,005	49,641
1.3 Corporate Services									
Current payment	372,608	(8,458)	(8,000)	356,150	351,750	4,400	98.8%	304,811	304,878
Transfers and subsidies	232	1,425	-	1,657	1,652	5	99.7%	246	246
Payment for capital assets	35,317	1,114	(12,950)	23,481	23,267	214	99.1%	9,933	7,688
Payment for financial assets	-	4	-	4	4	-	100%	-	-
	408,157	(5,915)	(20,950)	381,292	376,673	4,619	98.8%	314,990	312,812

Programme 1: Administration	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.4 Office Accommodation									
Current payment	8,292	-	-	8,292	8,292	-	100%	7,821	7,821
	8,292	-	-	8,292	8,292	-	100%	7,821	7,821
1.5 Financial Management									
Current payment	41,408	(6,649)	-	34,759	34,580	179	99.5%	32,843	32,655
Transfers and subsidies	-	105	-	105	102	3	97.1%	-	-
Payment for capital assets	283	79	-	362	316	46	87.3%	157	136
Payment for financial assets		25,747		34,771	34,771	-	100%	2,284	2,284
	41,691	19,282	9,024	69,997	69,769	228	99.7%	35,284	35,075
1.6 Media and Public Relations									
Current payment	7,560	(2,887)	(100)	4,573	4,525	48	99.0%	7,097	4,622
Payment for capital assets	-	14	-	14	14	-	100%	-	-
Payment for financial assets	-	50	-	50	19	31	38.0%	-	-
	7,560	(2,823)	(100)	4,637	4,558	79	98.3%	7,097	4,622
Total	587,405	-	(17,488)	569,917	563,873	6,044	98.9%	450,348	440,437

1.4 Property Management changed to Office Accommodation in current financial year as per Estimates of National Expenditure.

- 1.5 Financial Management was established as a sub-programme under programme one in the current financial year. Prior year figures were amended accordingly.
- 1.6 Media and Public Relations sub-programme moved from Programme 8, Marketing and Communication, to Programme 1, Administration during the adjustments estimate process.

Economic Classification	2011/12						2010/11		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments									
Compensation of employees	179,757	(16,584)	-	163,173	161,599	1,574	99.0%	140,178	134,939
Goods and services	364,789	(12,571)	(12,841)	339,377	335,579	3,798	98.9%	290,606	289,794
Interest and rent on land	-	73	-	73	73	-	100%	276	275
Transfers and subsidies									
Public corporations and private enterprises	4,630	-	-	4,630	4,630	-	100%	2,600	2,600
Households	232	1,916	-	2,148	2,137	11	99.5%	1,838	805
Payment for capital assets									
Machinery and equipment	19,512	4,615	(10,721)	13,406	12,931	475	96.5%	8,180	7,501
Software and other intangible assets	18,485	(3,200)	(2,950)	12,335	12,149	186	98.5%	4,386	2,239
Payment for financial assets	-	25,751	9,024	34,775	34,775	-	100%	2,284	2,284
Total	587,405	-	(17,488)	569,917	563,873	6,044	98.9%	450,348	440,437

The prior year amount for Goods and Services has been increased by R411,000 as a result of reclassification of payments to Board members from Compensation of Employees.

	2011/12							2010/11	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Programme 2: International Trade and Economic Development									
2.1 International Trade Development									
Current payment	59,613	3,983	(6,000)	57,596	56,401	1,195	97.9%	63,311	48,975
Transfers and subsidies	14,950	1,198	-	16,148	15,784	364	97.7%	15,250	14,079
Payment for capital assets	500	300	-	800	707	93	88.4%	575	541
	75,063	5,481	(6,000)	74,544	72,892	1,652	97.8%	79,136	63,595
2.2 African Economic Development									
Current payment	52,242	(5,507)	433	47,168	42,502	4,666	90.1%	29,395	26,797
Transfers and subsidies	17,500	26	-	17,526	17,526	-	100%	16,557	16,557
	69,742	(5,481)	433	64,694	60,028	4,666	92.8%	45,952	43,354
TOTAL	144,805	-	(5,567)	139,238	132,920	6,318	95.5%	125,088	106,949

Economic Classification	2011/12							2010/11	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	64,622	-	-	64,622	63,539	1,083	98.3%	61,855	53,459
Goods and services	47,233	(1,524)	(5,567)	40,142	35,364	4,778	88.1%	30,851	22,313
Transfers and subsidies									
Foreign governments and international organisations	11,600	1,113	-	12,713	12,360	353	97.2%	12,000	10,832
Public corporations and private enterprises	20,850	-	-	20,850	20,840	10	99.9%	19,750	19,747
Households	-	111	-	111	110	1	99.1%	57	57
Payment for capital assets									
Machinery and equipment	500	300	-	800	707	93	88.4%	545	541
Software and other intangible assets	-	-	-	-	-	-	-	30	-
Total	144,805	-	(5,567)	139,238	132,920	6,318	95.5%	125,088	106,949

	2011/12						2010/11		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Programme 3: Empowerment and Enterprise Development									
3.1 Enterprise Development									
Current payment	26,034	(1,379)	431	25,086	22,559	2,527	89.9%	21,517	17,451
Transfers and subsidies	413,441	4	28,224	441,669	441,667	2	99.9%	401,621	401,621
Payment for capital assets	225	132	-	357	283	74	79.3%	113	98
	439,700	(1,243)	28,655	467,112	464,509	2,603	99.4%	423,251	419,170
3.2 Equity and Empowerment									
Current payment	22,865	1,006	493	24,364	21,109	3,255	86.6%	21,639	18,563
Transfers and subsidies	18,400	(3,735)	100	14,765	14,690	75	99.5%	20,850	20,850
Payment for capital assets	156	125		281	171	110	60.9%	270	134
	41,421	(2,604)	593	39,410	35,970	3,440	91.3%	42,759	39,547
3.3 Regional Economic Development									
Current payment	36,347	(887)	1,302	36,762	34,265	2,497	93.2%	30,287	26,031
Transfers and subsidies	347,791	4,594	-	352,385	352,383	2	99.9%	313,123	313,057
Payment for capital assets	436	140	-	576	386	190	67.0%	614	272
	384,574	3,847	1,302	389,723	387,034	2,689	99.3%	344,024	339,360
TOTAL	865,695	-	30,550	896,245	887,513	8,732	99.0%	810,034	798,077

The prior year Final Appropriation and Actual Expenditure for transfers and subsidies under Enterprise Development were reduced by R4 million and R3.1 million respectively due to the reclassification of payments to UNIDO to Industrial Competitiveness.

Economic Classification	2011/12						2010/11		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	52,738	-	-	52,738	49,504	3,234	93.9%	42,118	40,989
Goods and services	32,508	(1,260)	2,226	33,474	28,429	5,045	84.9%	31,325	21,057
Transfers and subsidies to:									
Departmental agencies and accounts	696,290	2,250	28,224	726,764	726,764	-	100%	640,121	640,121
Universities and technikons	1	-	-	1	-	1	-	1	-
Public corporations and private enterprises	75,491	3,000	-	78,491	78,490	1	99.9%	85,002	85,000
Non-profit institutions	7,700	(4,500)	-	3,200	3,125	75	97.7%	10,300	10,300
Households	150	113	100	363	361	2	99.4%	170	107
Payment for capital assets									
Machinery and equipment	792	397	-	1,189	840	349	70.6%	997	503
Software and other intangible assets	25	-	-	25	-	25	-	-	-
Total	865,695	-	30,550	896,245	887,513	8,732	99.0%	810,034	798,077

Programme 4: Industrial Development	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Industrial Competitiveness									
Current payment	28,964	(836)	(100)	28,028	27,037	991	96.5%	43,623	38,417
Transfers and subsidies	475,353	124	10,000	485,477	484,296	1,181	99.8%	924,073	921,645
Payment for capital assets	344	100	-	444	335	109	75.5%	545	266
Payment for financial assets	-	800	-	800	800	-	100%	-	-
	504,661	188	9,900	514,749	512,468	2,281	99.6%	968,241	960,328
4.2 Customised Sector Programmes									
Current payment	67,308	(1,797)	2,182	67,693	58,655	9,038	86.6%	39,053	31,376
Transfers and subsidies	738,378	1,438	10,000	749,816	749,813	3	99.9%	153,247	153,165
Payment for capital assets	700	171	-	871	735	136	84.4%	420	260
	806,386	(188)	12,182	818,380	809,203	9,177	98.9%	192,720	184,801
TOTAL	1,311,047	-	22,082	1,333,129	1,321,671	11,458	99.1%	1,160,961	1,145,129

The prior year Final Appropriation and Actual Expenditure for Transfers and subsidies under Industrial Competitiveness were increased by R4 million and R3.1 million respectively due to the reclassification of payments to UNIDO from Enterprise Development.

Economic Classification	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	66,105	-	-	66,105	62,140	3,965	94.0%	57,280	54,046
Goods and services	30,167	(2,633)	2,082	29,616	23,553	6,063	79.5%	25,396	15,748
Transfers and subsidies to:									
Departmental agencies and accounts	145,377	-	10,000	155,377	155,377	-	100%	108,800	108,800
Universities and technikons	3,503	1,300	10,000	14,803	14,800	3	99.9%	16,297	14,793
Foreign governments and international organisations	14,152	-	-	14,152	12,996	1,156	91.8%	13,000	12,096
Public corporations and private enterprises	1,050,694	-	-	1,050,694	1,050,669	25	99.9%	939,005	938,903
Households	5	262	-	267	266	1	99.6%	218	217
Payment for capital assets									
Machinery and equipment	1,044	271	-	1,315	1,070	245	81.4%	965	526
Payments for financial assets									
	-	800	-	800	800	-	100%	-	-
Total	1,311,047	-	22,082	1,333,129	1,321,671	11,458	99.1%	1,160,961	1,145,129

	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 5: Consumer and Corporate Regulation									
5.1 Policy and Legislative Development									
Current payment	22,138	(39)	(8,717)	13,382	12,874	508	96.2%	17,375	9,608
Payment for capital assets	-	35	-	35	35	-	100%	61	29
Payment for financial assets	-	4	-	4	4	-	100%	-	-
	22,138		(8,717)	13,421	12,913	508	96.2%	17,436	9,637
5.2 Enforcement and Compliance									
Current payment	23,935	139	(6,526)	17,548	16,066	1,482	91.6%	42,351	35,939
Transfers and subsidies	-	51	-	51	51	-	100%	219	219
Payment for capital assets	-	-	-	-	-	-	-	473	190
	23,935	190	(6,526)	17,599	16,117	1,482	91.6%	43,043	36,348
5.3 Regulatory Services									
Current payment	17,422	(340)	(2,981)	14,101	9,581	4,520	67.9%	8,145	6,283
Transfers and subsidies	165,376	150	14,000	179,526	179,524	2	99.9%	126,841	92,689
Payment for capital assets	800	-	-	800	429	371	53.6%	66	64
	183,598	(190)	11,019	194,427	189,534	4,893	97.5%	135,052	99,036
TOTAL	229,671	-	(4,224)	225,447	218,564	6,883	96.9%	195,531	145,021

Economic Classification	2011/12							2010/11	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	36,352	-	(9,550)	26,802	26,482	320	98.8%	44,410	39,711
Goods and services	27,143	(240)	(8,674)	18,229	12,039	6,190	66.0%	23,461	12,119
Transfers and subsidies to:									
Departmental agencies and accounts	162,458	-	14,000	176,458	176,458	-	100%	123,841	90,059
Foreign governments and international organisations	2,918	150	-	3,068	3,066	2	99.9%	3,000	2,630
Households	-	86	-	86	86	-	100%	219	219
Payment for capital assets									
Machinery and equipment	800	-	-	800	429	371	53.6%	600	283
Payment for financial assets									
	-	4	-	4	4	-	100%	-	-
Total	229,671	-	(4,224)	225,447	218,564	6,883	96.9%	195,531	145,021

Programme 6: The Enterprise Organisation	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Broadening Participation Incentives									
Current payment	11,431	(1,114)	-	10,317	10,314	3	99.9%	4,273	3,965
Transfers and subsidies	118,472	(3,000)	(7,000)	108,472	101,740	6,732	93.8%	117,533	107,704
	129,903	(4,114)	(7,000)	118,789	112,054	6,735	94.3%	121,806	111,669
6.2 Competitiveness and Export Incentives									
Current payment	4,906	8,080	-	12,986	12,976	10	99.9%	5,341	4,956
Transfers and subsidies	171,752	(3,100)	-	168,652	168,618	34	99.9%	146,917	134,630
	176,658	4,980	-	181,638	181,594	44	99.9%	152,258	139,586
6.3 Manufacturing Incentives									
Current payment	60,566	(3,021)	-	57,545	53,147	4,398	92.4%	60,886	56,495
Transfers and subsidies	1,839,247	29,314	(6,000)	1,862,561	1,861,470	1,091	99.9%	1,733,617	1,588,637
Payment for capital assets	1,000	518	3,368	4,886	4,615	271	94.5%	1,500	1,274
Payment for financial assets	-	-	-	-	-	-	-	1	1
	1,900,813	26,811	(2,632)	1,924,992	1,919,232	5,760	99.7%	1,796,004	1,646,407
6.4 Sector Service Incentive									
Current payment	9,104	(238)	-	8,866	7,824	1,042	88.2%	10,682	9,912
Transfers and subsidies	333,369	(22,885)	(10,000)	300,484	298,765	1,719	99.4%	293,833	269,260
	342,473	(23,123)	(10,000)	309,350	306,589	2,761	99.1%	304,515	279,172

Programme 6: The Enterprise Organisation	2011/12						2010/11		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
6.5 Infrastructure Development Support									
Current payment	9,908	(798)	-	9,110	8,394	716	92.1%	23,500	21,805
Transfers and subsidies	734,223	34	-	734,257	734,188	69	99.9%	646,433	592,373
	744,131	(764)	-	743,367	742,582	785	99.9%	669,933	614,178
6.6 Product and System Development									
Current payment	9,734	14	-	9,748	8,488	1,260	87.1%	1,068	991
Transfers and subsidies	-	2	-	2	1	1	50.0%	-	-
	9,734	16	-	9,750	8,489	1,261	87.1%	1,068	991
6.7 Business Development and After Care									
Current payment	17,150	(3,923)	-	13,227	12,893	334	97.5%	1,068	991
Transfers and subsidies	-	117	-	117	116	1	99.1%	-	-
	17,150	(3,806)	-	13,344	13,009	335	97.5%	1,068	991
TOTAL	3,320,862	-	(19,632)	3,301,230	3,283,549	17,681	99.5%	3,046,652	2,792,994

Programmes 6 sub-programmes changed in the current financial year as a result of programme structure changes, two sub-programmes (namely Incentive Administration and New Incentive Development) were redefined into the sub-programmes 6.1 to 6.6 as reflected in the table above.

Economic Classification	2011/12							2010/11	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	90,244	(3,111)	-	87,133	83,063	4,070	95.3%	78,621	73,536
Goods and services	32,555	2,111	-	34,666	30,971	3,695	89.3%	28,197	25,579
Transfers and subsidies									
Public corporations and private enterprises	3,197,063	-	(23,000)	3,174,063	3,164,422	9,641	99.7%	2,938,325	2,692,596
Household	-	482	-	482	478	4	99.2%	8	8
Payment for capital assets									
Machinery and equipment	1,000	-	-	1,000	731	269	73.1%	1,500	1,274
Software and other intangible assets	-	518	3,368	3,886	3,884	2	99.9%	-	-
Payment for financial assets									
	-	-	-	-	-	-	-	1	1
Total	3,320,862	-	(19,632)	3,301,230	3,283,549	17,681	99.5%	3,046,652	2,792,994

	2011/12						2010/11		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 7: Trade and Investment South Africa									
7.1 Investment Promotion and Facilitation									
Current payment	36,056	(3,255)	(3,640)	29,161	27,778	1,383	95.3%	40,809	27,013
Transfers and subsidies	7,000	4	-	7,004	7,004	-	100%	27,500	27,500
Payment for capital assets	200	20	-	220	200	20	90.9%	415	153
Payment for financial assets	-	3	-	3	2	1	66.7%	10	10
	43,256	(3,228)	(3,640)	36,388	34,984	1,404	96.1%	68,734	54,676
7.2 Export Development and Promotion									
Current payment	35,206	(127)	-	35,079	33,185	1,894	94.6%	32,148	25,163
Transfers and subsidies	133,267	168	-	133,435	133,430	5	99.9%	131,672	131,672
Payment for capital assets	200	460	(61)	599	465	134	77.6%	293	234
Payment for financial assets	-	3	-	3	2	1	66.7%	-	-
	168,673	504	(61)	169,116	167,082	2,034	98.8%	164,113	157,069

	2011/12						2010/11		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Programme 7: Trade and Investment South Africa									
7.3 International Operations									
Current payment	132,368	1,377	(11,344)	122,401	113,129	9,272	92.4 %	118,865	115,074
Transfers and subsidies	-	2	-	2	1	1	50.0%		
Payment for capital assets	850	1,342	-	2,192	2,189	3	99.9%	1,752	1,752
Payment for financial assets	-	3	-	3	3	-	100%	12	11
TOTAL	133,218	2,724	(11,344)	124,598	115,322	9,276	92.6 %	120,629	116,837
	345,147	-	(15,045)	330,102	317,388	12,714	96.1%	353,476	328,582

Economic Classification	2011/12						2010/11		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	112,310	-	(960)	111,350	104,205	7,145	93.6%	105,840	101,173
Goods and services	91,320	(2,005)	(14,024)	75,291	69,886	5,405	92.8%	85,982	66,077
Transfers and subsidies									
Foreign governments and international organisations	11,750	-	-	11,750	11,750	-	-	11,084	11,084
Public corporations and private enterprises	121,517	-	-	121,517	121,517	-	100%	120,488	120,488
Non Profit institutions	7,000	-	-	7,000	7,000	-	100%	27,500	27,500
Household	-	174	-	174	168	6	96.6%	100	100
Payment for Capital Assets									
Machinery and equipment	1,250	1,804	(61)	2,993	2,838	155	94.8%	2,415	2,095
Software and other intangible assets	-	18	-	18	17	1	94.4%	45	44
Payment for financial assets	-	9	-	9	7	2	77.8%	22	21
TOTAL	345,147	-	(15,045)	330,102	317,388	12,714	96.1%	353,476	328,582

Programme 8: Marketing and Communication	2011/12						2010/11		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
8.1 Brand Management									
Current payment	35,819	(3,265)	8,960	41,514	37,840	3,674	91.1%	28,003	22,099
Transfers and subsidies	-	244	-	244	243	1	99.6%	144	144
Payment for capital assets	531	-	61	592	591	1	99.8%	520	184
	36,350	(3,021)	9,021	42,350	38,674	3,676	91.3%	28,667	22,427
8.2 External Communication									
Current payment	35,531	3,021	-	38,552	36,525	2,027	94.7%	23,451	17,125
Payment for capital assets	-	-	303	303	303	-	100%	-	-
	35,531	3,021	303	38,855	36,828	2,027	94.8%	23,451	17,125
TOTAL	71,881	-	9,324	81,205	75,502	5,703	93.0%	52,118	39,552

Media and Public Relations sub-programme moved from Programme 8, Marketing and Communication, to Programme 1, Administration, during the adjustments estimate.

Economic Classification	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	19,216	(3,710)	960	16,466	16,456	10	99.9%	21,446	16,671
Goods and services	52,134	3,466	8,000	63,600	57,909	5,691	91.1%	30,008	22,554
Transfers and subsidies									
Household	-	244	-	244	243	1	99.6%	144	144
Payment for Capital Assets									
Machinery and equipment	417	114	61	592	591	1	99.8%	400	152
Software and other intangible assets	114	(114)	303	303	303	-	100%	120	31
TOTAL	71,881	-	9,324	81,205	75,502	5,703	93.0%	52,118	39,552

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

Detail of these transactions can be viewed in Note 9 (Transfers and subsidies) and Annexure 1 (A-F) to the Annual Financial Statements.

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

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

3. **Detail on payments for financial assets**

Detail of these transactions per programme can be viewed in Note 8 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

4. **Explanations of variances from Amounts Voted (after Virement):**

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	569,917	563,873	6,044	1%
The underspending is within 2%. Underspending is due to some posts that were not filled.				
International Trade and Economic Development	139,238	132,920	6,318	5%
The under-expenditure occurred largely on travel and subsistence as well as venues and facilities due to the Tripartite Summit expenditure, which was less than anticipated.				
Empowerment and Enterprise Development	896,245	887,513	8,732	1%
The underspending is within 1%.				
Industrial Development	1,333,129	1,321,671	11,458	1%
The underspending is within 1%				
Consumer and Corporate Regulations	225,447	218,564	6,883	3%
Underspending in travel and operating expenditure is due to a delay in the approval and commencement of the Contralesa project, the Business Act and National Credit Act as well as the IP conference, which was put on hold.				
The Enterprise Organisation	3,301,230	3,283,549	17,681	1%
Underspending is due to the fewer claims received under the Co-operatives Incentive Scheme and Enterprise Investment Programme.				
Trade and Investment South Africa	330,102	317,388	12,714	4%
Underspending due to fewer vouchers received from mission accounts than anticipated as well the Investment Trade Initiative and Africa Dialogue projects, which were postponed to March and April 2012.				
Communication and Marketing	81,205	75,502	5,703	7%
Fewer invoices for advertising were received than anticipated. Further, the final payment for <i>The Big Break Legacy</i> could not be effected as the show was not finalised by financial year end.				
Total	6,876,513	6,800,980	75,533	1%

4.2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current payments				
Compensation of employees	588,389	566,988	21,401	4%
Goods and services	634,395	593,730	40,665	6%
Interest and rent on land	73	73	-	0%
Transfers and subsidies:				
Departmental agencies and accounts	1,058,599	1,058,599	-	0%
Universities and Technikons	14,804	14,800	4	0%
Public corporations and private enterprises	4,450,245	4,440,568	9,677	0%
Foreign governments and international organisations	41,683	40,172	1,511	4%
Non-profit institutions	10,200	10,125	75	1%
Households	3,875	3,849	26	1%
Payment for capital assets				
Machinery and equipment	22,095	20,137	1,958	9%
Software and other intangible assets	16,567	16,353	214	1%
Payments for financial assets	35,588	35,586	2	0%
Total	6,876,513	6,800,980	75,533	1%

Explanation of variances:

1. **Compensation of Employees:** The low spending is largely due to vacancies. At 31 March 2012 vacancies were 113 (8.4%) of the 1,338 posts.
2. **Goods and Services:** Invoices received after financial year end were not included under this expenditure, impacting on the underspending as follows:
 - a. Creditor invoices totalling R4.5 million; and
 - b. Claims from DIRCO totalling R29.1 million.

Further, there was under-expenditure under consultants due to projects that spanned the financial year and could not be paid as the work was not completed. In addition, the vacancies had a direct impact on underspending for Goods and Services.
3. **Public Corporations and Private Enterprises:** The underspending is due to claims for incentive schemes not received timeously from private companies for processing in the financial year under consideration.
4. **Foreign Governments and International Organisations:** In respect of UNIDO, lower membership fees were charged to all members as a result of financial crises, resulting in underspending of R1.2 million. The balance of the underspending relates to exchange rate variances.
5. **Machinery and Equipment:** Underspending due to delay in capital projects (access switches, telephone handsets and e-mail archiving) as well as computer equipment ordered but not yet received.

	Note	2011/12 R'000	2010/11 R'000
REVENUE			
Annual appropriation	<u>1</u>	6,876,513	6,194,208
Statutory appropriation	<u>2</u>	4,892	65,240
Departmental revenue	<u>3</u>	78,707	35,630
Aid assistance	<u>4</u>	617,503	343,019
TOTAL REVENUE		7,577,615	6,638,097
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>5</u>	566,988	514,524
Goods and services	<u>6</u>	593,730	475,241
Interest and rent on land	<u>7</u>	73	275
Aid assistance	<u>4</u>	10,719	12,372
Total current expenditure		1,171,510	1,002,412
Transfers and subsidies			
Transfers and subsidies	<u>9</u>	5,573,005	4,854,446
Aid assistance	<u>4</u>	184,595	95,996
Expenditure for capital assets			
Tangible capital assets	<u>10</u>	20,667	13,161
Software and other intangible assets	<u>10</u>	16,353	2,314
Total expenditure for capital assets		37,020	15,475
Payments for financial assets	<u>8</u>	35,586	2,306
TOTAL EXPENDITURE		7,001,716	5,970,635
SURPLUS FOR THE YEAR		575,899	667,462
Reconciliation of Surplus for the Year			
Voted funds	<u>19</u>	75,533	397,467
Departmental revenue	<u>20</u>	78,707	35,630
Aid assistance	<u>4</u>	421,659	234,365
SURPLUS FOR THE YEAR		575,899	667,462

	Note	2011/12 R'000	2010/11 R'000
ASSETS			
Current assets		648,047	550,986
Unauthorised expenditure	<u>11</u>	37,380	37,380
Fruitless and wasteful expenditure	<u>12</u>	-	-
Cash and cash equivalents	<u>13</u>	399,136	283,850
Pre-payments and advances	<u>15</u>	32,624	7,444
Receivables	<u>16</u>	178,907	222,312
Non-current assets		1,506	1,129
Investments	<u>17</u>	-	-
Loans	<u>18</u>	-	-
Other financial assets	<u>14</u>	1,506	1,129
TOTAL ASSETS		649,553	552,115
LIABILITIES			
Current liabilities		476,041	338,749
Voted funds to be surrendered to the Revenue Fund	<u>19</u>	40,245	98,405
Departmental revenue to be surrendered to the Revenue Fund	<u>20</u>	12,514	3,200
Payables	<u>21</u>	1,625	2,779
Aid assistance repayable	<u>4</u>	421,657	234,365
TOTAL LIABILITIES		476,041	338,749
NET ASSETS		173,512	213,366
Represented by:			
Recoverable revenue		173,512	213,366
TOTAL		173,512	213,366

NET ASSETS	Note	2011/12	2010/11
		R'000	R'000
Capitalisation Reserves			
Opening balance		-	1,704,250
Transfers:			
Other movements		-	(1,704,250)
Closing balance		-	-
Recoverable revenue			
Opening balance		213,366	214,043
Transfers:		(39,854)	(677)
Irrecoverable amounts written off		(32,081)	(2,025)
Receivables revised		(5,252)	(3,289)
Receivables recovered (included in departmental receipts)		(34,013)	(22,597)
Receivables raised		31,492	27,234
Closing balance		173,512	213,366
TOTAL		173,512	213,366

CASH FLOW	Note	2011/12 R'000	2010/11 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		7,542,317	6,338,942
Annual appropriated funds received	<u>1</u>	6,841,225	5,895,146
Statutory appropriated funds received	<u>2</u>	4,892	65,240
Departmental revenue received	<u>3</u>	78,697	35,537
Aid assistance received	<u>4</u>	617,503	343,019
Net increase/(decrease) in working capital		17,071	(932)
Surrendered to Revenue Fund		(167,798)	(201,766)
Surrendered to RDP Fund/Donor		(234,367)	(138,427)
Current payments		(1,171,510)	(1,002,412)
Payments for financial assets		(35,586)	(2,306)
Transfers and subsidies paid		(5,757,600)	(4,950,442)
Net cash flow available from operating activities	<u>22</u>	192,527	42,657
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for capital assets	<u>10</u>	(37,020)	(15,475)
Proceeds from sale of capital assets	<u>3.5</u>	10	93
Increase/(decrease) in other financial assets		(377)	1,760
Net cash flows from investing activities		(37,387)	(13,622)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		-	-
Decrease in net assets		(39,854)	(677)
Net cash flows from financing activities		(39,854)	(677)
Net increase in cash and cash equivalents		115,286	28,358
Cash and cash equivalents at the beginning of the period		283,850	255,492
Cash and cash equivalents at end of period	<u>23</u>	399,136	283,850

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, 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, Act No. 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act No. 1 of 2010.

1. Presentation of the Financial Statements

1.1 Basis of Preparation

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting, transactions and other events are recognised when cash is received or paid or when the final authorisation for payment is effected on the accounting system by no later than 31 March of each year.

The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting.

1.2 Presentation Currency

All amounts have been presented in South African Rand (R), which is also the functional currency of the department.

1.3 Rounding

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

1.4 Comparative Figures

Prior year comparative information has been presented in the current year's financial statements. Where necessary, figures included in the prior year 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.

1.5 Comparative Figures – Appropriation Statement

A comparison between actual and budgeted amounts per major classification of expenditure is included in the appropriation statement.

2. Revenue

2.1 Appropriated Funds

Appropriated funds comprise departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriations).

Appropriated funds and adjusted appropriated funds are recognised in the accounting records on the date when the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the accounting records on the date the adjustments become effective.

Total appropriated funds are presented in the statement of financial performance. Unexpended appropriated funds are surrendered to the National Revenue Fund, unless approval has been given by the National Treasury to roll over the funds to the subsequent financial year. These rollover funds form part of retained funds in the financial statements. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position as a current liability.

2.2 Departmental Revenue

All departmental revenue is recognised in the Statement of Financial Performance when received and is subsequently paid into the National Revenue Fund, unless stated otherwise. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position. Amounts receivable at the reporting date are indicated in the disclosure notes to the annual financial statements. No accrual is made for amounts receivable from the last receipt to the end of the reporting period.

2.2.1 Tax Revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and/or regulations (excluding fines, penalties and forfeits). In the case of the department, this relates to liquor licence fees.

Tax receipts are recognised in the statement of financial performance when received.

2.2.2 Sale of Goods and Services Other than Capital Assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.3 Fines, Penalties and Forfeits

Fines, penalties and forfeits are compulsory, unrequited amounts that were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.4 Interest, Dividends and Rent on Land

Interest, dividends and rent on land are recognised in the statement of financial performance when the cash is received.

2.2.5 Sale of Capital Assets

The proceeds received on the sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.6 Transactions in Financial Assets and Liabilities

Repayments of loans and advances previously extended to employees and public corporations are recognised as revenue in the statement of financial performance on receipt of the funds. Amounts receivable at the reporting date are indicated in the disclosure notes to the financial statements.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is re-issued, the payment is made from revenue.

Foreign exchange gains are recognised in the statement of financial performance on payment of funds. The foreign exchange rate on the date of payment is used for the translation of the foreign currency to SA Rand.

2.2.7 Transfers Received (Including Gifts, Donations and Sponsorships)

All cash gifts, donations and sponsorships are paid into the National Revenue Fund and recorded as

revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in an annexure to the financial statements. Fair value is regarded as the equivalent of what would have been paid had the gift, donation or sponsorship been borne by the department.-

2.3 Direct Exchequer Receipts and Payments

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and subsequently paid into the National Revenue Fund, unless stated otherwise.

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system by no later than 31 March of each year.

2.4 Aid Assistance

Local and foreign aid assistance is recognised in the financial records when notification of the donation is received from the National Treasury, or when the department directly receives the cash from the donor(s). The total cash amounts received during the year are reflected in the statement of financial performance as revenue.

All in-kind local and foreign aid assistance is disclosed at fair value in the annexures to the financial statements. Fair value is regarded as the equivalent of what would have been paid had the gift, donation or sponsorship been borne by the department.

Cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payment is effected in the accounting records by no later than 31 March of each year. The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

3. Expenditure

3.1 Compensation of Employees

3.1.1 Salaries and Wages

Salaries and wages comprise payments to employees, including leave entitlements, 13th cheques and performance bonuses. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the payroll system by no later than 31 March of each year. All other payments are classified as current expenses.

3.1.2 Social Contributions

Social contributions include the employer's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the payroll system.

3.1.3 Short-Term Employee Benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements and are not recognised in the statement of financial performance or position.

The department also provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the final authorisation for payment to the fund is effected on the payroll system.

3.1.4 Post-Retirement Benefits

The department contributes towards the retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the funds is effected on the payroll system. No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its ex-employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system. Medical benefits made by the department for certain of its ex-employees are classified as transfers to households in the statement of financial performance.

3.1.5 Termination Benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer to households when the final authorisation for payment is effected on the payroll system. Households in this context refer to past employees.

3.1.6 Other Long-Term Employee Benefits

Other long-term employee benefits, such as capped leave, are recognised as an expense in the statement of financial performance as a transfer to households when the authorisation for payment is effected on the system.

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statements of financial performance or position.

3.2 Goods and Services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the accounting system. The expense is classified as capital if the goods and services were used on a capital project, or an asset if R5 000 or more is purchased. All assets costing less than R5 000 are classified and presented as current expenditure. Goods and services are also recorded in an inventory register.

3.3 Interest and Rent on Land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system. This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payments for the rental of land and the fixed structures on it, the whole amount is recorded under goods and services.

3.4 Payment for Financial Assets

Receivables are written off when identified as irrecoverable. Receivables written off are limited to the amount of savings and/or underspending of appropriated funds. The write-off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts, but an estimate of the amount to be impaired is indicated as a disclosure note to the financial statements.

Foreign exchange losses are recognised in the statement of financial performance on the payment of funds. The foreign exchange rate on the date of payment is used for the translation of the foreign currency to SA Rand.

All other losses are recognised in the statement of financial performance when authorisation has been granted for the recognition thereof.

3.5 Transfers and Subsidies

Transfers and subsidies are recognised as an expense when the authorisation for payment is effected on the accounting system by no later than 31 March of each year.

3.6 Unauthorised Expenditure

When discovered, unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding, it is recognised as expenditure, subject to the availability of savings, in the statement of financial performance on the date of approval.

3.7 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable, it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 Irregular Expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority, it is treated as an asset until it is recovered or written off as irrecoverable.

3.9 Expenditure for Capital Assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the accounting system.

4. Assets

4.1 Cash and Cash Equivalents

Cash and cash equivalents are carried in the statements of financial position at cost.

The bank overdraft is carried in the statement of financial position and separately disclosed.

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.

4.2 Other Financial Assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Pre-payments and Advances

Amounts pre-paid or advanced are recognised in the statement of financial position when the payments are made.

Pre-payments and advances outstanding at the end of the year are carried in the statement of financial position at cost and are subsequently expensed when the goods and services are received.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Revenue receivables not yet collected are included in the disclosure notes. Amounts that are potentially irrecoverable are also indicated in the disclosure notes to the financial statements.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as proceeds from the sale of the investment are recognised in the statement of financial performance when the cash is received.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is indicated in the disclosure notes to the financial statements.

4.6 Loans

Loans are recognised in the statement of financial position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary.

Amounts that are potentially irrecoverable are indicated in the disclosure notes to the financial statements.

Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

4.7 Inventory

Inventories that qualify for recognition are initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost formula.

Inventories purchased during the financial year are disclosed at cost in the notes to the financial statements.

4.8 Capital Assets

Movable Assets

Initial Measurement

A capital asset is recorded on payment of the item at cost. The cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at a nominal value of R1. Fair value is regarded as the equivalent of what would have been paid had the asset been purchased.

Subsequent Measurement

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as 'expenditure for capital assets' and is capitalised in the asset register on completion of the project.

Repairs and maintenance is expensed as current 'goods and services' in the statement of financial performance.

The disclosure notes reflect the total movement in the asset register for the current financial year. The movement is reflected at the cost as recorded in the asset register and not the carrying value, since depreciation is not recognised in the financial statements under the modified cash basis of accounting.

5. Liabilities

5.1 Voted Funds to be Surrendered to the Revenue Fund

Unexpended appropriated funds are surrendered to the National Revenue Fund. Amounts owing to the National Revenue Fund at the end of the financial year are recognised as liabilities in the statement of financial position.

5.2 Departmental Revenue to be Surrendered to the Revenue Fund

Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position at cost.

5.3 Direct Exchequer Receipts to be Surrendered to the Revenue Fund

All direct exchequer fund receipts are recognised in the statement of financial performance when the cash is received.

Amounts received must be surrendered to the National Revenue Fund on receipt thereof. Any amount not surrendered at year-end is reflected as a current payable in the statement of financial position.

5.4 Payables

Recognised payables mainly comprise amounts owing to other government entities. These payables are recognised at historical cost in the statement of financial position.

Payables also comprise amounts owing to creditors where payments are authorised and processed for payment at financial year-end, but only reflect on the bank statement in the new financial year.

5.5 Contingent Liabilities

- A contingent liability 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 wholly within the control of the department; or a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes to the financial statements.

5.6 Commitments

Commitments other than lease commitments represent goods and services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

Commitments, whether of a current or capital nature, are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are indicated in the disclosure notes to the financial statements.

5.7 Accruals

Accruals represent goods and services that have been received, but where no invoice has been received from the supplier at the reporting date; or where an invoice has been received, but final authorisation for payment has not been effected on the accounting system.

Accruals also include transfers and subsidies relating to incentive grants where an approval has been granted and payment has not been effected on the accounting system as at financial year-end.

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are indicated in the disclosure notes to the financial statements.

5.8 Employee Benefits

Short-term employee benefits not yet paid that give rise to a present legal or constructive obligation are disclosed in the notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

5.9 Lease commitments

Finance leases

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and the interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating leases

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statements.

5.10 Provisions

Provisions are disclosed in the disclosure 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 will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. Receivables for Departmental Revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the financial statements.

7. Net Assets

7.1 Capitalisation Reserve

The capitalisation reserve comprises 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 year. Amounts are recognised on disposal, repayment or recovery of such amounts.

7.2 Recoverable revenue

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

8. Related Party Transactions

Related parties are departments that control or significantly influence the department in making financial and operating decisions. Specific information with regards to related party transactions is indicated in the disclosure notes to the financial statements.

9. Key Management Personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

Compensation paid to key management personnel, including their family members where relevant, is indicated in the disclosure notes to the financial statements.

10. Public Private Partnerships

A public private partnership (PPP) is a commercial transaction between the department and a private party in terms of which the private party:

- performs an institutional function on behalf of the institution; and/or
- acquires the use of state property for its own commercial purposes;

- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- receives a benefit for performing the institutional function, or from utilising the state property, either by way of:
 - consideration to be paid by the department which derives from a Revenue Fund;
 - charges fees to be collected by the private party from users or customers of a service provided to them; or
 - a combination of such consideration and such charges or fees.

A description of the PPP arrangement, including the contract fees and current and capital expenditure relating to the PPP arrangement, is included in the disclosure notes to the financial statements.

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:

	Final Appropriation 2011/12	Actual Funds Received 2011/12	Funds not requested/ not received 2011/12	Actual Funds Received 2010/11
	R'000	R'000	R'000	R'000
1. Administration	569,917	568,086	1,831	436,911
2. International Trade and Economic Development	139,238	136,238	3,000	112,868
3. Empowerment and Enterprise Development	896,245	893,245	3,000	806,104
4. Industrial Development	1,333,129	1,327,129	6,000	1,146,161
5. Consumer and Corporate Regulatory Division	225,447	219,090	6,357	177,018
6. The Enterprise Organisation	3,301,230	3,298,130	3,100	2,811,152
7. Trade and Investment South Africa	330,102	321,102	9,000	353,476
8. Communications and Marketing	81,205	78,205	3,000	51,456
Total	6,876,513	6,841,225	35,288	5,895,146

The Annual Appropriation as at 31 March 2011 is R6.2 billion, which is reflected in the Statement of Financial Performance, while the amount of R5.9 billion reflected in the above table is the actual funds received for the 2010/11 financial year.

Explanation of funds not requested/not received:

Refer to the Notes to the Appropriation Statement on pages 118 to 120 for the reasons as to why funds were not requested/not received.

	Note	2011/12	2010/11
		R'000	R'000
2. Statutory Appropriation			
National Skills Fund		4,892	65,240
Total		<u>4,892</u>	<u>65,240</u>
Actual Statutory Appropriation received		<u>4,892</u>	<u>65,240</u>

Statutory appropriation relates to funds received by **the dti** from the Department of Higher Education based on the Skills Development Act.

3. Departmental revenue

Tax revenue		3,280	3,161
Sales of goods and services other than capital assets	<u>3.1</u>	350	213
Fines, penalties and forfeits	<u>3.2</u>	189	14
Interest and rent on land	<u>3.3</u>	20,470	513
Transactions in financial assets and liabilities	<u>3.4</u>	54,408	31,636
Departmental revenue received		<u>78,697</u>	<u>35,537</u>
Sales of capital assets	<u>3.5</u>	10	93
Departmental revenue collected		<u>78,707</u>	<u>35,630</u>

Tax revenue relates to liquor licence fees received.

<i>Note</i>	2011/12	2010/11
	R'000	R'000
3.1 Sales of goods and services other than capital assets		
Sales of goods and services produced by the department	350	212
Sales by market establishment	185	62
Other sales	165	150
Sales of scrap, waste and other used current goods	-	1
Total	350	213

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

Other sales comprise commission on insurance deductions and fees received by staff directorships at other institutions.

3.2 Fines, penalties and forfeits

Penalties	144	-
Forfeits	45	14
Total	189	14

Penalties are fines imposed on liquor licences.

3.3 Interest and rent on land

Interest	20,470	513
Total	20,470	513

Interest relate to interest on receivables recovered and written off.

<i>Note</i>	2011/12	2010/11
	R'000	R'000

3.4 Transactions in financial assets and liabilities

Receivables	45,662	23,339
Forex gain	4	143
Other Receipts including Recoverable Revenue	8,742	8,154
Total	54,408	31,636

Receivables consist of amounts paid over to the National Revenue Fund in respect of Receivables recovered. Other receipts comprise refunds from entities of unused funds and interest earned.

3.5 Sale of capital assets

Tangible capital assets

Machinery and equipment	10	93
Total	10	93

Revenue received under the sale of capital assets was in respect of a sale of a motor vehicle in a foreign mission office (Paris).

	Note	2011/12	2010/11
		R'000	R'000
4. Aid assistance			
4.1 Aid assistance received in cash from Reconstruction and Development Programme (RDP)			
Foreign			
Opening Balance		234,365	138,427
Revenue		617,503	343,019
Expenditure		(195,844)	(108,654)
Current		(10,719)	(12,372)
Capital		(530)	(286)
Transfers		(184,595)	(95,996)
Current year surplus		421,659	234,365
Surrendered to the RDP	<i>Ann1H</i>	(234,367)	(138,427)
Closing Balance		421,657	234,365
Analysis of balance			
Aid assistance repayable			
RDP		421,657	234,365
Closing balance		421,657	234,365

The prior year revenue and surrendered amount to the RDP has been restated by R133.7 million as a result of change in the accounting treatment.

5. Compensation of employees

5.1 Salaries and Wages

Basic salary	372,295	339,277
Performance award	9,230	6,115
Service based	661	1,724
Compensative/circumstantial	5,739	4,445
Service bonus	21,554	19,301
Home owners' allowance	5,245	4,248
Other non-pensionable allowances	68,875	60,403
Foreign allowance	19,850	22,565
Total	503,449	458,078

The prior year amount for periodic payments has been restated by R411,000 as a result of classification changes by the standard chart of accounts. Payments for Board members are now paid as consultants, contractors and special services under goods and services.

Other non-pensionable allowances comprise car allowances and benefits structured as part of salary packages for employees on level 11 and higher. Foreign allowances comprise cost-of-living allowances awarded to employees based abroad at foreign mission offices.

	Note	2011/12	2010/11
		R'000	R'000
5.2 Social contributions			
Employer contributions			
Pension		46,390	40,806
Medical		17,083	15,574
Bargaining council		66	66
Total		63,539	56,446
Total compensation of employees		566,988	514,524
Average number of employees		1,256	1,214

6. Goods and services

Administrative fees		6,588	3,140
Advertising		32,688	14,273
Assets less than R5,000	<u>6.1</u>	509	817
Bursaries (employees)		2,398	1,353
Catering		4,620	3,106
Communication		10,919	11,600
Computer services	<u>6.2</u>	17,544	13,973
Consultants, contractors and special services	<u>6.3</u>	88,323	63,770
Entertainment		1,106	1,101
Audit cost-external	<u>6.4</u>	8,590	8,641
Fleet services		364	245
Inventory	<u>6.5</u>	16,247	14,033
Operating leases		199,939	190,988
Property payments	<u>6.6</u>	20,597	16,557
Travel and subsistence	<u>6.7</u>	110,395	79,250
Venues and facilities		31,184	26,232
Training and staff development		16,243	9,370
Other operating expenditure	<u>6.8</u>	25,476	16,792
Total		593,730	475,241

The prior year amount for consultants, contractors and special services has been restated by R411,000 as a result of reclassification of payments to Board members from periodic payments under Compensation of Employees.

	<i>Note</i>	2011/12	2010/11
		R'000	R'000
6.1 Assets less than R5,000			
Tangible assets		509	797
Machinery and equipment		509	797
Intangible assets		-	20
Total		509	817

6.2 Computer services

SITA computer services	9,949	6,873
External computer service providers	7,595	7,100
Total	17,544	13,973

6.3 Consultants, contractors and agency/outsourced services

Business and advisory services	47,337	40,282
Legal costs	16,482	11,254
Contractors	19,448	7,508
Agency and support/outsourced services	5,055	4,726
Total	88,322	63,770

The prior year amount for business and advisory services has been restated by R411,000 as a result of reclassification of payments to Board members from periodic payments under Compensation of Employees.

<i>Note</i>	2011/12	2010/11
	R'000	R'000

6.4 Audit Cost – External

Regularity audits	6,174	7,036
Forensic audits	2,416	1,605
Total	8,590	8,641

6.5 Inventory

Learning and teaching support material	-	94
Materials and supplies	422	543
Medical supplies	34	55
Stationery and printing	15,380	12,927
Other consumable materials	411	414
Total	16,247	14,033

6.6 Property payments

Municipal services	816	763
Property management fees	8,292	7,821
Property maintenance and repairs	11,028	7,595
Other	461	378
Total	20,597	16,557

	<i>Note</i>	2011/12	2010/11
		R'000	R'000
Local		55,418	37,086
Foreign		54,977	42,164
Total		110,395	79,250

6.8 Other operating expenditure

Courier, delivery and freight services	1,242	1,355
Learnerships	-	103
Membership and subscription fees	5,479	3,561
Printing and publications services	8,130	6,912
Resettlement costs	5,722	3,231
School boarding/tuition cost	3,511	-
Storage of files	1,215	1,263
Other	177	367
Total	25,476	16,792

Prior year figures were amended to provide for a split of other into storage of files, and printing and publications services.

7. Interest and rent on land

Interest paid	73	275
Total	73	275

Interest paid is as a result of interest of R25,962 paid to Rainprop (Pty) Ltd, and R46,621 to 7i Management Consultants (Pty) Ltd, as per the outcome of arbitration proceedings against the dti.

<i>Note</i>	2011/12	2010/11
	R'000	R'000

8. Payments for financial assets

Other material losses written off	<u>8.1</u>	2,251	26
Receivables written off	<u>8.2</u>	33,328	2,268
Forex losses	<u>8.3</u>	7	12
Total		<u>35,586</u>	<u>2,306</u>

8.1 Other material losses written off

Nature of losses

Fruitless expenditure		-	16
Cheque fraud		1,443	-
Court settlement		800	-
Claims for losses by staff		8	10
Total		<u>2,251</u>	<u>26</u>

8.2 Receivables written off

Nature of Receivables written off

Black Business Suppliers Development Programme		-	149
Staff Receivables		-	52
General Export Incentive Scheme		30,683	1,712
Regional Industrial Development Programme		-	181
Salary overpayment out of service		1,627	-
Suppliers		-	133
Small and Medium Manufacturing Development Programme		-	41
Small and Medium Enterprise Development Programme		82	-
Other		936	-
Total		<u>33,328</u>	<u>2,268</u>

<i>Note</i>	2011/12	2010/11
	R'000	R'000

8.3 Forex losses

Nature of losses

Expenditure at foreign offices	7	12
Total	7	12

9. Transfers and subsidies

Departmental agencies and accounts	<i>Annex1A</i>	1,058,599	838,980
Universities and technikons	<i>Annex1B</i>	14,800	14,793
Public corporations and private enterprises	<i>Annex1C</i>	4,445,460	3,924,574
Foreign governments and international organisations	<i>Annex1D</i>	40,172	36,642
Non-profit institutions	<i>Annex1E</i>	10,125	37,800
Households	<i>Annex1F</i>	3,849	1,657
Total		5,573,005	4,854,446

Transfers and subsidies include an amount of R4.9 million relating to National Skills expenditure, based on the Skills Development Act (see Statutory Appropriation in note (2)).

	Note	2011/12 R'000	2010/11 R'000
Tangible assets		20,667	13,161
Machinery and equipment	<u>36.1</u>	20,677	13,161
Software and other intangible assets		16,353	2,314
Computer software	<u>37.1</u>	16,353	2,314
Total		37,020	15,475

10.1 Analysis of funds utilised to acquire capital assets – 2011/12

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets			
Machinery and equipment	20,137	530	20,667
Software and other intangible assets			
Computer software	16,353	-	16,353
Total	36,490	530	37,020

10.2 Analysis of funds utilised to acquire capital assets – 2010/11

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	12,875	286	13,161
Machinery and equipment	12,875	286	13,161
Software and other intangible assets	2,314	-	2,314
Computer software	2,314	-	2,314
Total assets acquired	15,189	286	15,475

11. Unauthorised expenditure

11.1 Reconciliation of unauthorised expenditure

	2011/12	2010/11
	R'000	R'000
Opening balance	37,380	37,380
Less: Amounts approved by Parliament/Legislature (with funding)	-	-
Current	-	-
Unauthorised expenditure awaiting authorisation	37,380	37,380
Analysis of awaiting authorisation per economic classification		
Current	37,380	37,380
Total	37,380	37,380

11.2 Details of unauthorised expenditure, which was incurred in the 2004/05 financial year:

Incident	Disciplinary steps taken/criminal proceedings	R'000
Approved		
Awaiting approval		
GEIS [Overspending of the vote]	Referred to SCOPA	31,075
Compensation in terms of bilateral treaty [Overspending of the vote]	Referred to SCOPA	6,154
Staff receivables written off [Overspending of the vote]	Referred to SCOPA	98
Other [Overspending of the vote]	Referred to SCOPA	53
Total		37,380

12. Fruitless and wasteful expenditure

12.1 Reconciliation of fruitless and wasteful expenditure

	2011/12	2010/11
	R'000	R'000
Opening balance	-	11
Less: Amounts condoned	-	(11)
Current	-	(11)
Less: Amounts transferred to receivable for recovery	-	-
Fruitless and wasteful expenditure awaiting condonement	-	-
Analysis of awaiting condonement per economic classification		
Current	-	-
Total	-	-

	<i>Note</i>	2011/12	2010/11
		R'000	R'000
Consolidated Paymaster General Account		398,577	282,952
Cash Receipts		1	64
Disbursements		(1)	(26)
Cash on hand		97	76
Cash with commercial banks (Local)		462	784
Total		399,136	283,850

14. Other financial assets

Non-current

Local

Staff Receivables (Fraud/court order)	21	22
Other (Bursary/fraud)	33	43
Sub-total	54	65

Foreign

Other (Rental deposits for employees based abroad)	1,452	1,064
Total Non-current other financial assets	1,506	1,129

15. Prepayments and advances

Staff advances	17	5
Travel and subsistence	1,127	950
Advances paid to other entities	31,480	6,489
Total	32,624	7,444

The amount for advances paid to other entities substantially relates to advance payments to the Department of International Relations and Cooperation for costs incurred by the foreign mission offices of **the dti**.

16. Receivables

	<i>Note</i>	2011/12			2010/11	
		R'000			R'000	
		Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	<u>16.1</u>	2,923	3,633	163,843	170,399	211,227
Staff debt	<u>16.2</u>	356	1,583	165	2,104	1,505
Other debtors	<u>16.3</u>	565	705	5,134	6,404	9,580
Total		3,844	5,921	169,142	178,907	222,312

	<i>Note</i>	2011/12	2010/11
		R'000	R'000
National departments	<u>Annex 3</u>	1,709	898
Provincial departments	<u>Annex 3</u>	15	-
Public entities	<u>Annex 3</u>	2,337	3,324
Private enterprises		166,338	207,005
Total		170,399	211,227

R150.9 million (R189.4 million – 2010/11) included in receivables relate to General Export Incentives Scheme for private enterprises, which are potentially irrecoverable and included in note 34-Impairments.

16.2 Staff debt

Bursary	735	414
LWP (Leave without pay)	73	45
School fees	23	-
SOVRIS (Salary overpayment in service)	864	847
Telephone	15	21
Travel and subsistence	66	106
Cellphone	11	8
Medical claims	275	-
Petty Cash	5	4
Other	37	60
Total	2,104	1,505

	<i>Note</i>	2011/12	2010/11
		R'000	R'000
16.3 Other debtors			
Bursary		211	272
SOVROS (Salary Overpayment Out of Service)		533	1,928
Medical		-	572
Tax		70	26
Fraud		4,567	5,759
Theft		186	176
Travel and subsistence		96	7
Damages to property		162	211
Telephone/Cellphone		41	74
State Guarantee		228	212
Leave with payment		123	109
Other		187	234
Total		6,404	9,580

17. Investments

Non-Current

Shares and other equity

IDC A Shares – 1,000,000 at cost (100% shareholding)	-	-
IDC B Shares – 1,391,969,357 at cost (100% shareholding)	-	-
Total	-	-
Total non-current	-	-

Analysis of non-current investments

Opening balance	-	1,392,969
Non-cash movements	-	(1,392,969)
Closing balance	-	-

An investment in the Industrial Development Corporation (IDC) was transferred from **the dti** to the Economic Development Department with effect from 1 April 2010.

	Note	2011/12	2010/11
		R'000	R'000
18. Loans			
Public corporations		-	-
Total		<u>-</u>	<u>-</u>
Analysis of Balance			
Opening balance		-	311,281
New Issues		-	-
Transfer		-	(311,281)
Closing balance		<u>-</u>	<u>-</u>

The Ernani loan that was issued for the capitalisation of Khula was transferred from **the dti** to the Economic Development Department with effect from 1 April 2010.

19. Voted funds to be surrendered to the Revenue Fund

Opening balance		98,405	39,864
Transfer from statement of financial performance		75,533	397,467
Voted funds not requested/not received	<u>1</u>	(35,288)	(299,062)
Paid during the year		(98,405)	(39,864)
Closing balance		<u>40,245</u>	<u>98,405</u>

	<i>Note</i>	2011/12	2010/11
		R'000	R'000
Opening balance		3,200	129,472
Transfer from Statement of Financial Performance		78,707	35,630
Paid during the year		(69,393)	(161,902)
Closing balance		12,514	3,200

21. Payables – current

Amounts owing to other entities	<i>Annex 4</i>	11	22
Clearing accounts	<u>21.1</u>	347	140
Other payables	<u>21.2</u>	1,267	2,617
Total		1,625	2,779

21.1 Clearing accounts

PAYE	345	139
Pension fund	2	1
Total	347	140

21.2 Other payables

Liquor licence deposits	1,039	303
National Pavilions (EMIA)	13	1,187
PPP	-	965
Other	215	162
Total	1,267	2,617

Liquor licence deposits are as a result of liquor licence payments pending approval in terms of liquor licence regulations and departmental procedures. Prior year amount for other was amended to show the split as aforementioned.

22. Net cash flow available from operating activities

	2011/12	2010/11
	R'000	R'000
Net surplus as per Statement of Financial Performance	575,899	667,462
Add back non-cash/cash movements not deemed operating activities	(383,372)	(624,805)
Decrease in receivables – current	43,405	1,616
(Increase)/decrease in pre-payments and advances	(25,180)	7,862
(Decrease)/increase in other current assets	-	11
(Decrease) in payables – current	(1,154)	(10,421)
Proceeds from sale of capital assets	(10)	(93)
Expenditure on capital assets	37,020	15,475
Surrenders to Revenue Fund	(167,798)	(201,766)
Surrenders to RDP Fund/Donor	(234,367)	(138,427)
Voted funds not requested/not received	(35,288)	(299,062)
Net cash flow generated by operating activities	192, 527	42,657

The prior year net surplus and surrendered amount to the RDP Fund has been restated by R133.7 million as a change in the result of accounting treatment.

23. Reconciliation of cash and cash equivalents for cash-flow purposes

Consolidated Paymaster General account	398,577	282,952
Cash Receipts	1	64
Disbursements	(1)	(26)
Cash on hand	97	76
Cash with commercial banks	462	784
Total	399,136	283,850

The following amounts are not recognised in the annual financial statements and are disclosed to enhance the usefulness of the annual financial statements.

	<i>Note</i>	2011/12	2010/11
		R'000	R'000
24. Contingent liabilities			
Liable to			
Claims against the department	<u>Annex 2</u>	6,483,283	6,216,226
Other departments (interdepartmental unconfirmed balances)	<u>Annex 4</u>	11	22
Potential Legal fees		3,800	-
Total		6,487,094	6,216,248

Incentive grants approved by **the dti** to recipient firms are not always disbursed in the year of approval. Based on the rules of a particular incentive scheme, grants approved in one year may be disbursed over a period of one to three years following approval. Disbursement of the incentive grant is in all cases conditional on the recipient firms carrying out their approved projects in line with the guidelines of the respective incentive scheme and meeting key performance requirements that are linked to the particular incentive such as achieved investment, output, employment, etc.

As per the standard conditions of contract for all incentive schemes, the firms have no legal entitlement to the grant upon approval and, as such, there is no reciprocal legal obligation for payment from the department. The approvals are, therefore, at best described as conditional grants.

The prior year amount for claims against the department has been increased by R5.6 million.

25. Commitments

Current expenditure	66,009	57,926
Approved and contracted	66,009	57,926
Capital expenditure	4,400	1,289
Approved and contracted	4,400	1,289
Total Commitments	70,409	59,215

26. Accruals

Listed by economic classification	30 Days	2011/12		2010/11
		30+ Days	Total	Total
			R'000	R'000
Goods and services	23,600	-	23,600	22,929
Machinery and equipment	301	-	301	260
Transfers and subsidies	29,646	-	29,646	10,428
Other	-	15,394	15,394	12,571
Total	53,547	15,394	68,941	46,188

Listed by programme level	2011/12		2010/11
		R'000	R'000
Administration		19,866	15,680
International Trade and Economic Development		181	13
Economic and Enterprise Development		1,648	705
Industrial Development		168	56
Consumer and Corporate Regulation		106	-
The Enterprise Organisation		30,992	10,567
Trade and Investment South Africa		15,836	18,101
Communication and Marketing		144	1,066
Total		68,941	46,188

The prior year figures were restated by R25.4 million as a result of the PPP invoices received and incentive grants approved but not paid as at the end of the financial year.

Other includes allowances payable to foreign officials and outstanding vouchers not yet received from DIRCO.

27. Employee benefits

Leave entitlement	19,730	13,765
13th cheque	12,798	10,927
Performance awards	-	174
Capped leave commitments	10,843	11,470
Total	43,371	36,336

28. Lease commitments

28.1 Operating leases expenditure

	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2011/12			
Not later than one year	174,852	2,914	177,766
Later than one year and not later than five years	810,803	1,942	812,745
Later than five years	3,947,411	-	3,947,411
Total lease commitments	4,933,066	4,856	4,937,922
2010/11			
Not later than one year	167,965	1,308	169,273
Later than one year and not later than five years	778,869	-	778,869
Later than five years	4,244,233	-	4,244,233
Total lease commitments	5,191,067	1,308	5,192,375

The prior figures for machinery and equipment were restated by R1.3 million as a result of cellphone contracts reclassification from operating leases to finance leases.

The amounts reflected under building and other fixed structures relate to payments that will be made with respect to a Public Private Partnership (PPP) agreement as detailed in note 33.1. These amounts are based on the assumption that the final unitary payment will be made in April 2029. The unitary payment is adjusted annually with CPI, which for the 2011/12 financial year was 6%. The unitary payments are exclusive of pass-through costs (i.e. electricity, water, beverages), which are variable and paid monthly.

28.2 Finance leases expenditure

	Machinery and equipment	Total
	R'000	R'000
2011/12		
Not later than one year	654	654
Later than one year and not later than five years	239	239
Total lease commitments	893	893
LESS: finance costs	-	-
Total present value of lease liabilities	893	893
2010/11		
Not later than one year	1,306	1,306
Later than one year and not later than five years	492	492
Later than five years	-	-
Total lease commitments	1,798	1,798
LESS: finance costs	-	-
Total present value of lease liabilities	1,798	1,798

The prior figures for machinery and equipment were restated by R1.3 million as a result of cellphone contracts reclassification from operating leases to finance leases.

This note excludes leases relating to the PPP as they are separately disclosed to notes no. 28.1 and 33.

29. Irregular expenditure

29.1 Reconciliation of irregular expenditure

	2011/12	2010/11
	R'000	R'000
Opening balance	34,774	182
Add: Irregular expenditure – relating to current year	59,509	34,858
Less: Amounts condoned	(277)	(266)
Irregular expenditure awaiting condonation	94,006	34,774

29.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2011/12
		R'000
Overtime policy	Approved policy	2,689
PPP Agreement – variation orders	Controls implemented	200
Procurement deviation	Under investigation	56,620
Total		59,509

29.3 Details of irregular expenditure condoned – current year

Incident	Condoned by (condoning authority)	2011/12
		R'000
PPP Agreement – variation orders	Accounting Officer	200
Services rendered – before approval	Accounting Officer	77
Total		277

29.4 Details of irregular expenditure under investigation

Incident	2011/12
	R'000
Procurement deviation	84,775
Appointment of foreign national	391
Acting allowance	462
Overtime policy	8,378
Total	94,006

2011/12	2010/11
R'000	R'000

30. Fruitless and wasteful expenditure

30.1 Reconciliation of fruitless and wasteful expenditure

Opening Balance	15	188
Add: fruitless and wasteful expenditure – relating to current year	162	159
Less: Amounts condoned	(160)	(221)
Less: Amounts transferred to receivables for recovery	-	(111)
Fruitless and wasteful expenditure awaiting condonation	17	15

Analysis of awaiting condonation per economic classification

Current	17	15
Total	17	15

30.2 Analysis of current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2011/12 R'000
No-show cancellation fee	Under investigation	65
Rental for call centre	Under investigation	97
Total		162

<i>Note</i>	2011/12	2010/11
	R'000	R'000

31. Related-party transactions

Revenue received

Fines, penalties and forfeits	<u>3.2</u>	189	14
Rent on land	<u>31.1</u>	10,203	8,671
Total		<u>10,392</u>	<u>8,685</u>

Payments made

Goods and services		64,120	32,286
Purchases of capital assets		2,083	1,578
Total		<u>66,203</u>	<u>33,864</u>

Year-end balances arising from revenue/payments

Receivables from related parties	<u>Annex 3</u>	2,337	3,324
Payables to related parties	<u>Annex 4</u>	(11)	(22)
Total		<u>2,326</u>	<u>3,302</u>

31.1 Rent on land

Name of Agency

Companies and Intellectual Property Commission	9,915	8,671
National Consumer Commission	288	-
Total	<u>10,203</u>	<u>8,671</u>

32. Key management personnel

	No. of Individuals	2011/12 R'000	2010/11 R'000
Political office bearers (provide detail below)	3	5,034	4,747
Officials:			
Level 15 to 16	11	11,800	10,071
Level 14 (incl. CFO if at a lower level)	63	46,942	37,411
Total		63,776	52,229

The prior year figures were restated by R32.6 million as a result of the inclusion of senior management officials on level 14 and above.

Political office bearers consist of:

- Minister RH Davies
- Deputy Minister TV Tobias-Pokolo
- Deputy Minister E Thabethe

33. Public Private Partnership (PPP)

33.1 Buildings and other fixed structures

Nature of the arrangement

the dti Campus PPP is based on a partnership between **the dti** and the City of Tshwane, under which the City owns the land. The City will also own all fixed assets erected thereon. **the dti** will enjoy a unified service delivery environment, to be provided by Rainprop (Pty) Ltd as the private sector partner, which signed an experience delivery agreement with **the dti**. A separate Project Enablement Agreement, ensuring renewal rights under succeeding re-biddings of the PPP or some other future arrangement, binds the City and **the dti**.

Significant terms of the arrangement as they might affect future cash flows

The construction of **the dti** Campus was finalised during the first half of 2004, where after the move and decant took place between May and November 2004. The retail areas on the Campus became operational shortly thereafter.

Unitary payments are based on a baseline amount of R108.6 million per annum, which appreciates at CPI on 1 July of each year. Cash flows in the form of unitary payments and payments to Rainprop (Pty) Ltd towards pass-through costs commenced during April 2004 and totalled R180.2 million for the 2011/12 reporting period as compared to the R172.9 million for 2010/11.

Payments amounting to R6.1 million were made during 2011/12 regarding variation orders, which is higher than the R4.7 million for the previous year. This is due to some works that are still in progress. Variation orders relate to changes and additions to the design of the building, and changes to accommodate increased numbers of staff, more so since **the dti** is also now providing accommodation for the Economic Development Department and some of its agencies. This has expanded the staffing complement that must be supported on Campus. Payments of R1.8 million were made during the reporting period for small works and other works that are not variation orders, such as ad-hoc furniture item requests and minor alterations, as compared to the R2.7 million paid for the 2010/11 financial year.

Cash flows in the form of pass-through cost to Rainprop (Pty) Ltd for services such as rates, electricity, water and consumables amounted to R14.3 million. Performance deductions of R5,426.31 were charged and recovered from Rainprop (Pty) Ltd, while performance bonuses of R549.27 were paid.

the dti paid an amount of R990,739.07, including interest of R25,962.14, for security-related under-delivery during 2007/08. **the dti** withheld an amount that it felt was not due and payable. This claim was subsequently disputed by the concessionaire and the arbitration hearing was held in December 2010. The result of the arbitration was not in favour of the department and thus the amount had to be paid.

Nature and extent of:

Right to use specified assets

The concessionaire, who will have direct rights of use under its land availability agreement with the City, will manage the land and buildings owned by the City.

The concessionaire, having in this manner mobilised the capital assets, will provide experienced delivery services to **the dti** as contractually defined by an 'experience delivery matrix' over the term of the concession. **the dti** will enjoy the benefits as

deemed contractually appropriate by the concessionaire in the fulfilment of its obligations to **the dti**.

Obligation to provide rights or to expect the provision of services

The City is obliged to provide rights to the concessionaire under **the dti**/City Project Enablement Agreement, as explained above. At the same time, **the dti** has rights to obtain services under its concession agreement with the private sector PPP partner.

Obligations to acquire or build items of property, plant and equipment

The concessionaire will bear the risks of such obligations and associated risks.

Obligations to deliver or rights to receive specified assets at the end of the concession period

the dti will have no obligation of any kind to deliver either fixed or moveable assets to any party at the end of the agreement.

Fixed assets, including buildings erected thereon by the concessionaire as part of its asset mobilisation programme for the project, will at the end of the agreement become assets of the City. **the dti** will have rights against the City to compel the transfer of the rights of use of those assets on behalf of **the dti**, to a successor or the concessionaire for successive periods, number of successions not less than one.

The moveable assets mobilised by the concessionaire will fall to the concessionaire at the end of the agreement for re-use or disposal as it may deem fit, in accordance with the generic provisions of PPP practice.

Renewal and termination options

the dti has rights of termination of contract or step-in as determined in the concession agreement, all such rights consistent with PPP practice in South Africa. The execution of such rights is subject to TA3 authority from Treasury.

Other rights and obligations

A broad range of rights reflective of PPP practice, as regulated by Treasury under Chapter 16 of the PFMA, will apply. Rights of overhaul are part of the lifecycle maintenance and handover obligations of the concessionaire, which lifecycle maintenance obligations are clearly specified in the Maintenance Reserve Account (MRA), as an integral part of the concession agreement.

Changes in the arrangement occurred during the period

No changes in the arrangement occurred during the reporting period .

	2011/12	2010/11
	R'000	R'000
Contract fee paid	180,179	172,932
Indexed component	165,919	158,812
Pass- through costs	14,260	14,120
Total	180,179	172,932

	Note	2011/12	2010/11
		R'000	R'000
33.2 Motor vehicles			
Contract fee paid			
Indexed component		2,551	2,242
Pass- through costs		1,316	1,772
Total		3,867	4,014

the dti participates in the Department of Transport's Fleet Management contract for the use of its pool vehicles. This agreement is a full maintenance lease transversal contract regulated by the National Treasury PPP unit and Supply Chain Management regulations. the dti leases short-term, long-term, chauffeur- and point-to-point driven services. The contract term is for five years and commenced on 1 December 2006. It was extended during 2011 for an additional two years.

34. Impairment

Impairment			
Receivables		175,062	215,407
Total		175,062	215,407

35. Provisions

Export Marketing and Investment Assistance		46,459	22,683
Co-operative Incentive Scheme		20,403	21,143
Black Business Supplier Development Programme		68,217	28,523
Department of International Relations and Co-operation		12,725	-
Total		147,804	72,349

36. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Current- Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	95,567	(75)	25,157	(15,392)	105,257
Transport assets	8,210	-	1,174	(790)	8,594
Computer equipment	55,182	56	14,172	(9,087)	60,323
Furniture and office equipment	26,211	61	9,074	(4,557)	30,789
Other machinery and equipment	5,964	(192)	737	(958)	5,551
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	95,567	(75)	25,157	(15,392)	105,257

36.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Cash	Non-cash	Capital work- in-progress current costs and finance lease payments	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	20,667	4,490	-	-	25,157
Transport assets	1,174	-	-	-	1,174
Computer equipment	9,682	4,490	-	-	14,172
Furniture and office equipment	9,074	-	-	-	9,074
Other machinery and equipment	737	-	-	-	737
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	20,667	4,490	-	-	25,157

36.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT		(15,392)	(15,392)	
Transport assets	-	(790)	(790)	-
Computer equipment	-	(9,087)	(9,087)	-
Furniture and office equipment		(4,557)	(4,557)	-
Other machinery and equipment	-	(958)	(958)	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	(15,392)	(15,392)	-

36.3 Movement for 2010/11

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	95,809	14,390	(14,632)	95,567
Transport assets	8,525	1,793	(2,108)	8,210
Computer equipment	53,783	8,408	(7,009)	55,182
Furniture and office equipment	29,018	2,365	(5,172)	26,211
Other machinery and equipment	4,483	1,824	(343)	5,964
TOTAL MOVABLE TANGIBLE ASSETS	95,809	14,390	(14,632)	95,567

37. Minor assets

MINOR ASSETS OF THE DEPARTMENT ENDED 31 MARCH 2012

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	648	7,268	7,916
Current year adjustments to prior year balances	-	(1,297)	(1,297)
Additions	22	909	931
Disposals	-	(1,806)	(1,806)
TOTAL	670	5,074	5,744

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	1	237	238
Number of minor assets at cost	1,379	3,361	4,740
TOTAL	1,380	3,598	4,978

MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2011

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Value of minor assets	648	7,268	7,916
TOTAL	648	7,268	7,916

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	1	392	393
Number of minor assets at cost	1,373	5,585	6,958
TOTAL	1,374	5,977	7,351

37. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Computer Software	19,346	3,738	16,353	-	39,437
TOTAL INTANGIBLE CAPITAL ASSETS	19,346	3,738	16,353	-	39,437

37.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE PERIOD YEAR ENDED 31 MARCH 2012

	Cash	Non-Cash	Develop- ment work in progress – current costs	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Computer Software	16,353	-	-	-	16,353
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	16,353	-	-	-	16,353

37.2 Movement for March 2010/11

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer Software	16,640	2,706	-	19,346
TOTAL	16,640	2,706	-	19,346

38. World Cup Expenditure

2010/11

R'000

Tickets acquired

4,640

Distribution of tickets

Clients/Stakeholders

93

Accounting Authority

Executive (Minister)

116

Non-executive (Deputy Minister)

23

Accounting Officer

46

Senior Management

116

Other employees (Officials)

70

Other government entities (Minister of Arts and Culture)

46

Other

Parliamentarians

70

Trade Minister of Namibia

46

Local and Foreign Investors

4,014

Total

4,640

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION					TRANSFER		MAR 2010/11
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Actual Transfer	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
Companies and Intellectual Property Commission	13,990	-	-	13,990	13,990	100%	-	
Companies and Intellectual Property Tribunal	10,000	-	-	10,000	10,000	100%	-	
Independent Regulatory Board of Auditors	-	-	750	750	750	-	-	
National Consumer Commission	32,988	-	-	32,988	32,988	100%	-	
National Consumer Tribunal	28,833	-	-	28,833	28,833	100%	22,059	
National Credit Regulator	53,042	-	-	53,042	53,042	100%	46,000	
National Gambling Board	23,605	-	14,000	37,605	37,605	100%	22,000	
National Metrology Institute of South Africa	62,581	-	-	62,581	62,581	100%	57,519	
National Metrology Institute of South Africa: Infrastructure	25,000	-	-	25,000	25,000	100%	-	
National Productivity Institute: Workplace Challenge	8,000	-	1,500	9,500	9,500	100%	11,500	
National Regulator for Compulsory Specifications	37,173	-	-	37,173	37,173	100%	33,042	
National Research Foundation: Technology and Human Resources for Industry Programme	155,000	-	-	155,000	155,000	100%	151,000	
Small Enterprise Development Agency	413,290	-	28,224	441,514	441,514	100%	401,621	
Small Enterprise Development Agency: Technology Programme	120,000	-	-	120,000	120,000	100%	76,000	
South African National Accreditation System	20,623	-	10,000	30,623	30,623	100%	18,239	
TOTAL	1,004,125	-	54,474	1,058,599	1,058,599	100%	838,980	

ANNEXURE 1B

STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION					TRANSFER			2010/11 Actual Transfer R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Amount not transferred R'000	% of Available Funds Transferred		
North-West University: Advanced Manufacturing Skills Sector Support	3,501	-	5,000	8,501	8,500	1	99%	5,793	
University of Pretoria: Advanced Engineering Centre of Excellence	1	-	-	1	-	1	-	-	
University of Witwatersrand: National Aerospace Skills Sector Support Centre	1	-	6,300	6,301	6,300	1	99%	9,000	
Witwatersrand Business School: Centre for Entrepreneurship	1	-	-	1	-	1	-	-	
TOTAL	3,504		11,300	14,804	14,800	4	99%	14,793	

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION						EXPENDITURE					2010/11 Actual Transfer R'000
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Capital	Current				
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000			
Public Corporations												
Transfers												
Centurion Aerospace Village	10,000	-	-	10,000	10,000	100%	10,000	-	-	37,454		
Council for Scientific and Industrial Research : Aerospace Industry	17,291	-	-	17,291	17,291	100%	-	17,291	17,291	9,901		
Council for Scientific and Industrial Research : Fibre and Textile Centre of Excellence	1	-	3,000	3,001	3,000	99%	-	3,000	3,000	-		
Council for Scientific and Industrial Research : Maritime Industry Project	1	-	-	1	-	-	-	-	-	-		
Council for Scientific and Industrial Research : National Cleaner Production Centre	40,141	-	-	40,141	40,141	100%	-	40,141	40,141	32,082		
Industrial Development Corporation: Technology Venture Capital	5,001	-	-	5,001	5,001	100%	5,001	-	-	-		
Development Bank of Southern Africa : Regional Spatial Development Initiatives	17,500	-	-	17,500	17,500	100%	-	17,500	17,500	16,500		
Export Credit Insurance Corporation	121,517	-	-	121,517	121,517	100%	-	121,517	121,517	120,488		
Industrial Development Corporation: Clothing and Textile Production Incentive	600,000	-	-	600,000	600,000	100%	-	600,000	600,000	400,000		
Industrial Development Corporation : Customised Sector Programmes	57,427	-	-	57,427	57,427	100%	-	57,427	57,427	51,010		

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE					2010/11
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Capital	Current	Actual Transfer	R'000
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Industrial Development Corporation : Funds for Research into Industrial Development Growth and Equity	4,630	-	-	4,630	4,630	100%	-	4,630	2,600	
Industrial Development Corporation : Isivande Women's Fund	10,700	-	-	10,700	10,700	100%	-	10,700	10,500	
Industrial Development Corporation : Support Programme for Industrial Development	59,789	-	-	59,789	59,789	100%	-	59,789	74,500	
INTSIMBI: National Tooling Initiative	36,000	-	-	36,000	36,000	100%	-	36,000	47,400	
MINTEK: CSP	-	-	-	-	-	-	-	-	400	
National Foundry Technology Network: Metals	7,000	-	-	7,000	7,000	100%	-	7,000	6,500	
ProTechnik Laboratories (Current)	2,350	-	-	2,350	2,346	99%	-	2,346	2,247	
ProTechnik Laboratories (Capital)	1,000	-	-	1,000	994	99%	994	-	1,000	
South African Bureau of Standards : Plant Infrastructure	93,180	-	-	93,180	93,180	100%	93,180	-	174,240	
South African Bureau of Standards : Research Contribution	181,496	-	-	181,496	181,496	100%	-	181,496	178,844	
South African Bureau of Standards : Small Business Technical Consulting	1,158	-	-	1,158	1,134	98%	-	1,134	1,071	
South African Bureau of Standards : Upgrading of Vehicle Testing facility	7,000	-	-	7,000	7,000	100%	7,000	-	-	

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2010/11	
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Capital	Current	Actual Transfer	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
Subsidies										
Business Process Outsourcing	143,064	-	(59,500)	83,564	82,226	98%	-	82,226	43,609	
Business Process Outsourcing – (National Skills Fund)	4,892	-	-	4,892	4,892	100%	-	4,892	65,240	
Enterprise Investment Programme	649,542	-	34,000	683,542	682,545	99%	-	682,545	261,557	
Film and Television Production Incentives	190,305	-	26,608	216,913	216,534	99%	-	216,534	183,173	
Programme Incentives: Sector Development Programme	3,108	-	(3,108)	-	-		-	-	-	
Small and Medium Enterprise Development Programme	241,243	-	(15,000)	226,243	226,243	100%	-	226,243	587,246	
Small and Medium Manufacturing Development Programme	914	-	-	914	914	100%	-	914	1,206	
Sub – Total	2,506,250	-	(14,000)	2,492,250	2,489,500	99%	116,175	2,373,325	2,308,768	

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION						EXPENDITURE					2010/11
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Actual Transfer	R'000	R'000	R'000
Private Enterprises												
Transfers												
Automotive Production and Development Programme: Production Project	916,800	30,748	4,000	951,548	951,457	99%	-	951,547	294,252			
Black Business Supplier Development Programme	64,058	-	(10,000)	54,058	52,627	97%	-	52,627	130,590			
Co-operatives Incentive Scheme	54,414	-	-	54,414	49,113	90%	-	49,113	44,445			
Export Market and Investment Assistance	168,644	-	-	168,644	168,608	94%	-	168,608	133,876			
Other Critical Infrastructure Programme Project	118,540	-	-	118,540	118,473	99%	-	118,473	80,643			
Sub – Total	1,322,456	30,748	(6,000)	1,347,204	1,340,278	99%	-	1,340,278	683,806			
Private Enterprises												
Subsidies												
Coega Development Corporation	383,718	-	-	383,718	383,718	100%	383,718	-	714,000			
East London Industrial Development Zone Company	171,282	-	-	171,282	171,282	100%	171,282	-	198,000			
Industrial Development Zones: Other	1	-	-	1	-	-	-	-	-			
Richards Bay Industrial Development Zone (Pty) Ltd	60,682	-	-	60,682	60,682	100%	60,682	-	20,000			
Sub – Total	615,683	-	-	615,683	615,682	99%	615,682	-	932,000			
TOTAL	4,444,389	30,748	(20,000)	4,455,137	4,445,460	99%	731,857	3,713,603	3,924,574			

ANNEXURE 1D

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION					EXPENDITURE		2010/11 Actual Transfer R'000
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred		
	R'000	R'000	R'000	R'000	R'000	%		
Transfers								
French Institute of South Africa	2,200	-	-	2,200	2,200	100%	2,000	
International Bank for Reconstruction and Development	5,875	-	-	5,875	5,875	100%	5,542	
International Finance Corporation	5,875	-	-	5,875	5,875	100%	5,542	
UNIDO: Automotive Component Supplier Development Programme	7,152	-	-	7,152	7,152	100%	7,000	
United Nations Industrial Development Organisation	4,800	-	-	4,800	3,644	76%	3,096	
Organisation for the Prohibition of Chemical Weapons	3,000	-	-	3,000	2,647	88%	2,313	
World Trade Organisation	8,600	-	1,113	9,713	9,713	100%	8,519	
World Intellectual Property Organisation	2,918	-	150	3,068	3,066	99%	2,630	
TOTAL	40,420	-	1,263	41,683	40,172	96%	36,642	

ANNEXURE 1E

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION					EXPENDITURE		2010/11
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Actual Transfer	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
Transfers								
South African Women Entrepreneurs' Network	7,700	-	(4,500)	3,200	3,125	98%	10,300	
Proudly South African Campaign	7,000	-	-	7,000	7,000	100%	27,500	
TOTAL	14,700	-	(4,500)	10,200	10,125	99%	37,800	

ANNEXURE 1F

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION					EXPENDITURE		2010/11 Actual transfer R'000
	Adjusted Appropriation Act R'000	Roll-overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	%	
Transfers								
Bursaries	331	-	692	1,023	1,023	100%	581	
Donations and gifts	-	-	583	583	582	99%	397	
Employee social benefits	56	-	1,563	1,619	1,594	98%	583	
Social Assistance	-	-	650	650	650	100%	96	
Total	387	-	3,488	3,875	3,849	99%	1,657	

ANNEXURE 1G

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2011/12	2010/11
		R'000	R'000
Received in kind			
Phakisaworld	Attend and participate in the training course on fleet management programme – Training programme	-	7
University of Stellenbosch	Scholarship from the University of Stellenbosch to attend a course in Poland – Scholarship	-	11
African Leadership Institute	Participate in the 2010 Desmond Tutu African Leadership Programme – Travel, accommodation and tuition at the workshops	-	50
World Trade Organisation	Attend and participate in the WTO-sponsored Regional Seminar on Trade and Development – Air travel, accommodation and programme	-	11
United Nation Economic Commission for Africa	Attend and participate in the United Nations Economic Commission for Africa, sponsored Expert Group meeting and workshop on Aid for Trade – Air travel, accommodation and programme	-	8
European Union	Attend of convention and international workshop – Travel, accommodation, travel and subsistence expenses	-	19
University of Manchester, Brooks World Poverty Institute	Participate in the training programme for senior policymakers – Travel, accommodation and daily allowance	-	21
Australian Government	Attend training in Trade policy course – Air fares, course fee and accommodation	-	14
Gremple Graduate School of Business [GGSB]	Attend two-year full-time Master in International Business (MIB) – Scholarship to cover a portion of the costs associated with the master's programme	-	18
European Union	Attendance of the SQAMEG meeting and WTO/TBT workshop – Air tickets, accommodation, daily allowance, etc.	-	103
International Atomic Energy Association	Attend the Technical meeting on Industrial Involvement and Technology Transfer – Travel, living expenditure and incidentals	-	19
Nuclear Industry Association of South Africa [NIASA]	Training opportunity for an intern – Free attendance of a training programme	-	6
Commercial Law Development Programme and US Department of Commerce	Attend the SACU Regional Judges' Colloquium cum workshop on Intellectual Property Enforcement and Adjudication – Air ticket, accommodation, daily allowance and transport	-	17
Federal Trade Commission	Attended second Annual African Consumer Protection Dialogue conference – Air ticket, accommodation, daily allowance and transport	-	21
Japan International Cooperation Agency [JICA]	Attend the Japan Patent Office course on Patent Examination – Air ticket, accommodation, meals and daily allowance	-	27

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2011/12	2010/11
		R'000	R'000
National Lotteries Board	Trip to Australia for World Lotteries Conference – Travel cost	-	100
National Lotteries Board	Attend South African Traditional Awards – cost related to attending awards	-	10
Business Trust	Participation in the International Outsourcing Forum – Air fare and accommodation	-	61
Business Trust	Participation in the Nasscom Leadership Forum – Air fare and accommodation	-	37
Marche International des Professionnels d'Immobilier [MIPIIM]	Participate in the MIPIM 2011 – Registration and accommodation	-	17
South African Brewery (SAB)	Joint community awareness campaign within provinces at schools – Reimbursement of speakers, travel costs and gifts		50
Australian Agency for International Development	Attend a three-month "Short Intensive Professional programme in HIV" course – travel cost, accommodation and living allowance	252	-
Organisation for the Prohibition of Chemical Weapons [OPCW]	Attend ninth Regional meeting of the National Authorities of State Parties – air ticket, accommodation and travel and subsistence	9	-
Organisation for the Prohibition of Chemical Weapons [OPCW]	Attend the fourth Regional Basic Training Course – air ticket, accommodation and travel and subsistence	13	-
Trade Policy and Strategy Framework [TPSF]	Attend and presentation of the Trade Policy and Strategy Framework – Flights and accommodation	6	-
USA Government	Attend OPCW Sub-Regional Training course – Flights and accommodation	74	-
Trade Law Centre for Southern Africa [TRALAC]	Participation in the Annual TRALAC Conference – Flights and accommodation	8	-
Netherlands Fellowship programme [NFP]	Attend market access for sustainable development training – Accommodation, meals and training costs	67	-
United States of America	Attend the BTWC review conference – Travel and accommodation cost	59	-
WTO Secretariat	Attend Regional Seminar on Market Access – Flights, meals and airport-hotel transport	16	-
Singapore Ministry of Foreign Affairs	Participate in the Singapore Cooperation Programme training award on enabling private sector growth – Accommodation and training cost	33	-
SAB Miller	Sponsor weekend of game conservation – airfare, accommodation and meals	23	-
Japan International Cooperation Agency [JICA]	Participation training programme – cost of training programme	5	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2011/12		2010/11	
		R'000		R'000	
Economic and Commercial Counsellor's of the Embassy of the People's Republic of China	Participate at the Seminar of Technology and Export Policy for Developing Countries – Flights and accommodation	50		-	
Indian Ministry of External Affairs	Attend a course in Industrial and Infrastructure project – Flights, tuition, accommodation etc.	30		-	
SAB Miller	Sponsor weekend of game conservation – airfare, accommodation and meals	27		-	
European Patent Office [EPO]	Attend training at the European Patent Office on South African Business case – Accommodation, flight ticket and transport	24		-	
National Lotteries Board	Attend the National Lotteries Commission UK – Airfare, accommodation, daily allowance, transport and travel insurance	75		-	
Royal Thai Embassy	Participate in the Eyes on Africa Trade and Investment Forum – Air ticket and accommodation	36		-	
Paris Chamber of Commerce and Industry and National Empowerment Fund	Attend an international six-week exchange programme: 2011 JIPSA Junior Management Development programme — Air ticket, accommodation and daily allowance	25		-	
Singapore Ministry of Foreign Affairs	Approval to attend an Information on Knowledge Management course – Accommodation etc.	18			
International Marketing Council	Attendance of the South African Airways launch – Air ticket and accommodation	90		-	
Miscellaneous		9		13	
TOTAL		949		640	

ANNEXURE 1H

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING		EXPENDITURE		CLOSING	
		BALANCE R'000	REVENUE R'000	R'000	BALANCE R'000	BALANCE R'000	BALANCE R'000
Received in cash							
Sector Wide Enterprise Employment and Equity Programme (SWEEP)	To increase employment and greater social and economic equity and integration.	100,369	-	-	31,306	69,063	
Risk Capital Facility	To facilitate Broad Based Black Economic Empowerment in the small and medium-size enterprises sector.	98,318	-	-	98,318	-	
Economic Cluster	To create long-term sustainable employment.	35,678	383,136	66,220	352,594	352,594	
TOTAL		234,365	383,136	195,844	421,657		

ANNEXURE 11

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items, including name of organisation)	2011/12	2010/11
	R'000	R'000
Chamber of Commerce and Industry: Annual Gauteng Exporter awards (sponsor awards event)	-	100
National Economic Development and Labour Council (NEDLAC): Bi-annual high level 20-a-side strategy workshop (flights, accommodation and conference-related costs)	-	90
Cape Chamber of Commerce: Regional Chamber of Commerce hosting the International Entrepreneurship challenge (sponsor the event)	-	50
Congress of South African Trade Unions: Funding the workshops by Cosatu on the Industrial Policy Action Plan (accommodation, conference fees for delegates)	-	67
NEDLAC: Bi-annual high-level 20-a-side strategy workshop (conference-related costs)	-	90
Fuphoria Logistics CC: (sponsor Mandela Day event)	80	-
Africa Growth Institute: Sponsor the Africa SMME Awards (sponsor the 2011 Africa SMME Conference)	50	-
South African National Apex Co-operatives: Contribution for the National Co-operative Conference (catering expenses)	100	-
Cape Chamber of Commerce: Regional Chamber of Commerce and Industry hosting Annual International Women Entrepreneurship Challenge (sponsor the event)	100	-
Stephen Timm (support for the research project)	12	-
International Centre of Trade and Sustainable Development (venue and conference package for two-day symposium)	85	-
Sipo Angeles Sebati (bereavement benefits)	4	-
Thobanjalo CC (Sponsor Mandela Day event)	151	-
Sub-Total	582	397
Made in kind		
Blue Dot Events CC: Tokens of appreciation for the 2009/10 TWIB adjudication panel (gifts)	-	25
Blue Dot Events CC: Corporate gifts for BBSDP launch stakeholder awareness (gifts)	-	68
Machianas Trading Enterprise CC: Mandela Day (blankets etc.)	-	73
Blue Dot Events CC: Women's Day Celebrations (Gifts)	-	54
Fauchon Zamalek, Gourmet Egypt etc: Promotional gifts for trade section (gifts)	-	13
Rea Lema Trading and Projects: Hosting third space industry seminar (gifts)	-	46

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items, including name of organisation)	2011/12	2010/11
	R'000	R'000
Spot the print CC: Anti-piracy campaign (gifts)	-	17
TholuBonge Pottery and Crafts: Host the Sawen Small Business Women Entrepreneur event (gifts)	-	14
the dti : Sponsor cost related to the participation of co-operatives at the ICAAfrica 9th Regional Assembly events (accommodation and travel)	-	97
the dti : Sponsor the participation of local quality award winners in the SADC quality awards (travel, accommodation and subsistence)	-	25
the dti : Sponsor cost related to the Sixth Regional OPCW assistance and Protection Course for African CWC States parties (transport and accommodation)	-	48
Talking Beads: SACU Summit (packing cost for corporate gifts)	7	-
Kura - Bahati Consulting Services: Chinese delegation – BRICS (corporate gifts)	17	-
Talking Beads: Study tour to Taiwan and Singapore (corporate gifts)	16	-
Talking Beads: Corporate gifts during the 3 rd SACU heads of the State and Government summit (corporate gifts)	48	-
Bathopelle Marketing (PTY)Ltd: SACSA exhibition stand during IAS 2011 (USB pens)	14	-
the dti : Sponsorship for TWIB awards and Techno-girl (laptops and desktop computers)	80	-
the dti : National Liquor Regulation Conference (transport)	42	-
Miscellaneous (Exchange gifts with counterparts and business executive etc.)	45	46
Sub-Total	269	526
TOTAL	851	923

ANNEXURE 2

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2011

Nature of Liability	Opening Balance 1 April 2011	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2012
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Witwatersrand Investment CC t/a Olympic Plastics	3,080	-	-	-	3,080
JHC Engelbreght	36	-	(36)	-	-
Sam Sekgoto	90	-	(90)	-	-
Frey's Foods	1,627	-	-	-	1,627
Andalusite Resources	645	-	(645)	-	-
Santam	42	-	(42)	-	-
Rainprop	965	-	(965)	-	-
Top Conference and Events Co	11,167	-	(11,167)	-	-
Von Abo	97,163	-	(97,163)	-	-
Porcor SMEDP	2,326	-	-	-	2,326
TEO: Porcor	710	-	-	-	710
TEO: CTM International	1,536	-	-	-	1,536
Jay Jaganathan Jairaj v Fan Fan Gaba and Others	150	-	(150)	-	-
Phil Knight	920	-	-	-	920
Laurence Brick	900	-	(900)	-	-
SA Tyre Manufacturers Association	488,789	-	(488,789)	-	-
TEO: Hochtreyer	-	319	-	-	319
Automotive Incentive Scheme (AIS)	1,861,437	1,247,856	(1,009,587)	-	2,099,706
Business Process Services (BPS)	100,159	184,690	(106,713)	-	178,136
Film and Television Production	231,891	444,118	(288,292)	-	387,717

Nature of Liability	Opening Balance 1 April 2011	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2012
	R'000	R'000	R'000	R'000	R'000
Enterprise Investment Programme (EIP)	2,539,920	2,270,814	(1,454,082)	-	3,356,652
Critical Infrastructure Programme (CIP)	382,698	95,646	(138,135)	-	340,209
Small, Medium and Micro Enterprises Development Programme (SMEDP)	450,789	9,107	(386,995)	-	72,901
Capital Project Feasibility Programme (CPFP)	33,223	25,290	(28,090)	-	30,423
Rainprop	5,963	3,763	(2,705)	-	7,021
Total	6,216,226	4,281,603	(4,014,546)	-	6,483,283
Other					
Potential legal fees	-	3,800	-	-	3,800
Total	6,216,226	4,285,403	(4,014,546)	-	6,487,083

Opening balance figures were increased by R5.6 million as a result of incentive schemes contingent liabilities inclusion in the current financial year. The claims in respect of Rainprop relate to variation orders disputed invoices.

The claims in respect of Top Conference and Events Co. relate to a counter claim for breach of contract brought against the dti.

The claim in respect of Von Abo relates to an international case for damages brought against the dti, the Department of International Relations and Co-operation and the Presidency. Other claims incurred relate to incentive scheme claims, the non-payment of services rendered and access to information.

ANNEXURE 3 CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of Agriculture and Forestry	-	-	28	3	28	3
Economic Development Department	1,180	760	-	-	1,180	760
Department of Justice and Constitutional Development	-	-	360	-	360	-
Department of Labour	-	-	-	-	-	-
Department of National Treasury: GEPP	-	-	9	-	9	-
Department of Public Works	-	-	86	-	86	-
Department of Rural Development	-	-	25	-	25	-
Department of Social Development	-	-	-	114	-	114
Department of Tourism	-	-	-	2	-	2
Department of Water Affairs and Forestry	-	-	21	19	21	19
Department of Public Works: KZN	-	-	15	-	15	-
Subtotal	1,180	760	544	138	1,724	898
Other Government Entities						
Companies and Intellectual Property Commission	-	-	949	298	949	298
Competition Commission	-	-	63	63	63	63
Competition Tribunal	-	-	14	14	14	14
Export Credit Insurance Corporation	-	-	90	1,272	90	1,272
Gauteng Liquor Board	-	-	1	-	1	-
International Trade and Administration Commission SA	-	-	32	-	32	-
Khula	-	-	266	266	266	266

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
National Consumer Commission	-	-	18	527	18	527
National Consumer Tribunal	-	-	-	1	-	1
National Lotteries Board	-	-	265	226	265	226
South African Micro-Finance Apex Fund	-	-	41	19	41	19
South African National Accreditation System	-	-	-	52	-	52
South African Quality Institution	-	-	583	583	583	583
United Nations Industrial Development	-	-	15	3	15	3
Sub-Total	-	-	2,337	3,324	2,337	3,324
TOTAL	1,180	760	2,881	3,462	4,061	4,222

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER GOVERNMENT ENTITY						
Current						
International Trade and Administration Commission	-	-	-	21	-	21
South African National Accreditation System	-	-	6	-	6	-
National Gambling Board	-	-	5	1	5	1
Total	-	-	11	22	11	22

ANNEXURE 5

INVENTORY

Inventory	Note	2011/12		2010/11	
		Quantity	R'000	Quantity	R'000
Opening balance		43,961	3,182	46,316	2,545
Add/(Less): Adjustments to prior year balance		10	105	4	10
Add: Additions/Purchases – Cash		208,199	16,725	144,889	9,720
Add: Additions – Non-cash		-	-	-	-
(Less): Disposals		-	-	-	-
(Less): Issues		(214,302)	(16,288)	(147,247)	(9,280)
Add/(Less): Adjustments		95	125	(1)	187
Closing balance		37,963	3 849	43,961	3,182

COMPANIES TRIBUNAL

Financial Statements

31 March 2012

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REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE COMPANIES TRIBUNAL

REPORT ON THE FINANCIAL STATEMENTS

1. Introduction I have audited the financial statements of the Companies Tribunal set out on pages 193 to 199, which comprise the statement of financial position as at 31 March 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Companies Tribunal as at 31 March 2012, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the PFMA.

Pretoria

31 July 2012

Auditor - General



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

	Note	2011/12 R'000	2010/11 R'000
REVENUE			
Non-exchange revenue			
Transfers and subsidies	2	10,000	-
TOTAL REVENUE		10,000	-
EXPENDITURE			
Current expenditure			
Goods and services		-	-
Total current expenditure		-	-
TOTAL EXPENDITURE		-	-
SURPLUS FOR THE YEAR		10,000	-
Reconciliation of surplus for the year			
Owners of the controlling entity		10,000	-
SURPLUS FOR THE YEAR	4	10,000	-

Bank charges to the value of R353.75 and interest income of approximately R600 are not reflected due to rounding off to the nearest R'000.

	Note	2011/12 R'000	2010/11 R'000
ASSETS			
Current assets		10,000	-
Cash and cash equivalents	1	10,000	-
TOTAL ASSETS		10,000	-
LIABILITIES			
Current liabilities		10,000	
Surplus to be surrendered to the Revenue Fund	5	10,000	
TOTAL LIABILITIES		10,000	
NET ASSETS		-	-
Represented by:			
Accumulated surplus		-	-
TOTAL		-	-

ACCUMULATED SURPLUS**Note** **2011/12** **2010/11**
 R'000 **R'000****Opening balance**

-

-

Surplus for the year

-

-

Closing balance

-

-

CASH FLOW	Note	2011/12 R'000	2010/11 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		10,000	-
Transfers and subsidies	2	10,000	-
Net cash flow available from operating activities	3	10,000	-
Net increase in cash and cash equivalents		10,000	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at end of period		10,000	-

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, 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, Act No. 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act No. 1 of 2010.

1. Presentation of the Financial Statements

1.1 Basis of Preparation

The financial statements have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 55 of the Public Finance Management Act (PFMA), No. 1 of 1999.

The annual financial statements have been prepared on an accrual basis of accounting.

1.2 Presentation Currency

All amounts have been presented in South African Rand (R), which is also the functional currency of the department.

1.3 Rounding

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

2. Revenue

2.1 Income Recognition

Income is recognised on the accrual basis when it becomes due to the entity.

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system by no later than 31 March of each year.

3. Assets

3.1 Cash and Cash Equivalents

Cash and cash equivalents includes cash-on-hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown with borrowings in current liabilities on the statement of financial position.

3.2 Other Financial Assets

Other financial assets are carried in the statement of financial position at cost.

4. Transfers and Subsidies

Transfers and subsidies to which conditions are attached are recognised as revenue in the Statement of Financial Performance to the extent that the entity has complied with any criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions and obligations have not been met, a liability is raised in the Statement of Financial Position.

Unconditional transfers and subsidies are recognised as revenue in the Statement of Financial Performance at the earlier of the date of receipt or when the amount is receivable. All transfers and subsidies are recognised at fair value.

	<i>Note</i>	2011/12 R'000	2010/11 R'000
1. Cash and Cash Equivalents			
Bank balance and cash on hand		10,000	-
Total		10,000	-
2. Transfer and Subsidies			
Transfer payment from controlling entity		10,000	-
		10,000	-
3. Net Cash Generated from Operating Activities			
Surplus		10,000	-
Closing balance		10,000	-
4. Reconciliation of Surplus with Statement of Financial Performance			
Net surplus per Statement of Financial Performance		10,000	-
Total		10,000	-
5. Surplus to be surrendered to the Revenue Fund			
Transfer from Statement of Financial Performance		10,000	-
Total		10,000	-

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EQUAL OPPORTUNITY
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Human Resource Oversight

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APRIL 2011 to MARCH 2012 - Trade and Industry

TABLE 2.1 - Personnel Costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Administration	563,873	161,599	15,975	16,443	28.7	129	1,256
International Trade and Economic Development	132,920	63,539	0	495	47.8	51	1,256
Empowerment and Enterprise Development	887,513	49,504	172	10,390	5.6	39	1,256
Industrial Development	1,321,671	62,140	0	10,040	4.7	49	1,256
Consumer and Corporate Regulations	218,564	26,482	355	6,521	12.1	21	1,256
The Enterprise Organisation	3,283,549	83,063	0	7,107	2.5	66	1,256
Trade and Investment South Africa	317,454	104,205	96	1,929	32.8	83	1,256
Communications and Marketing	75,502	16,456	0	235	21.8	13	1,256
Z=Total as on Financial Systems (BAS)	6,801,046	566,988	16,598	53,160	8.3	451	1,256

The above table excludes the number of periodical and abnormal appointments

TABLE 2.2 - Personnel Costs by Salary Band

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Lower skilled (Levels 1-2)	314	0.1	157,000	571,366	2
Skilled (Levels 3-5)	6,208	1.1	132,085	571,366	47
Highly skilled production (Levels 6-8)	87,751	15.4	235,890	571,366	372
Highly skilled supervision (Levels 9-12)	258,415	45.2	491,283	571,366	526
Senior management (Levels 13-16)	161,326	28.2	786,956	571,366	205
Contract (Levels 1-2)	2,392	0.4	72,485	571,366	33
Contract (Levels 3-5)	3,206	0.6	356,222	571,366	9
Contract (Levels 6-8)	8,329	1.5	416,450	571,366	20
Contract (Levels 9-12)	10,864	1.9	571,789	571,366	19
Contract (Levels 13-16)	28,181	4.9	1,225,261	571,366	23
Periodical Remuneration	4,366	0.8	79,382	571,366	55
Abnormal Appointment	14	0	14,000	571,366	1
TOTAL	571,366	100	435,492	571,366	1 312

TABLE 2.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme (R'000)
Administration	106,339	65.8	1,130	0.7	1,818	1.1	5,018	3.1	161,599
International Trade and Economic Development	41,644	65.5	1,393	2.2	602	0.9	1,767	2.8	63,539
Empowerment and Enterprise Development	32,965	66.6	10	0	291	0.6	1,324	2.7	49,504
Industrial Development	41,193	66.3	2	0	374	0.6	1,544	2.5	62,140
Consumer and Corporate Regulations	16,874	63.7	1	0	236	0.9	780	2.9	26,482
The Enterprise Organisation	58,112	70	168	0.2	1,330	1.6	3,051	3.7	83,063
Trade and Investment South Africa	36,644	35.2	15	0	394	0.4	1,660	1.6	104,205
Communications and Marketing	13,540	82.3	51	0.3	200	1.2	658	4	16,456
TOTAL	347,311	61.3	2,770	0.5	5,245	0.9	15,802	2.8	566,988

Trade and Investment South Africa: Personnel cost per programme is inclusive of foreign allowances

International Trade and Economic Development: Inclusive is overtime paid to SAPS for protection services (not on the dti's establishment)

The above table excludes the number of periodical and abnormal appointments

TABLE 2.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
Lower skilled (Levels 1-2)	140	45.3	0	0	24	7.8	38	12.3	309
Skilled (Levels 3-5)	3,154	50.9	6	0.1	344	5.5	475	7.7	6,201
Highly skilled production (Levels 6-8)	48,579	56	1,581	1.8	2,478	2.9	4,740	5.5	86,799
Highly skilled supervision (Levels 9-12)	155,574	60.3	923	0.4	1,803	0.7	7,564	2.9	258,170
Senior management (Levels 13-16)	102,713	63.5	0	0	532	0.3	2,583	1.6	161,793
Contract (Levels 1-2)	1,767	70.5	0	0	0	0	0	0	2,505
Contract (Levels 3-5)	2,335	73.8	58	1.8	1	0	0	0	3,162
Contract (Levels 6-8)	6,135	75	201	2.5	5	0.1	3	0	8,181
Contract (Levels 9-12)	7,576	70.3	1	0	25	0.2	50	0.5	10,770
Contract (Levels 13-16)	19,338	68.1	0	0	33	0.1	349	1.2	28,414
Periodical Remuneration	0	0	0	0	0	0	0	0	5,048
Abnormal Appointment	0	0	0	0	0	0	0	0	14
TOTAL	347,311	60.8	2,770	0.5	5,245	0.9	15,802	2.8	571,366

TABLE 3.1 - Employment and Vacancies by Programme at End of Period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration Permanent	406	378	6.9	64
Communication and Marketing Permanent	56	51	8.9	1
Consumer and Corporate Regulation Permanent	67	61	9	1
Empowerment and Enterprise Development Permanent	117	108	7.7	7
Industrial Development Permanent	149	132	11.4	4
International Trade and Economic Development Permanent	151	140	7.3	1
The Enterprise Organisation Permanent	247	227	8.1	10
Trade and Investment South Africa Permanent	145	128	11.7	10
TOTAL	1,338	1,225	8.4	98

TABLE 3.2 - Employment and Vacancies by Salary Band at End of Period

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	3	3	0	0
Skilled (Levels 3-5), Permanent	57	50	12.3	0
Highly skilled production (Levels 6-8), Permanent	419	392	6.4	0
Highly skilled supervision (Levels 9-12), Permanent	613	553	9.8	0
Senior management (Levels 13-16), Permanent	216	197	8.8	0
Contract (Levels 1-2), Permanent	0	0	0	0
Contract (Levels 3-5), Permanent	0	0	0	45
Contract (Levels 6-8), Permanent	2	2	0	23
Contract (Levels 9-12), Permanent	10	10	0	26
Contract (Levels 13-16), Permanent	18	18	0	4
TOTAL	1,338	1,225	8.4	98

TABLE 3.3 - Employment and Vacancies by Critical Occupation at End of Period

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative related, Permanent	272	262	3.7	56
Communication and Information Related, Permanent	2	1	50	0
Economists, Permanent	7	6	14.3	0
Finance and Economics Related, Permanent	43	37	14	5
Financial and Related Professionals, Permanent	5	5	0	1
Financial Clerks and Credit Controllers, Permanent	1	1	0	2
Food Services Aids and Waiters, Permanent	9	8	11.1	0
General Legal Administration and Related Professionals, Permanent	2	2	0	0
Head of Department/Chief Executive Officer, Permanent	1	1	0	0
Human Resources and Organisational Development and Related Professionals, Permanent	1	1	0	0
Human Resources Clerks, Permanent	5	5	0	0

TABLE 3.3 - Employment and Vacancies by Critical Occupation at End of Period

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Human Resources Related, Permanent	34	31	8.8	6
Information Technology Related, Permanent	5	5	0	0
Legal Related, Permanent	7	7	0	1
Librarians and Related Professionals, Permanent	1	1	0	0
Library Mail and Related Clerks, Permanent	24	23	4.2	0
Light Vehicle Drivers, Permanent	4	4	0	0
Logistical Support Personnel, Permanent	23	21	8.7	2
Messengers, Porters and Deliverers, Permanent	12	12	0	0
Motor Vehicle Drivers, Permanent	0	0	0	1
Other Administration and Related Clerks and Organisers, Permanent	6	5	16.7	0
Other Information Technology Personnel, Permanent	3	3	0	0
Other Occupations, Permanent	2	2	0	0
Secretaries and Other Keyboard Operating Clerks, Permanent	80	71	11.3	2
Security Officers, Permanent	16	15	6.3	0
Senior Managers, Permanent	226	207	8.4	4
Trade and Industry Advisers and Other Related Profession, Permanent	547	489	10.6	18
TOTAL	1,338	1,225	8.4	98

TABLE 4.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	3	0	0	0	0	0	0
Skilled (Levels 3-5)	57	7	12.3	7	100	0	0
Highly skilled production (Levels 6-8)	419	48	11.5	4	8.3	0	0
Highly skilled supervision (Levels 9-12)	613	89	14.5	0	0	0	0
Senior Management Service Band A	153	45	29.4	0	0	0	0
Senior Management Service Band B	54	18	33.3	0	0	0	0
Senior Management Service Band C	9	2	22.2	0	0	0	0
Senior Management Service Band D	0	0	0	0	0	0	0

TABLE 4.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Contract (Levels 1-2)	0	0	0	0	0	0	0
Contract (Levels 3-5)	0	0	0	0	0	0	0
Contract (Levels 6-8)	2	0	0	0	0	0	0
Contract (Levels 9-12)	10	0	0	0	0	0	0
Contract (Band A)	11	0	0	0	0	0	0
Contract (Band B)	4	0	0	0	0	0	0
Contract (Band C)	2	0	0	0	0	0	0
Contract (Band D)	1	0	0	0	0	0	0
TOTAL	1,338	209	15.6	11	5.3	0	0

TABLE 4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	3	0	0	1	4
Male	7	0	0	0	7
TOTAL	10	0	0	1	11
Employees with a Disability	0	0	0	0	0

TABLE 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o. PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation
Administrative Related	1	8	10	Retention
Administrative Related	1	8	10	Counter offer
Administrative Related	1	10	11	Counter offer
Administrative Related	1	10	13	Retention
Administrative Related	1	11	12	Retention
Trade and Industry Advisers and Other Related Profession	1	11	13	Retention
Administrative Related	1	11	13	Retention
Trade and Industry Advisers and Other Related Profession	2	12	13	Retention
TOTAL	9			
Percentage of Total Employment	0.68%			

TABLE 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	2	2	0	0	4
Male	2	0	0	3	5
TOTAL	4	2	0	3	9
Employees with a Disability	0	0	0	0	0

GRANTING OF EMPLOYEE INITIATED SEVERANCE PACKAGES

Category	No. of Applications Received	No. of Applications referred to the MPSA	No. of Applications supported by MPSA	No. of Packages approved by Department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0

TABLE 5.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2011)	Appointments	Terminations	*Turnover Rate %
Lower skilled (Levels 1-2), Permanent	4	0	0	0
Skilled (Levels 3-5), Permanent	45	13	10	21.05
Highly skilled production (Levels 6-8), Permanent	338	109	37	10.14
Highly skilled supervision (Levels 9-12), Permanent	510	111	76	14.30
Senior Management Service Band A, Permanent	166	28	28	15.43
Contract (Levels 1-2), Permanent	0	0	0	0.00
Contract (Levels 3-5), Permanent	70	128	138	240.00
Contract (Levels 6-8), Permanent	54	25	37	93.67
Contract (Levels 9-12), Permanent	33	9	6	17.39
Contract (Band A), Permanent	25	5	6	25.53
TOTAL	1,245	428	338	26.32
Excluding NCC	24	76	100	7.79
Of which CIPC	0	0	51	3.97
Of which interns and other employees additional to the establishment	0	110	100	7.79
REAL TURNOVER				6.77

* This turnover includes the excepted turnover of interns, contract expiries and the transfers to the Commissions.
 Without interns and contract expiries: 10.7%
 Without the Commissions: 6.77%

TABLE 5.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period (April 2011)	Appointments	Terminations	*Turnover Rate %
Administrative related, Permanent	344	173	200	60.42
Economists, Permanent	6	0	0	0.00
Finance and Economics related, Permanent	40	6	4	17.39

TABLE 5.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period (April 2011)	Appointments	Terminations	*Turnover Rate %
Financial and related professionals, Permanent	6	1	1	4.17
Financial clerks and credit controllers, Permanent	1	2	0	0.00
Food services aids and waiters, Permanent	9	0	7	116.67
General legal administration and related professionals, Permanent	7	0	0	0.00
Head of department/chief executive officer, Permanent	0	0	0	0.00
Human resources and organisational development and related professionals, Permanent	1	1	1	100.00
Human resources clerks, Permanent	2	1	0	0.00
Human resources related, Permanent	40	7	10	44.44
Information technology related, Permanent	6	4	1	4.65
Legal related, Permanent	1	1	1	33.33
Librarians and related professionals, Permanent	1	0	0	0.00
Library mail and related clerks, Permanent	10	14	1	18.18
Light vehicle drivers, Permanent	4	1	0	0.00
Logistical support personnel, Permanent	18	3	0	0.00
Messengers, porters and deliverers, Permanent	15	5	1	5.26
Other administration and related clerks and organisers, Permanent	32	0	0	0.00
Other occupations, Permanent	8	0	0	0.00
Secretaries and other keyboard operating clerks, Permanent	46	32	3	11.76
Security officers, Permanent	13	6	3	37.50
Senior managers, Permanent	191	33	33	34.20
Trade and Industry advisers and other related profession, Permanent	444	138	72	27.85

TABLE 5.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period (April 2011)	Appointments	Terminations	*Turnover Rate %
TOTAL	1,245	428	338	26.32
Excluding NCC	24	76	100	7.79
Of which CIPC	0	0	51	3.97
Of which interns and other employees additional to the establishment	0	110	100	7.79
REAL TURNOVER				6.77

* This turnover includes the accepted turnover of interns, contract expiries and the transfers to the Commissions.
Without interns and contract expiries: 10.7%
Without the Commissions: 6.77%

TABLE 5.3 - Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Terminations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	4	1.2	0.3	338	1,323
Resignation, Permanent	179	53	13.5	338	1,323
Expiry of contract, Permanent	92	27.2	7	338	1,323
Dismissal - misconduct, Permanent	2	0.6	0.2	338	1,323
Retirement, Permanent	9	2.7	0.7	338	1,323
Severance Package	0	0	0	338	1,323
Transfers out of department	52	15.4	3.9	338	1,323
TOTAL	338	100	25.5	338	1,323
Of which NCC	100				
Of which CIPC	51				

Resignations as % of Employment

14%

TABLE 5.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2011)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related, Permanent	344	24	7	90	26.2
Economists, Permanent	6	0	0	5	83.3
Finance and economics related, Permanent	40	1	2.5	26	65
Financial and related professionals, Permanent	6	1	16.7	1	16.7
Financial clerks and credit controllers, Permanent	1	0	0	0	0
Food services aids and waiters, Permanent	9	0	0	5	55.6
General legal administration and related professionals, Permanent	7	0	0	0	0
Head of department/chief executive officer, Permanent	0	1	0	0	0
Human resources and organisational development and related professionals, Permanent	1	0	0	0	0
Human resources clerks, Permanent	2	2	100	5	250
Human resources related, Permanent	40	1	2.5	15	37.5
Information technology related, Permanent	6	0	0	3	50
Legal related, Permanent	1	0	0	1	100
Librarians and related professionals, Permanent	1	0	0	0	0
Library mail and related clerks, Permanent	10	1	10	8	80
Light vehicle drivers, Permanent	4	0	0	0	0
Logistical support personnel, Permanent	18	1	5.6	16	88.9
Messengers, porters and deliverers, Permanent	15	0	0	5	33.3
Other administration and related clerks and organisers, Permanent	32	0	0	1	3.1
Other occupations, Permanent	8	0	0	1	12.5
Secretaries and other keyboard operating clerks, Permanent	46	13	28.3	82	178.3
Security officers, Permanent	13	1	7.7	9	69.2
Senior managers, Permanent	191	35	18.3	101	52.9
Trade and Industry advisers and other related profession, Permanent	444	105	0	262	59
TOTAL	1,245	186	14.9	636	51.1
Of which NCC		15			

TABLE 5.5 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period (April 2011)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2), Permanent	4	0	0	0	0
Skilled (Levels 3-5), Permanent	45	0	0	32	71.1
Highly skilled production (Levels 6-8), Permanent	338	43	12.7	241	71.3
Highly skilled supervision (Levels 9-12), Permanent	510	106	20.8	262	51.4
Senior Management (Levels 13-16), Permanent	166	37	22.3	89	53.6
Contract (Levels 1-2), Permanent	0	0	0	0	0
Contract (Levels 3-5), Permanent	70	0	0	0	0
Contract (Levels 6-8), Permanent	54	0	0	0	0
Contract (Levels 9-12), Permanent	33	0	0	0	0
Contract (Levels 13-16), Permanent	25	0	0	12	48
TOTAL	1,245	186	14.9	636	51.1
Of which NCC		15			

TABLE 6.1 - Total number of Employees (including employees with disabilities) per Occupational Category (SASCO)

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	84	9	12	105	23	60	10	13	83	15	226
Professionals, Permanent	239	8	10	257	29	252	14	21	287	37	610
Technicians and associate professionals, Permanent	103	4	2	109	2	180	9	4	193	30	334
Clerks, Permanent	13	0	0	13	0	83	3	1	87	9	109
Service shop and market sales workers, Permanent	3	0	3	6	2	6	0	0	6	1	15
Plant and machine operators and assemblers, Permanent	4	1	0	5	0	0	0	0	0	0	5
Labourers and Related Workers, Permanent	10	0	0	10	0	13	1	0	14	0	24
TOTAL	456	22	27	505	56	594	37	39	670	92	1,323
Employees with disabilities	15	0	0	15	2	13	1	1	15	3	35

TABLE 6.2 - Total number of Employees (including employees with disabilities) per Occupational Bands

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	2	0	2	4	0	2	1	0	3	0	7
Senior Management, Permanent	73	8	9	90	20	55	6	13	74	14	198
Professionally qualified and experienced specialists and mid-management, Permanent	214	10	12	236	28	232	14	17	263	36	563
Skilled technical and academically qualified workers, junior management, supervisors and foremen, Permanent	96	1	1	98	4	237	12	5	254	38	394
Semi-skilled and discretionary decision-making, Permanent	20	0	0	20	0	29	0	1	30	0	50
Unskilled and defined decision-making, Permanent	1	0	0	1	0	1	1	0	2	0	3
Contract (Top Management), Permanent	0	1	1	2	1	1	0	0	1	0	4
Contract (Senior Management), Permanent	9	0	0	9	2	2	3	1	6	1	18
Contract (Professionally qualified), Permanent	9	1	1	11	1	7	0	1	8	0	20
Contract (Skilled technical), Permanent	8	0	1	9	0	8	0	1	9	3	21
Contract (Semi-skilled), Permanent	24	1	0	25	0	20	0	0	20	0	45
Contract (Unskilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
TOTAL	456	22	27	505	56	594	37	39	670	92	1,323

TABLE 6.3 - Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	0	0	0	0	0	0	0	0	0	0	0
Senior Management, Permanent	14	0	3	17	0	6	3	1	10	1	28
Professionally qualified and experienced specialists and mid-management, Permanent	50	0	2	52	2	48	3	5	56	1	111
Skilled technical and academically qualified workers, junior management, supervisors and foremen, Permanent	43	0	0	43	0	63	2	0	65	1	109
Semi-skilled and discretionary decision-making, Permanent	2	0	0	2	0	10	0	1	11	0	13
Contract (Top Management), Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Senior Management), Permanent	3	0	0	3	1	0	1	0	1	0	5
Contract (Professionally qualified), Permanent	6	0	0	6	0	1	0	2	3	0	9
Contract (Skilled technical), Permanent	12	0	0	12	0	10	0	2	12	1	25
Contract (Semi-skilled), Permanent	60	1	0	61	0	67	0	0	67	0	128
Contract (Unskilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
TOTAL	190	1	5	196	3	205	9	11	225	4	428
Of Which NCC	40	0	0	40	0	35	0	1	36	0	76

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	1	0	1	2	0	1	0	0	1	0	3

TABLE 6.4 - Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	1	0	0	1	0	1	0	0	1	0	2
Senior Management, Permanent	10	1	2	13	2	13	0	3	16	2	33
Professionally qualified and experienced specialists and mid-management, Permanent	44	1	1	46	2	46	3	3	52	7	107
Skilled technical and academically qualified workers, junior management, supervisors and foremen, Permanent	7	0	0	7	1	35	0	0	35	0	43
Semi-skilled and discretionary decision-making, Permanent	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision-making, Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Top Management), Permanent	0	1	0	1	0	0	0	0	0	0	1
Contract (Senior Management), Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified), Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Skilled technical), Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Semi-skilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
TOTAL	62	3	3	68	5	95	3	6	104	9	186
Of which NCC	4	0	0	4	1	10	0	0	10	0	15

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	1	0	0	1	0	1	0	0	1	0	2

TABLE 6.5 - Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	0	0	0	0	0	0	0	0	0	0	0
Senior Management, Permanent	12	0	1	13	3	6	0	0	6	6	28
Professionally qualified and experienced specialists and mid-management, Permanent	30	2	1	33	4	31	0	6	37	3	77
Skilled technical and academically qualified workers, junior management, supervisors and foremen, Permanent	16	0	0	16	0	16	2	0	18	2	36
Semi-skilled and discretionary decision-making, Permanent	10	0	0	10	0	6	0	0	6	0	16
Contract Top Management, Permanent	0	0	0	0	0	1	0	0	1	0	1
Contract (Senior Management), Permanent	1	0	0	1	3	0	0	0	0	1	5
Contract (Professionally qualified), Permanent	2	0	0	2	1	0	0	2	2	1	6
Contract (Skilled technical), Permanent	14	3	0	17	0	13	4	1	18	2	37
Contract (Semi-skilled), Permanent	57	0	0	57	0	75	0	0	75	0	132
Contract (Unskilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
TOTAL	142	5	2	149	11	148	6	9	163	15	338
Of which NCC	49	0	1	50	1	47	1	1	49	0	100
Of which CIPC	8	1	1	10	1	9	0	2	11	3	25
Employees with disabilities	1	0	0	1	0	0	0	1	1	0	2

TABLE 6.6 - Disciplinary Action

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
TOTAL	16	2	3	21	4	22	2	5	29	2	56

TABLE 6.7 - Skills Development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	105	10	6	121	20	109	15	19	143	18	302
Professionals	0	0	0	0	0	0	0	0	0	0	0
Technicians and Associate Professionals	370	19	20	409	17	476	24	38	538	42	1,006
Clerks	314	1	1	316	5	631	26	5	662	35	1,018
Service and Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary Occupations	3	0	0	3	0	5	1	0	6	0	9
TOTAL	792	30	27	849	42	1,221	66	62	1,349	95	2,335
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

TABLE 7.1 - Performance Rewards by Race, Gender and Disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R'000)
African, Female	90	594	15	1,577	18
African, Male	77	456	17	1,645	21
Asian, Female	7	39	18	256	37
Asian, Male	8	27	30	311	39
Coloured, Female	5	37	14	123	25
Coloured, Male	2	22	9	124	62
Total Blacks, Female	102	670	15	1,956	19
Total Blacks, Male	87	505	17	2,080	24
White, Female	42	92	46	1,143	27
White, Male	19	56	34	685	36
Employees with a disability	4	35	11	113	28
TOTAL	250	1,323	19	5,864	23

TABLE 7.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R'000)
Lower skilled (Levels 1-2)*	3	3	100	16	5
Skilled (Levels 3-5)	19	50	38	130	7
Highly skilled production (Levels 6-8)	97	394	24.6	1,151	12
Highly skilled supervision (Levels 9-12)	110	563	19.5	3,263	30
Contract (Levels 1-2)	0	0	0	0	0
Contract (Levels 3-5)	0	45	0	0	0
Contract (Levels 6-8)	0	21	0	0	0
Contract (Levels 9-12)	0	20	0	0	0
TOTAL	229	1,096	20.9	4,560	20

TABLE 7.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R'000)
Administrative related, Permanent	71	318	22.3	1,065	15
Communication and Information Related, Permanent	0	1	0	0	0
Economists, Permanent	0	6	0	0	0
Finance and Economics Related, Permanent	22	42	52.4	475	22
Financial and Related Professionals, Permanent	2	6	33.3	29	15
Financial Clerks and Credit Controllers, Permanent	1	3	33.3	11	11
Food Services Aids and Waiters, Permanent	7	8	87.5	38	5
General Legal Administration and Related Professionals, Permanent	1	2	50	51	51
Head of Department/Chief Executive Officer, Permanent	0	1	0	0	0
Human Resources and Organisational Development and Related Professionals, Permanent	0	1	0	0	0
Human Resources Clerks, Permanent	2	5	40	21	11
Human Resources Related, Permanent	7	37	18.9	153	22
Information Technology Related, Permanent	4	5	80	81	20
Legal Related, Permanent	0	8	0	0	0
Librarians and Related Professionals, Permanent	0	1	0	0	0
Library Mail and Related Clerks, Permanent	1	23	4.3	8	8
Light Vehicle Drivers, Permanent	2	4	50	11	6
Logistical Support Personnel, Permanent	5	23	21.7	94	19
Messengers, Porters and Deliverers, Permanent	6	12	50	40	7
Motor Vehicle Drivers, Permanent	0	1	0	0	0
Other Administration and Related Clerks and Organisers, Permanent	5	5	100	50	10
Other Information Technology Personnel, Permanent	0	3	0	0	0
Other Occupations, Permanent	2	2	100	12	6

Secretaries and Other Keyboard Operating Clerks, Permanent	3	73	4.1	43	14
Security Officers, Permanent	6	15	40	103	17
Senior Managers, Permanent	21	211	10	1,306	62
Trade Industry Advisers and Other Related Profession, Permanent	82	507	16.2	2,273	28
TOTAL	250	1,323	18.9	5,864	23

TABLE 7.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R'000)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	16	162	9,9	900	56	0.75	119,416
Band B	5	54	9,3	404	81	0.89	45,235
Band C	0	10	0	0	0	0.00	9,559
Band D	0	1	0	0	0	0.00	1,339
TOTAL	21	227	9	1,304	62	0.01	175,549

7.5 Signed PM Agreements by SMS Members as on 31 May 2011

SMS Levels	Total Number of Funded SMS Post per Level	Total Number of SMS Members per Level	Total Number of Signed PM Agreements per Level	*Signed PM Agreements as % of total number of post.*
DG/HOD	1	1	0	0%
Salary level 16 but not HOD	0	0	0	0%
Salary Level 15	9	8	5	63%
Salary Level 14	53	43	34	79%
Salary 13	166	133	98	74%
Total	229	185	137	74%
Of Commissions Salary Level 14 & 13 NCC	1	1 + 3	0	

7.6 Reasons for not having concluded Performance Agreements for all SMS members as on 31 May 2011

DG/HOD	1 PA submitted to PSC on 29 June 2011 (New DG appointed on 1 May 2011)
Salary level 16 but not HOD	N/A
Salary Level 15	<p>1 - Not submitted due to service delivery imperatives.</p> <p>1 - Sabbatical Leave (1 July 2010 - 1 July to 2011).</p> <p>1 - Ambassador at a Foreign Office. Delayed due to change in reporting structure, agreement submitted on 8 June 2011. The Ambassador has been seconded to DIRCO.</p>
Salary Level 14	<p>2 - Agreements were submitted, but incorrectly completed. SMS members were advised and the agreements were resubmitted on 22 July 2011 and 25 July 2011.</p> <p>1 - Oversight by employee - DDG addressed the matter with the employee.</p> <p>1 - Quality assurance done by the DDG, agreement was finalised on 25 July 2011.</p> <p>1 - Not submitted - Employee indicated that there is uncertainty on his current position/post. SMS Member will clarify his position with the DG before he can sign an agreement.</p> <p>1 - Reports directly to the DG. Delays in finalising annual appraisal contributed to delay of agreement.</p> <p>1 - The official was seconded to SAMAF. Completed an agreement on 21 February 2012 after being transferred back to the dti.</p> <p>1 - Draft agreement was completed on 1 June 2011, but only finalised after the DDG came back from sabbatical leave on 28 July 2011.</p> <p>1 - Employee transferred to NCC.</p>

Salary 13	<p>2 - Managers unavailable due to Parliamentary Process and Cabinet issues - Agreements submitted on 6 and 27 June 2011.</p> <p>1 - Employee suspended.</p> <p>1 - ER matter.</p> <p>6 - Foreign Economic Representatives (attended FER Course or delayed due to the employees being abroad). Agreements submitted after placement abroad (11 November 2011, 13 June 2011, 13 June 2011, 9 March 2012 and 17 January 2012). One FER only submitted the bi-annual review, which includes the Agreement information.</p> <p>4 - Oversight on part of employee. Agreements submitted on 20 June 2011, 10 June 2011, 26 September 2011 and 15 July 2011.</p>
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Table 7.7 Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 May 2011

Employees who did not comply with the submission of the agreements by 31 May 2011 without showing good cause will not qualify for cash awards and notch increases for the 2011/12 performance management cycle.

No disciplinary action was taken against SMS members for non-compliance. SMS members submitted the agreements (although after 31 May 2011) after interventions were implemented by Managers.

TABLE 8.1 - Foreign Workers by Salary Band

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total
Contract (Senior Management), Permanent	2	66.7	2	40	0	0
Contract (Professionally qualified), Permanent	0	0	2	40	2	40
Contract (Skilled technical), Permanent	1	33.3	1	20	0	0
TOTAL	3	100	5	100	2	40

TABLE 8.2 - Foreign Workers by Major Occupation

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Total Change in Employment
Senior Management	2	66.67	2	40.00	40.00
Professionals and Managers	0	0.00	2	40.00	40.00
Skilled technical and academically qualified workers, junior management, supervisors and foremen, Permanent	1	33.33	1	20.00	20.00
TOTAL	3	100.00	5	100.00	100.00

TABLE 9.1 - Sick Leave for Jan 2011 to Dec 2011

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total Number of Employees using Sick Leave	Total Number of Days with Medical Certification
Lower skilled (Levels 1-2)	33	87.9	2	0.2	17	86	1,019	29
Skilled (Levels 3-5)	343	80.8	62	6.1	6	118	1,019	277
Highly skilled production (Levels 6-8)	2,483	79	324	31.8	8	1,551	1,019	1,962
Highly skilled supervision (Levels 9-12)	2,698	78.1	429	42.1	6	3,217	1,019	2,108
Senior management (Levels 13-16)	656	79.7	127	12.5	5	1,144	1,019	523
Contract (Levels 1-2)	0	0	0	0	0	0	1,019	0
Contract (Levels 3-5)	131	67.9	44	4.3	3	406	1,019	89
Contract (Levels 6-8)	41	82.9	9	0.9	5	20	1,019	34
Contract (Levels 9-12)	44	90.9	7	0.7	6	54	1,019	40
Contract (Levels 13-16)	54	79.6	15	1.5	4	101	1,019	43
TOTAL	6,483	78.7	1,019	100	6	6,697	1,019	5,105

TABLE 9.2 - Disability Leave (Temporary and Permanent) for Jan 2011 to Dec 2011

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total Number of Days with Medical Certification	Total number of Employees using Disability Leave
Skilled (Levels 3-5)	2	100	1	2,5	2	304	2	1
Highly skilled production (Levels 6-8)	242	100	22	55	11	209	242	22
Highly skilled supervision (Levels 9-12)	560	100	17	42,5	33	947	560	17
Senior management (Levels 13-16)	0	0	0	0	0	0	0	0
TOTAL	804	100	40	100	20	1,460	804	40

TABLE 9.3 - Annual Leave for Jan 2011 to Dec 2011

Salary Band	Total Days Taken	Average Days per Employee	Number of Employees who Took Leave
Lower skilled (Levels 1-2)	52	26	2
Skilled (Levels 3-5)	969	20	48
Highly skilled production (Levels 6-8)	7,199	19	381
Highly skilled supervision (Levels 9-12)	9,785	19	515
Senior management (Levels 13-16)	4,301	20	215
Contract (Levels 1-2)	0	0	0
Contract (Levels 3-5)	308	8	41
Contract (Levels 6-8)	200	11	18
Contract (Levels 9-12)	193	11	17
Contract (Levels 13-16)	341	17	20
TOTAL	2,3348	19	1,257

TABLE 9.4 - Capped Leave for Jan 2011 to Dec 2011

	Total Days of Capped Leave Taken	Average Number of Days Taken per Employee	Average Capped Leave per Employee as at 31 December 2011	Number of Employees who Took Capped leave	Total Number of Capped Leave Available at 31 December 2011	Number of Employees as at 31 December 2011
Skilled (Levels 3-5)	40	13	48	3	1,142.68	24
Highly skilled production (Levels 6-8)	53.58	4	18	12	887.52	50
Highly skilled supervision (Levels 9-12)	78.36	4	34	21	4,071.09	121
Senior management (Levels 13-16)	33	4	33	9	2,123.3	65
TOTAL	204.94	5	32	45	8,224.59	260

TABLE 9.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2011/12 due to non-utilisation of leave for the previous cycle	539	41	13,146
Capped leave payouts on termination of service for 2011/12	503	11	45,727
Current leave payout on termination of service for 2011/12	928	116	8,000
TOTAL	1,970	168	11,726

TABLE 10.1 - Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
Occupational Health Practitioner	Awareness
First Aiders	Providing access to Post-Exposure Prophylaxis

TABLE 10.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Ms F Ngwendu, Director: Organisational Development and Transformation was appointed to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		The dedicated unit is called Quality of Work Life. Two practitioners are responsible to promote health and wellness programmes, and one administrative assistant. The budget is part of the Directorate: Organisational Development and Transformation.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	X		Occupational and Primary Health Care; Counselling; Implementation of National Health and AIDS Calendar; Wellness Days.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		Ms F Gallie; Ms M Sibaca; Ms M Mphahlele; Ms L Phahla; Ms B Ndlovu; Ms F Ngwendu; Sr E Sebata; Ms C Sithole; and Ms Z Dube; Ms N Boo; Ms M Ndebele; Ms J Sibuyi; Ms K Xashimba; Ms L van Dieman; Ms N Chaane; Ms Y Mathonsi; Mr B Ngubeni; Mr D Mabote; Mr N Maikoo; and Mr M Molepo. Members represent organised labour, gender, race, occupational levels and senior management.
5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		The HIV and AIDS Policy was reviewed in quarter four of 2009/10.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Policies such as the HIV and AIDS as well as the Employment Equity policies have been developed to eliminate and/or prevent discrimination and unfair treatment. The grievance procedure is also used if people feel they are discriminated against. Programmes to create awareness around victimisation/discrimination against people who are affected and infected are also implemented. Diversity Management training is offered.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		VCT was offered and taken up by 195 employees for the year 2011/12. Only one female employee tested positive.
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	X		Monitoring is done through the monthly, quarterly and annual reports.

TABLE 11.1 - Collective Agreements

Subject Matter	Date
Recognition agreement	
1. Transfer of employees from the dti to NCC	Not yet ratified by the GPSSBC
2. Transfer of employees from the dti to CIPC	Not yet ratified by the GPSSBC

TABLE 11.2 - Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total
Dismissal	3	5.36
Suspension	0	0.00
Verbal warning	26	46.43
Written warning	10	17.86
Final written warning	12	21.43
Counselling	1	1.79
Demotion	0	0.00
Withdrawn	1	1.79
Resigned	3	5.36
Not guilty	0	0.00
TOTAL	56	100.00

TABLE 11.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	Percentage of Total
Fraud and Corruption	2	3.57
Misrepresentation	1	1.79
Abscondment	1	1.79
Absenteeism	2	3.57
Irregular expenditure	2	3.57
Non-compliance	15	26.79
Failure to disclose information	1	1.79
Insubordination	4	7.14
Abuse of state property/petty cash	2	3.57
Victimisation of staff	1	1.79
Late coming	1	1.79
Improper conduct/insolent behaviour	5	8.93
Failure to obey lawful instruction	17	30.36
Negligence	2	3.57
TOTAL	56	100.00

TABLE 11.4 - Grievances Lodged

Number of grievances addressed	Number	Percentage of Total
Resolved	30	90.91
Not Resolved	3	9.09
TOTAL	33	100.00

TABLE 11.5 - Disputes Lodged

Number of disputes addressed	Number	% of total
Upheld	1	7.1
Pending	7	50
Dismissed	6	42.9
Total	14	100

TABLE 11.6 - Strike Actions

Strike Actions	
Total number of person working days lost	0
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0
TOTAL	0

TABLE 11.7 - Precautionary Suspensions

Precautionary Suspensions	
Number of people suspended	4
Number of people whose suspension exceeded 30 days	4
Average number of days suspended	320.75
Cost (R'000) of suspensions	1,412

TABLE 12.1 - Training Needs Identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes and Other Short Courses	Other Forms of Training	Total
Legislators, senior officials and managers	Female	98	0	47	0	47
	Male	128	0	40	0	40
Professionals	Female	324	0	0	0	0
	Male	286	0	0	0	0
Technicians and associate professionals	Female	223	0	116	0	116
	Male	111	0	31	0	31
Clerks	Female	96	0	73	0	73
	Male	13	0	54	0	54
Service shop and market sales workers, Permanent	Female	7	0	0	0	0
	Male	8	0	0	0	0
Plant and machine operators and assemblers, Permanent	Female	0	0	0	0	0
	Male	5	0	0	0	0
Labourers and related workers, Permanent	Female	14	0	0	0	0
	Male	10	0	0	0	0

TABLE 12.1 - Training Needs Identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes and Other Short Courses	Other Forms of Training	Total
Gender sub-totals	Female	762	0	236	0	236
	Male	561	0	125	0	125
Total		1,323	0	361	0	361

TABLE 12.2 - Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes and Other Short Courses	Other Forms of Training	Total
Legislators, senior officials and managers	Female	98	0	161	0	161
	Male	128	0	141	0	0
Professionals	Female	324	0	0	0	0
	Male	286	0	0	0	0
Technicians and associate professionals	Female	223	0	580	0	580
	Male	111	0	426	0	0
Clerks	Female	96	0	697	0	697
	Male	13	0	321	0	0
Service shop and market sales workers, Permanent	Female	7	0	0	0	0
	Male	8	0	0	0	0
Plant and machine operators and assemblers, Permanent	Female	0	0	0	0	0
	Male	5	0	0	0	0
Labourers and related workers, Permanent	Female	14	0	6	0	6
	Male	10	0	3	0	3
Gender sub-totals	Female	762	0	1,444	0	1,444
	Male	561	0	891	0	891
Total		1,323	0	2,335	0	2,335

TABLE 13.1 - Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	7	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	7	100

TABLE 14.1 - Report on consultant appointments using appropriated funds

Project Title	Total Number of Consultants that Worked on the Project	Duration: Work Days	Contract Value in Rand
PROVIDE EVIDENCE AT A DISCIPLINARY ENQUIRY	1	1	29 640,00
IT SERVICE DESK TECHNICIANS	8	240	2 872 320,00
RESOURCES FOR THE IIMS PROJECT	3	480	1 302 146,00
CAPACITY BUILDING IRO FINANCIAL EARLY WARNING REPORTS	1	240	478 800,00
CONDUCT A GENDER EMPOWERMENT MODEL STUDY	4	80	35 000,00
PROVIDE PRE-SCREENING SERVICES FOR ADVERTISED POSITIONS	1	400	171 000,00
VERIFICATION OF EMPLOYEE QUALIFICATIONS	4	60	28 350,00
CONDUCT AN ASSESSMENT OF NETWORK PERFORMANCE AND PROVIDE REMEDIAL REPORT	2	4	53 979,00
PROJECT CO-ORDINATION SERVICES IN TERMS OF EXECUTING THE PRESIDENTIAL TASK OF FILLING VACANCIES	1	120	117 990,00
PROJECT ADMINISTRATION SERVICES IN TERMS OF EXECUTING THE PRESIDENTIAL TASK OF FILLING VACANCIES	3	120	266 760,00
DEVELOPERS TO ASSIST IN MAINTAINING IT SYSTEMS	2	240	1 267 573,45
ADVANCE SPECIALIST TO COMPLETE THE DEPLOYMENT AND INTERGRATION OF THE (EIP) CLAIMS MODULE	1	40	212 468,25

TABLE 14.1 - Report on consultant appointments using appropriated funds

Project Title	Total Number of Consultants that Worked on the Project	Duration: Work Days	Contract Value in Rand
BLACK BUSINESS SUPPLIER DEVELOPMENT PROGRAMME	2	60	78,600.00
CHANGE MANAGEMENT FOR THE NCC	2	120	420,139.00
WEBSITE DEVELOPER TO HOST THE WEBSITE OF THE NCC	1	20	27,291.60
CONSOLIDATE AND PROCESS INFORMATION ON THE STATUS OF CAPITAL PROJECTS IN AFRICA	1	120	1,500,000.00
SENIOR SPECIALIST APPLICATION ANALYST FOR THE IIMS PROJECT	1	540	1,733,439.96
SPECIALISED SERVICES WITHIN THE STATISTICAL ANALYSIS AND MODELLING UNIT	1	240	437,760.00
DEVELOP A NATIONAL STRATEGY FOR THE FASHION INDUSTRY	2	220	499,776.00
CONDUCT A BASELINE STUDY OF THE MANUFACTURING INVESTMENT CLUSTER OF INCENTIVES	10	80	444,763.02
DEVELOP A COMMUNICATION STRATEGY FOR the dti	1	40	88,920.00
INTERNAL AUDIT SERVICES	5	320	1,115,353.13
DIAGNOSTIC ASSESSMENT OF THE STATE OF READINESS OF CIPRO IN RELATION TO THE ESTABLISHMENT	2	320	827,640.00
NOVELL PROJECT MANAGERS	2	480	287,280.00
CONDUCT A SURVEY OF ENTERPRISES THAT ARE BENEFICIARIES OF THE CO-OPERATIVE INCENTIVE SCHEME	6	640	473,200.00
TECHNOLOGY ARCHITECT FOR THE ENTERPRISE ARCHITECTURE PROJECT	2	120	492,480.00
DRAFT THE SPECIAL ECONOMIC ZONES BILL	4	68	976,752.00
CONDUCT A STUDY ON PROFILING THE STATE OF the dti STRATEGIC STAKEHOLDERS IN THE SECOND ECONOMY	4	130	764,574.00
HEALTH RISK CONSULTANT AS PRESCRIBED BY DPSA	1	200	74,586.00

TABLE 14.1 - Report on consultant appointments using appropriated funds

Project Title	Total Number of Consultants that Worked on the Project	Duration: Work Days	Contract Value in Rand
PROCESS IMPROVEMENT SPECIALIST TO STANDARDISE AND IMPLEMENT IMPROVED PROCESS FLOWS	6	80	167 808,00
CONDUCT AN INVESTIGATION INTO ALLEGATIONS OF VICTIMISATION	5	10	268 698,00
CONDUCT A REVIEW OF THE CAPITAL PROJECT FEASIBILITY PROGRAMME	1	80	750 530,00
REVIEW OF THE BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT AND UPDATE OF THE CODE OF GOOD PRACTICE	1	200	176 027,00
CONDUCT A REGULATORY IMPACT ASSESSMENT ON THE AMENDMENT BILL ON THE CO-OPERATIVES ACT	1	40	430 350,00
CONSULTANT ENGINEERING SERVICES FOR EIP INSPECTIONS	2	26	171 052,20
STORAGE SUPPORT AND DISASTER RECOVERY	1	20	76 950,00
REVIEW OF LOCAL RED TAPE REDUCTION PROCESS	1	240	1 366 734,60
COMPILE A TRANSFORMATION PLAN FOR THE MASS GROCERY INDUSTRY IN THE WHOLESALE AND RETAIL SECTOR	3	40	493 198,20
INDEPENDENT FORENSIC AUDIT SERVICES	3	720	1 500 000,00
CONDUCT A REVIEW OF THE TOURISM SUPPORT PROGRAMME	1	180	392 388,00
PARTICULAR FACTORY MANAGEMENT PROJECT	5	240	377 000,00
RESEARCH FOR THE SA INFORMATION AND COMMUNICATION TECHNOLOGY CENSUS	1	100	481 613,00
RESEARCH ANALYSIS OF THE SA MOTOR BODY REPAIRS	1	100	49 830,16
TRACKING STUDY FOR SMEDP	1	20	134 446,00
ENTERPRISE ARCHITECTURE AND BUSINESS PROCESS ARCHITECTURE SERVICES	2	40	984 960,00
COMPILE A REPORT ON PROPERTY TRANSACTIONS TAKING PLACE IN LADYBRAND INVOLVING LESOTHO CITIZENS	5	20	317 310,00

TABLE 14.1 - Report on consultant appointments using appropriated funds

Project Title	Total Number of Consultants that Worked on the Project	Duration: Work Days	Contract Value in Rand
NEW NATIONAL EXPORTER DEVELOPMENT STUDY	1	240	935,882.00
DATABASE ADMINISTRATION	1	240	590,976.00
UPGRADE DOCUMENTUM AND REPLACE FAST SEARCH ENGINE WITH XPLORE	5	240	298,680.00
DESKTOP DEVELOPMENT ENGINEER	5	240	456,912.00
COMPETENCY ASSESSMENT TESTING FOR SMS AND MMS CANDIDATES	5	240	193,172.00
CONDUCT ENVIRONMENTAL IMPACT ASSESSMENT FOR AFFORESTATION ON SELECTED COMMUNAL LAND	19	360	445,056.00
STUDY TO INFORM THE DEPARTMENT OF THE REGIONAL INDUSTRIAL DEVELOPMENT STRATEGY	1	40	531,492.00
CONDUCT A JOB EVALUATION PROJECT FOR THE COMPANIES TRIBUNAL	3	7	48,400.00
FEASIBILITY STUDY ON THE MANUFACTURING INDUSTRY IN SUPPLYING NUCLEAR COMPONENTS	3	60	500,000.00
CONDUCT AN INVESTIGATION INTO THE AFFAIRS OF NRCS	1	20	282,558.17
ASSISTANCE WITH THE VERIFICATION AND RECONCILIATION OF ASSETS	8	60	289,560.00
CONDUCT LEGAL VETTING AND QUALITY ASSURANCE ON THE REVIEW OF B-BBEE ACT AND CODES OF GOOD PRACTICE	3	100	500,000.00
CONDUCT AN ORGANISATIONAL DEVELOPMENT INTERVENTION TO EFFECTIVE TEAM COHERENCE	1	90	313,240.00
RESEARCH ON THE COMPETITIVENESS AND MARKET DEVELOPMENT FOR THE BOAT-BUILDING INDUSTRY	1	200	788,424.00
DEVELOP AN INTERGRATED INFORMATION AND KNOWLEDGE MANAGEMENT STRATEGY	2	480	893,500.00
CONDUCT AN INVESTIGATION INTO THE AFFAIRS OF THE NCT	4	160	315,719.00
CONDUCT A REVIEW OF the dti's MEDIUM TERM STRATEGIC PLAN FOR 2011-2014	4	20	479,817.45

TABLE 14.1 - Report on consultant appointments using appropriated funds

Project Title	Total Number of Consultants that Worked on the Project	Duration: Work Days	Contract Value in Rand
HEALTH RISK CONSULTANT AS PRESCRIBED BY DPSA	1	160	46,000.00
RECRUITMENT TECHNOLOGY ARCHITECT	1	240	634,752.00
ACCOUNTING SUPPORT SERVICES RELATING TO THE RECONCILIATION OF INTERDEPARTMENTAL CLAIMS	1	60	499,343.94
PROJECT MANAGER FOR THE INTERGRATED INCENTIVE MANAGEMENT SYSTEM	1	120	103,200.00
CONDUCT ANALYSIS OF COST DRIVERS THAT INFLUENCE THE COMPETITIVENESS OF AN OFFSHORE DESTINATION FOR BUSINESS PROCESS SERVICES	6	73	453,000.00
UPGRADE EXISTING INFORMATION AND IBM COGNOS PRODUCTS	1	20	33,360.96
ENGINEERING SERVICES FOR EIP AND AIS INSPECTIONS	3	60	102,839.00
REVIEW THE BUSINESS ACT AND DEVELOPMENT OF A POLICY DOCUMENT	6	40	1,787,600.00
STUDY ON THE DEVELOPMENT OF A FEASIBILITY STUDY AND A BUSINESS PLAN FOR UMZINYATHI MEAT PROCESSING PLANT	8	80	450,274.00
LEADERSHIP AND SKILLS DEVELOPMENT PROGRAMME	1	21	25,720.00
INTERNAL AUDIT SERVICES	6	720	3,960,938.01
REVIEW OF THE CENTRE OF EXCELLENCE PROGRAMME	4	80	348,840.00
Total number of projects	Total Individual Consultants	Total Duration: Work Days	Total Contract Value in Rand
75	224	12,370	42,642,086.23

TABLE 14.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percentage Ownership by HDI Groups	Percentage Management by HDI Groups	Number of Consultants from HDI Groups that Work on the Project
PROVIDE EVIDENCE AT A DISCIPLINARY ENQUIRY	0	0	1
IT SERVICE DESK TECHNICIANS	50	50	8
RESOURCES FOR THE IIMS PROJECT	51	51	1
CAPACITY BUILDING IRO FINANCIAL EARLY WARNING REPORTS	0	0	1
CONDUCT A GENDER EMPOWERMENT MODEL STUDY	64	38	4
PROVIDE PRE-SCREENING SERVICES FOR ADVERTISED POSITIONS	51	51	1
VERIFICATION OF EMPLOYEE QUALIFICATIONS	25	6	4
CONDUCT AN ASSESSMENT OF NETWORK PERFORMANCE AND PROVIDE REMEDIAL REPORT	0	0	2
PROJECT CO-ORDINATION SERVICES IN TERMS OF EXECUTING THE PRESIDENTIAL TASK OF FILLING VACANCIES	29	25	1
PROJECT ADMINISTRATION SERVICES IN TERMS OF EXECUTING THE PRESIDENTIAL TASK OF FILLING VACANCIES	29	25	3
DEVELOPERS TO ASSIST IN MAINTAINING IT SYSTEMS	51	51	2
ADVANCE SPECIALIST TO COMPLETE THE DEPLOYMENT AND INTERGRATION OF THE (EIP) CLAIMS MODULE	15	15	1
BLACK BUSINESS SUPPLIER DEVELOPMENT PROGRAMME	25	25	2
CHANGE MANAGEMENT FOR THE NCC	27	27	1
WEBSITE DEVELOPER TO HOST THE WEBSITE OF THE NCC	100	100	1
CONSOLIDATE AND PROCESS INFORMATION ON THE STATUS OF CAPITAL PROJECTS IN AFRICA	20	20	1
SENIOR SPECIALIST APPLICATION ANALYST FOR THE IIMS PROJECT	20	20	1
SPECIALISED SERVICES WITHIN THE STATISTICAL ANALYSIS AND MODELLING UNIT	0	0	1

TABLE 14.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percentage Ownership by HDI Groups	Percentage Management by HDI Groups	Number of Consultants from HDI Groups that Work on the Project
DEVELOP A NATIONAL STRATEGY FOR THE FASHION INDUSTRY	22	22	2
CONDUCT A BASELINE STUDY OF THE MANUFACTURING INVESTMENT CLUSTER OF INCENTIVES	100	100	10
DEVELOP A COMMUNICATION STRATEGY FOR the dti	70	70	1
INTERNAL AUDIT SERVICES	50	50	4
DIAGNOSTIC ASSESSMENT OF THE STATE OF READINESS OF CIPRO IN RELATION TO THE ESTABLISHMENT	66	66	2
NOVELL PROJECT MANAGERS	100	100	2
CONDUCT A SURVEY OF ENTERPRISES THAT ARE BENEFICIARIES OF THE CO-OPERATIVE INCENTIVE SCHEME	51	80	6
TECHNOLOGY ARCHITECT FOR THE ENTERPRISE ARCHITECTURE PROJECT	100	100	2
DRAFT THE SPECIAL ECONOMIC ZONES BILL	27	27	4
CONDUCT A STUDY ON PROFILING THE STATE OF the dti STRATEGIC STAKEHOLDERS IN THE SECOND ECONOMY	96	96	4
HEALTH RISK CONSULTANT AS PRESCRIBED BY DPSA	40	40	1
PROCESS IMPROVEMENT SPECIALIST TO STANDARDISE AND IMPLEMENT IMPROVED PROCESS FLOWS	100	100	6
CONDUCT AN INVESTIGATION INTO ALLEGATIONS OF VICTIMISATION	74	74	6
CONDUCT A REVIEW OF THE CAPITAL PROJECT FEASIBILITY PROGRAMME	100	100	1
REVIEW OF THE BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT AND UPDATE OF THE CODE OF GOOD PRACTICE	100	100	1
CONDUCT A REGULATORY IMPACT ASSESSMENT ON THE AMENDMENT BILL ON THE CO-OPERATIVES ACT	26	26	1

TABLE 14.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percentage Ownership by HDI Groups	Percentage Management by HDI Groups	Number of Consultants from HDI Groups that Work on the Project
CONSULTANT ENGINEERING SERVICES FOR EIP INSPECTIONS	10	10	0
STORAGE SUPPORT AND DISASTER RECOVERY	40	40	1
REVIEW OF LOCAL RED TAPE REDUCTION PROCESS	90	90	1
COMPLETE A TRANSFORMATION PLAN FOR THE MASS GROCERY INDUSTRY IN THE WHOLESALE AND RETAIL SECTORS	100	50	3
INDEPENDENT FORENSIC AUDIT SERVICES	56	56	3
CONDUCT A REVIEW OF THE TOURISM SUPPORT PROGRAMME	56	56	1
PARTICULAR FACTORY MANAGEMENT PROJECT	49	80	5
RESEARCH FOR THE SA INFORMATION AND COMMUNICATION TECHNOLOGY CENSUS	100	100	1
RESEARCH ANALYSIS OF THE SA MOTOR BODY REPAIRS	100	100	1
TRACKING STUDY FOR SMEDP	60	60	1
ENTERPRISE ARCHITECTURE AND BUSINESS PROCESS ARCHITECTURE SERVICES	73	73	2
COMPLETE A REPORT ON PROPERTY TRANSACTIONS TAKING PLACE IN LADYBRAND INVOLVING LESOTHO CITIZENS	100	100	5
NEW NATIONAL EXPORTER DEVELOPMENT STUDY	0	0	1
DATABASE ADMINISTRATION	100	100	0
UPGRADE DOCUMENTUM AND REPLACE FAST SEARCH ENGINE WITH XPLORE	100	100	5
DESKTOP DEVELOPMENT ENGINEER	36	36	5
COMPETENCY ASSESMENT TESTING FOR SMS AND MMS CANDIDATES	100	100	5
CONDUCT ENVIRONMENTAL IMPACT ASSESSMENT FOR AFFORESTATION ON SELECTED COMMUNAL LAND	100	100	19

TABLE 14.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percentage Ownership by HDI Groups	Percentage Management by HDI Groups	Number of Consultants from HDI Groups that Work on the Project
STUDY TO INFORM THE DEPARTMENT OF THE REGIONAL INDUSTRIAL DEVELOPMENT STRATEGY	96	96	1
CONDUCT A JOB EVALUATION PROJECT FOR THE COMPANIES TRIBUNAL	100	100	2
FEASIBILITY STUDY ON THE MANUFACTURING INDUSTRY IN SUPPLYING NUCLEAR COMPONENTS	11	11	3
CONDUCT AN INVESTIGATION INTO THE AFFAIRS OF NRCS	100	100	1
ASSISTANCE WITH THE VERIFICATION AND RECONCILIATION OF ASSETS	0	0	5
CONDUCT LEGAL VETTING AND QUALITY ASSURANCE ON THE REVIEW OF B-BBEE ACT AND CODES OF GOOD PRACTICE	28	28	3
CONDUCT AN ORGANISATIONAL DEVELOPMENT INTERVENTION TO EFFECTIVE TEAM COHERENCE	100	100	1
RESEARCH ON THE COMPETITIVENESS AND MARKET DEVELOPMENT FOR THE BOAT-BUILDING INDUSTRY	96	96	1
DEVELOP AN INTERGRATED INFORMATION AND KNOWLEDGE MANAGEMENT STRATEGY	50	50	2
CONDUCT AN INVESTIGATION INTO THE AFFAIRS OF THE NCT	100	4	4
CONDUCT A REVIEW OF the dti's MEDIUM TERM STRATEGIC PLAN FOR 2011-2014	28	7	4
HEALTH RISK CONSULTANT AS PRESCRIBED BY DPSA	25	15	1
RECRUITMENT TECHNOLOGY ARCHITECT	100	100	1

TABLE 14.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percentage Ownership by HDI Groups	Percentage Management by HDI Groups	Number of Consultants from HDI Groups that Work on the Project
ACCOUNTING SUPPORT SERVICES RELATING TO THE RECONCILIATION OF INTERDEPARTMENTAL CLAIMS	45	45	1
PROJECT MANAGER FOR THE INTEGRATED INCENTIVE MANAGEMENT SYSTEM	42	42	0
CONDUCT ANALYSIS OF COST DRIVERS THAT INFLUENCE THE COMPETITIVENESS OF AN OFFSHORE DESTINATION FOR BUSINESS PROCESS SERVICES	100	100	6
UPGRADE EXISTING INFORMATION AND IBM COGNOS PRODUCTS	50	50	1
ENGINEERING SERVICES FOR EIP AND AIS INSPECTIONS	10	10	0
REVIEW THE BUSINESS ACT AND DEVELOPMENT OF A POLICY DOCUMENT	100	100	3
STUDY ON THE DEVELOPMENT OF A FEASIBILITY STUDY AND A BUSINESS PLAN FOR UMZINYATHI MEAT PROCESSING PLANT	51	80	5
LEADERSHIP AND SKILLS DEVELOPMENT PROGRAMME	25	25	0
INTERNAL AUDIT SERVICES	50	50	6
REVIEW OF THE CENTRE OF EXCELLENCE PROGRAMME	0	0	4

TABLE 14.3 - Report on consultant appointments using Donor funds

Project Title	Total Number of Consultants that Worked on the Project	Duration: Work Days	Donor and Contract Value in Rand
CHANGE MANAGEMENT FOR THE NCC	2	120	420,139.00
WEBSITE DEVELOPER TO HOST THE WEBSITE OF THE NCC	1	20	27,291.60
REVIEW OF LOCAL RED TAPE REDUCTION PROCESS	1	240	1,366,734.60
Total number of projects	Total Individual Consultants	Total Duration: Work Days	Total Contract Value in Rand
3	4	380	1,814,165.20

TABLE 14.4 - Analysis of consultant appointments using Donor funds, i.t.o. HDIs

Project Title	Percentage Ownership by HDI Groups	Percentage Management by HDI Groups	Number of Consultants from HDI Groups that Work on the Project
CHANGE MANAGEMENT FOR THE NCC	27	27	1
WEBSITE DEVELOPER TO HOST THE WEBSITE OF THE NCC	100	100	1
REVIEW OF LOCAL RED TAPE REDUCTION PROCESS	90	90	1

Table 15.1 SMS Post Information as on 31 March 2012

SMS Levels	Total Number of Funded SMS Posts per Level	Total Number of SMS Posts per Level	% of SMS Posts Filled per Level	Total Number of SMS Posts Vacant per Level	% of SMS Posts Vacant per Level
DG/HOD	1	1	100%	0	0%
Salary level 16 but not HOD	0	0	0%	0	0%
Salary Level 15	11	11	82%	2	18%
Salary Level 14	58	58	91%	5	9%
Salary 13	164	164	93%	12	7%
Total	234	234	92%	19	8%

Table 15.2 SMS Post Information as on 30 September 2011

SMS Levels	Total Number of Funded SMS Posts per Level	Total Number of SMS Posts per Level	% of SMS Posts Filled per Level	Total Number of SMS Posts Vacant per Level	% of SMS Posts Vacant per Level
DG/HOD	1	1	100%	0	0%
Salary level 16 but not HOD	0	0	0%	0	0%
Salary Level 15	10	10	90%	1	10%
Salary Level 14	58	58	81%	11	19%
Salary 13	159	159	86%	23	14%
Total	228	228	85%	35	15%

Table 15.3 Advertising and Filling of SMS posts as on 31 March 2012

SMS Level	Advertising		Filling of Posts	
	Number of Vacancies per Level Advertised in Six Months of Becoming Vacant	1	Number of Vacancies per Level Filled in Six Months after Becoming Vacant	Number of Vacancies per Level not Filled in Six Months but Filled in 12 Months
DG/HOD		1	1	0
Salary level 16 but not HOD		0	0	0
Salary Level 15		4	0	1
Salary Level 14		16	6	6
Salary 13		40	18	13
Total		61	25	20

* two not yet filled (less than 12 months) and one filled in more than 12 months

* four not yet filled (less than six months)

* four not advertised within 12 months; five posts not yet filled (three less than six months and two less than 12 months) and eight filled in more than 12 months

Table 15.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within six months and filled within 12 months after becoming vacant

Reasons for vacancies not advertised with in six months

All positions in the period 01.04.2012 - 31.03.2012 were advertised within six months.

Reasons for vacancies not advertised with in 12 months

All positions that were newly created or that became vacant in the period 01.04.2012 - 31.03.2012 were advertised within six months.

Table 15.5 Disciplinary steps taken not complying with the prescribed timeframes from filling of SMS posts within 12 months

All positions that were newly created or that became vacant in the period 01.04.2012 - 31.03.2012, and filled by 31.02.12 were filled within 12 months.



the dti

FOREIGN ECONOMIC OFFICES

EAST AFRICA AND SADC		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Addis Ababa</p> <p>S A Embassy, Higher 23, Kebele 10, House No 1885, Addis Ababa, ETHIOPIA <u>Postal address</u> P O Box 1091, Addis Ababa, ETHIOPIA</p> <p>+1 HOUR</p>	<p>Ms Noncedo Mviko Counsellor (Economic)</p> <p>Vacant Marketing Officer</p>	<p>T 00251 11 371 3034 / 3683</p> <p>M 00251 911 25 2728 (Noncedo) 00251 911 51 3627 (Metasebya)</p> <p>F 00251 11 371 3682/1330</p> <p>E econ.saemb@ethionet.et nmviko@thedti.gov.za</p>
<p>Harare</p> <p>S A High Commission, 7 Elcombe Road, Belgravia, Harare, ZIMBABWE <u>Postal Address:</u> P O Box A1654 Avondale, Harare, ZIMBABWE</p> <p>0 HOURS</p>	<p>Mr Adriaan Adams Ext 222/253 Counsellor (Economic)</p> <p>Vacant Marketing Officer</p>	<p>T 00263 4 753 147-9 00263 4 251 843-52 00263 4 251 850</p> <p>M 00263 772 128 292 (Adriaan) 00263 772 135 344 (Lawrence)</p> <p>F 00263 4 757 908 00263 4 749 657</p> <p>E aadams@thedti.gov.za trade@saembassy.co.zw trademarketing@saembassy.co.zw</p>
<p>Kampala</p> <p>S A High Commission, 15A Nakasero Road, Kampala, UGANDA <u>Postal Address:</u> P O Box 22667 KAMPALA</p> <p>+1 HOURS</p>	<p>Mr Melvin Mkhize Counsellor (Economic)</p> <p>Vacant Marketing Officer</p>	<p>T 00256 41 770 2100</p> <p>M 00256 7 7274 3557</p> <p>F 00256 41 434 8216</p> <p>E mmkhize@thedti.gov.za</p>
<p>Kinshasa</p> <p>S A Embassy, 77 Avenue Ngongo Lutete, Gombe, Kinshasa, DEMOCRATIC REPUBLIC OF THE CONGO (DRC) <u>Postal address</u> Boite Postale 7829, Kinshasa 1, DRC</p> <p>-1 HOURS</p>	<p>Ms Zanele Sanni Counsellor (Economic)</p> <p>Mr Tim Mpegere Marketing Officer</p>	<p>T 00243 00243 81 508 4477 (Tim)</p> <p>M 00243 81 001 7980</p> <p>F 00243</p> <p>E zsanni@stelecom.cd rsatradeindrc@stelecom.cd todyroxell@yahoo.com trade.za_drc@yahoo.com</p>

EAST AFRICA AND SADC		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Luanda</p> <p>SA Embassy, Rua Manuel Fernandes Caldeira 6B, Luanda, ANGOLA <u>Postal Address:</u></p> <p>-1 HOURS</p>	<p>Mr Madileke Liks Ramushu Counsellor (Economic)</p> <p>Mr Antonio Coutinho Dos Santos Marketing Officer</p>	<p>T 00244 22 33 9126</p> <p>M 00244 93 808 1925</p> <p>F 00244 222 39 8730</p> <p>E mramushu@thedti.gov.za</p>
<p>Maputo</p> <p>SA High Commission Avenida Eduardo Mondlane 41 Caixa Postal 1120 Maputo, MOZAMBIQUE</p> <p>0 HOURS</p>	<p>Mr Meshack Mathye Counsellor (Economic)</p> <p>Mr Luis Labo Marketing Officer</p>	<p>T 00258 21 243000 x 264</p> <p>M 00258 84 38 94941 (Meshack) 00258 84 398 7120 (Luis)</p> <p>F 00258 21 488896</p> <p>E saeconomic@tropical.co.mz satrade@tropical.co.mz</p>
<p>Nairobi</p> <p>SA High Commission, 5th Floor Roshmaer Building, Lenana Road, Kilimani, Nairobi, KENYA <u>Postal Address:</u> P O Box 42441, Nairobi, KENYA.</p> <p>+1 HOUR</p>	<p>Mr Sisanda Mtwazi Counsellor (Economic)</p> <p>Mr Gerald Ockotch Marketing Officer</p> <p>Ms Verydiana Selebwa Secretary</p>	<p>T 00254 20 282 7000/7218 Direct</p> <p>M 00254 71 460 6812 Sisanda</p> <p>F 00254 20 282 7219/7236</p> <p>E mtwazis@dirco.gov.za gockotch@thedti.gov.za selebwa@dirco.gov.za</p>

WEST AFRICA & MIDDLE EAST REGION		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Abuja</p> <p>South African High Commission, 71 Usuma Street, Maitama, Abuja, Nigeria <u>Postal Address:</u></p> <p>- 1 HOURS</p>	<p>Mr Nicholas Coleman Counsellor (Economic)</p> <p>Mr Abdul-Muizz Momodu Marketing Officer</p> <p>Ms Nse Johnson Trade Secretary</p>	<p>T 00234 9 782 2852</p> <p>M 00234 70 6410 7878 (Nick) 00234 70 3408 9962 (Abdul) 00234 80 5775 8062 (Nse)</p> <p>F 00234 9 413 3829</p> <p>E dtiabuja@gmail.com muizzmomodu@gmail.com johnsonnse@gmail.com</p>
<p>Accra</p> <p>SA High Commission, 10 Klotey Crescent, North Labone, Accra, GHANA <u>Postal Address</u> P O Box 298, Trade Fair, Accra, GHANA</p> <p>-2 HOURS</p>	<p>Ms Ledile Bambo Counsellor (Economic)</p> <p>Vacant Marketing Officer</p>	<p>T 00233 21 768 477</p> <p>M 00233 244 340200 (Ledile) 00233 544 330168 (Francis)</p> <p>F 00233 21 764 484</p> <p>E trade@infinet.com.gh ledile@infinet.com.gh</p>
<p>Cairo</p> <p>S A Embassy, Building 11, Intersection Road 200 & 203, Digla-Maadi, Cairo, EGYPT <u>Postal Address:</u></p> <p>+1 HOURS</p> <p><i>Working week is from Sunday - Thursday</i></p>	<p>Vacant Consellor (Economic)</p> <p>Ms Abeer Aboul Enein Marketing Officer</p>	<p>T 00 202 2521 53000</p> <p>M 00 201 014 53018 (Abeer)</p> <p>F 00 202 2521 3261</p> <p>E essaemb@idsc.net.eg southafr@idsc.net.eg</p>
<p>Dakar</p> <p>SA Embassy, Mermoz Sud, Lotissement Ecole de Police. Lot no. 5 Dakar, Senegal <u>Postal Address:</u> BP 21010, Dakar-Ponty, Dakar Senegal no. 5, Dakar, Senegal</p> <p>-2 HOURS</p>	<p>Mr Siphamandla Kumkani Counsellor (Economic)</p> <p>Mr Macoumba Dieng Marketing Officer</p>	<p>T 00221 33 864 6055 (direct) 00221 33 865 1959</p> <p>M 00221 77 819 6113</p> <p>F 00221 33 824 2125</p> <p>E tradeafsud@orange.sn investafsud@orange.sn</p> <p>W www.saesenegal.info</p>

WEST AFRICA & MIDDLE EAST REGION		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Dubai</p> <p>South African Consulate, Khalid Bin Waleed Street, Al Karama, Bur Dubai, UNITED ARAB EMIRATES</p> <p><u>Postal Address</u> P O Box 34800, Dubai, UNITED ARAB EMIRATES</p> <p>+ 2 HOURS</p> <p><i>Working week is from Sunday - Thursday</i></p>	<p>Mr Sudhir Mannie Consul (Economic)</p> <p>Mr Sidharth Mehta Marketing Officer</p>	<p>T 00971 4 397 5222</p> <p>M 00971 50 443 6733</p> <p>F 00971 4 397 9602</p> <p>E satrade@thedti.ae tradeassistant@thedti.ae marketingofficer@thedti.ae</p>
<p>Riyadh</p> <p>South African Embassy, 150 King Kalid Street, Um Al-Hammam District East, Riyadh, SAUDI ARABIA</p> <p><u>Postal Address:</u> P O Box 94006 Riyadh 11693</p> <p>+1 HOURS</p> <p><i>Working week is from Saturday - Wednesday</i></p>	<p>Mr Rirhandzu Mahlale Counsellor(Economic)</p> <p>Mr Raza Ali Humayun Marketing Officer</p>	<p>T 00 966 1 442 9716</p> <p>M 00 966 5 5882 6556 (Rirhandzu) 00 966 5 0565 8611 (Raza)</p> <p>F 00 966 1 442 9708</p> <p>E rmahlale@thedti.gov.za rahumayun@thedti.gov.za</p>
<p>Tehran</p> <p>SA Embassy, No 5 Yekta Street, Vali-e-Asr Avenue, Tajrish, Tehran, ISLAMIC REPUBLIC OF IRAN</p> <p><u>Postal Address:</u> P O Box 11365-7476, Tehran, Iran</p> <p>+2½ HOURS</p> <p><i>Working week is from Sunday - Thursday</i></p>	<p>Mr Fariborz Farzaneh Marketing Officer</p> <p>Ms Maryam Samari, Secretary</p>	<p>T 0098 21 2270 2866 – 9 x 304</p> <p>M 0098 912 823 8405</p> <p>F 0098 21 2271 6192</p> <p>E ffarzaneh@satrade.ir msamari@satrade.ir</p>

ASIA EAST REGION		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Beijing</p> <p>South African Embassy, 5 Dongzhimenwai Dajie, Sanlitun, Chaoyang District, Beijing, PEOPLE'S REPUBLIC OF CHINA <u>Postal Address:</u></p> <p>+6 HOURS</p>	<p>Mr Greg Munyai Minister (Economic)</p> <p>Ms Carol Chang Marketing Officer</p> <p>Ms Michelle Liu Mo Secretary</p>	<p>T 0086 10 6532 0171 – 5 0086 10 6532 7320/1/3 0086 10 8532 0054 Direct 0086 10 6532 7315 Direct</p> <p>M 0086 136 0116 9744</p> <p>F 0086 10 6532 0182</p> <p>E Greg@saembassy.org.cn gmunyai@thedti.gov.za mmliu@thedti.gov.za</p>
<p>Hong Kong (Also Macau)</p> <p>SA Consulate -General, 2706-2710 Great Eagle Centre, 23 Harbour Road, Wanchai, HONG KONG <u>Postal Address:</u></p> <p>+6 HOURS</p>	<p>Mr Davy Chiu Ka Wah Marketing Officer</p>	<p>T 00 852 2577 3279</p> <p>M 00 852 91223014</p> <p>F 00 852 2577 4532</p> <p>E satrade@dtihk.org.hk</p>
<p>Seoul</p> <p>SA Embassy, 1-37 Hannam-dong, Yongsan - ku, Seoul, SOUTH KOREA <u>Postal Address:</u></p> <p>+7 HOURS</p>	<p>Mr Paul Pieterse Counsellor (Economic)</p> <p>Mr Kwangsu Jin Marketing Officer</p>	<p>T 0082 2 795 0948/792 4855</p> <p>M 0082 11 9038 0948 (Paul) 0082 10 3467 9668 (Kwangsu)</p> <p>F 0082 2 795 0949</p> <p>E satrade@korea.com paulp@southafrica-embassy.or.kr</p>
<p>Shanghai</p> <p>South African Consulate-General 222 Yan An Road East 27th Floor, Room 2705/6 Shanghai, PEOPLES REPUBLIC OF CHINA +6 HOURS</p>	<p>Mr Sylvan Montshonyane Consul (Economic) (x114)</p> <p>Mr Jonathan Ni Wen Xiang Marketing Officer (x103)</p>	<p>T 0086 21 5359 4977</p> <p>M 0086 136 7183 3084 (Sylvan) 0086 139 0189 2719 (Jonathan)</p> <p>F 0086 21 6335 2820</p> <p>E dtishanghai@rsaconsulate.com Jonathan.ni@rsaconsulate.com sacg_marketing@yahoo.com</p>

<p style="text-align: center;">Tokyo</p> <p>SA Embassy, 4 Floor Hanzomon first Building,1-4 Kojimachi, Chiyoda-ku , Tokyo 102-0093, JAPAN <u>Postal Address:</u></p> <p>+7 HOURS</p>	<p>Ms Tshepo Makhene Counsellor (Economic)</p> <p>Mr Shinji Yamamoto Marketing Officer</p> <p>Mr Kunio Katsunuma Marketing Officer</p> <p>Mr Tomokiyo Shimura Marketing Officer</p>	<p>T 0081 3 3265 2121/3366</p> <p>M 0081 90 1429 3880</p> <p>F 0081 3 3261 6445</p> <p>E counsellor@sajapan.org yamamoto@sajapan.org katsunuma@sajapan.org shimura@sajapan.org yajima@sajapan.org</p>
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EUROPE 1 REGION		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Brussels (also: Luxembourg)</p> <p>SA Embassy to Belgium and Luxembourg and the SA Mission to the EU, Rue Montoyer 17-19 (B-1000), 1040 Brussels, BELGIUM <u>Postal Address:</u></p> <p>-1 HOURS</p>	<p>Mr Wilhelm Smalberger Minister (Economic)</p> <p>Mr Norbert Massart Marketing Officer</p>	<p>T 0032 2 285 4439 0032 2 285 4442 Norbert 0032 2 285 4441 Secretary</p> <p>M 0032 47 906 7961 0032 47 921 6681 (Norbert)</p> <p>F 0032 2 285 4430</p> <p>E nmassart@thedti.be wsmalberger@thedti.be</p>
<p>London</p> <p>SA High Commission, South Africa House, Trafalgar Square, London WC2N 5DP, UNITED KINGDOM <u>Postal Address:</u></p> <p>-2 HOURS</p>	<p>Mr Yusuf Timol Minister (Economic)</p> <p>Mr James Baillie Marketing Officer</p> <p>Mr Jacob Mothopeng Marketing Officer</p>	<p>T 0044 20 7451 7236</p> <p>M 0044 77 1448 7143</p> <p>F 0044 20 7839 0634</p> <p>E ytimol@sadti.co.uk jacob@sadti.co.uk james@sadti.co.uk</p> <p>W www.southafricahouse.com</p>
<p>Milan</p> <p>South African Consulate -General, Vicolo San Giovanni, Sul Muro 4, 20121, Milano, ITALY <u>Postal Address:</u> Casella Postale 1468, 20101 Milano, ITALY</p> <p>-1 HOURS</p>	<p>Ms Marcella Uttaro Marketing Officer</p> <p>Ms Faldiela Collins Secretary</p>	<p>T 0039 02 885 8581</p> <p>M 0039 3483 333043</p> <p>F 0039 02 7200 2834</p> <p>E muttaro@thedti.gov.za fcollins@thedti.gov.za dtimilan@thedti.gov.za</p>
<p>Moscow (also: Belarus, Ukraine, Georgia, Armenia and Kazakhstan)</p> <p>South African Embassy, Granatny Per1, Building 9, Moscow 123001, RUSSIA <u>Postal Address:</u></p> <p>+1 HOURS</p>	<p>Mr Vusi Mveli Minister (Economic)</p> <p>Vacant Marketing Officer</p>	<p>T 007 495 926 1177 ext 111 007 495 789 9960 Direct</p> <p>M 007 985 768 0309</p> <p>F 007 495 789 9957</p> <p>E vmweli@econsa.ru tradesa@econsa.ru chebourkovair@dirco.gov.za</p> <p>W www.econsa.ru</p>

EUROPE 1 REGION		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Stockholm (also: Denmark, Norway, Finland, Iceland and Baltic States)</p> <p>SA Embassy, Flemmegatan 20, 11226 Stockholm, SWEDEN <u>Postal Address:</u></p> <p>-1 HOURS</p>	<p>No Representatives</p> <p>Vacant Marketing Officer</p>	<p>T 0046 8 783 7743 (Trade) 0046 8 243950 (Switchboard)</p> <p>M 0046 736635801</p> <p>F 0046 8 660 2837</p> <p>E satrade@telia.com alyce-frisk@telia.com</p>
<p>The Hague</p> <p>SA Embassy, Wassenaarseweg 40, 2596 CJ The Hague, THE NETHERLANDS <u>Postal Address:</u></p> <p>-1 HOURS</p>	<p>Mr Herman van der Kroef Marketing Officer</p>	<p>T 0031 70 750 7643 Herman Direct</p> <p>M 0031 614600714</p> <p>F 0031 70 361 7862</p> <p>E hvdkroef@thedti.nl</p>

EUROPE 2 REGION		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Berlin</p> <p>SA Embassy, Economic Section, Tiergartenstrasse 18, 10785 Berlin, GERMANY <u>Postal Address:</u></p> <p>-1 HOUR</p>	<p>Mr Hans-Friedrich Schmeding Marketing Officer</p>	<p>T 0049 30 22073152</p> <p>M</p> <p>F 0049 30 22073207</p> <p>E hfschmeding@suedafrika.org schmedingf@dirco.gov.za</p>
<p>Berne</p> <p>South African Embassy, Alpenstrasse 29, 3006 Berne, SWITZERLAND <u>Postal Address:</u> Postfach, 3000 Berne 6, SWITZERLAND</p> <p>-1 HOUR</p>	<p>Mr Peter Kistler Marketing Officer</p>	<p>T 0041 31 350 1313</p> <p>M 0041 79 822 8371</p> <p>F 0041 31 368 1750</p> <p>E peter.kistler@southafrica.ch</p>
<p>Madrid (also: Portugal)</p> <p>SA Embassy, Calle Claudio Coello 91, 6th Floor, Madrid, 28006, SPAIN <u>Postal Address:</u></p> <p>-1 HOUR</p>	<p>Ms Alicia Segura Marketing Officer</p>	<p>T 0034 91 436 3780 / 3783</p> <p>M 0034 60 765 0952 (Alicia)</p> <p>F 0034 91 575 5389</p> <p>E alicia_segura@sudafrica.com econ@sudafrica.com</p>
<p>Munich</p> <p>SA Consulate-General, Sendlinger-Tor-Platz 5, 80336 Munich, GERMANY <u>Postal Address:</u></p> <p>-1 HOUR</p>	<p>Ms Karin Liebenberg Consul (Economic)</p> <p>Vacant Marketing Officer</p>	<p>T 0049 89 2311 6351</p> <p>M 0049 17 0463 0157</p> <p>F 0049 89 2311 639</p> <p>E kliebenberg@thedti.gov.za liebenberg@suedafrika.org mueller@suedafrika.org mmueller@thedti.gov.za</p>

EUROPE 2 REGION		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p style="text-align: center;">Paris</p> <p>SA Embassy, 59 Quai d'Orsay, 75343 Paris, FRANCE <u>Postal Address:</u></p> <p>-1 HOUR</p>	<p>Ms Charlotte Yzerman Marketing Officer</p> <p>Mr Mustapha Adams Marketing Officer</p>	<p>T 0033 1 5359 2323</p> <p>M 0033 6 1820 0114</p> <p>F 0033 1 4555 4867</p> <p>E satrade@wanadoo.fr mustapha.adams@orange.fr</p>
<p>Vienna</p> <p>SA Embassy, Sandgasse 33, A-1190 Vienna, AUSTRIA <u>Postal Address:</u></p> <p>-1 HOUR</p>	<p>Ms Andrijana Ruzic Marketing Officer</p>	<p>T 0043 1 320 649333</p> <p>M 0043 664 4204 999</p> <p>F 0043 132 0649 351</p> <p>E vienna.trade@dirco.gov.za ruzic-terglava@dirco.gov.za</p>

AMERICAS REGION		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Buenos Aires</p> <p>(Also: other Latin American Countries except Brazil)</p> <p>SA Embassy, Marcelo T de Alvear 590, 8th Floor Capital Federal, 1058 Buenos Aires, ARGENTINA</p> <p><u>Postal Address:</u></p> <p>-5 HOURS</p>	<p>Ms Florencia Achcar</p> <p>Marketing Officer</p>	<p>T 0054 11 43172900</p> <p>0054 11 43172923 (Direct)</p> <p>M 0054 911 4171 5685</p> <p>F 0054 114 3172 962</p> <p>E achcarf@dirco.gov.za</p>
<p>Chicago</p> <p>SA Consulate-General, 200 South Michigan Ave, Suite 600, Chicago, Illinois 60604, USA</p> <p><u>Postal Address:</u></p> <p>-7/8 HOURS</p>	<p>Ms Donna Maluleke</p> <p>Consul (Economic)</p> <p>Ms Valentina Tomov</p> <p>Marketing Officer</p> <p>Sahr Sweiss</p> <p>Trade and Investment Promotion</p>	<p>T 001 312 939 6530</p> <p>001 312 939 6529(Valentina)</p> <p>M 001 312 659 2442</p> <p>F 001 312 939 2588</p> <p>E vtomov@thedti.gov.za</p> <p>donnadelliahm@gmail.com</p> <p>satradechicago@gmail.com</p>
<p>New York</p> <p>SA Consulate-General, 333 East 38th Street, 9th Floor, New York, NY 10016, USA</p> <p>-7/8 HOURS</p>	<p>Mr Jeffrey Govan (x2430)</p> <p>Marketing Officer</p> <p>Ms Bing Alo-Villareal (x2455)</p> <p>Marketing Officer</p> <p>Myrna x2427 Sandra x2494</p>	<p>T 001 212 692 2428/27</p> <p>M 001 917 496 5007 (Jeff)</p> <p>001 917 496 4006 (Bing)</p> <p>F 001 212 856 1576</p> <p>E govanj@dirco.gov.za</p> <p>alo-villarealb@dirco.gov.za</p> <p>peraltam@dirco.gov.za</p> <p>nwes@dirco.gov.za</p>

AMERICAS REGION		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
<p>Sao Paulo</p> <p>SA Consulate-General, Avenida Paulista 1754, 17th Floor, 01310-920, São Paulo, SP, BRAZIL</p> <p><u>Postal Address</u></p> <p>-5 HOURS</p>	<p>Mr Willem vd Spuy Consul (Economic)</p> <p>Mr Mark T Rabbitts Marketing Officer</p>	<p>T 0055 11 3265 0441/2/3</p> <p>M 0055 11 8579 1964(Willem) 0055 11 7140 7741 (Mark)</p> <p>F 0055 11 3288 3742</p> <p>E willemvds@terra.com.br safrika@terra.com.br</p>
<p>Toronto</p> <p>South African Consulate General Toronto, 110 Sheppard Avenue East, Suite 600, Toronto, Ontario, CANADA M2N 6Y8</p> <p><u>Postal Address:</u></p> <p>-6/7 HOURS</p>	<p>Ms Minila Mary Mathews Marketing Officer</p> <p>Ms Sybil Miller Assistant: Trade Section (x23)</p>	<p>T 001 416 944 8825 (Switchboard) 001 416 730 7283 001 416 730 7284 (Sybil)</p> <p>M</p> <p>F 001 416 944 2761</p> <p>E satrade@thedti.org smiller@thedti.org</p>
<p>Washington</p> <p>SA Embassy, 3400 International drive, NW, Washington, DC 20008, U S A</p> <p><u>Postal Address:</u></p> <p>-6/7 HOURS</p>	<p>Mr Sandile Tyini Minister (Economic)</p> <p>Ms Jennifer Cheong Marketing Officer</p>	<p>T 001 202 232 4400 001 202 274 7973 (Sandile) 001 202 274 7975 (Cheong)</p> <p>M 001 202 445 0268(Sandile)</p> <p>F 001 202 966 5919</p> <p>E styini@saembassy.org ssimon@saembassy.org jcheong@saembassy.org</p>

INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT DIVISION		
Mission	Economic Office Staff	Telephone / Facsimile / e-mail
Geneva SA Permanent Mission, 65 rue du Rhone, 1204 Geneva, SWITZERLAND <u>Postal Address:</u>	Mr Faizel Ismail Minister (Economic) Mr Wamkele Mene Counsellor (Economic)	T 0041 22 849 5401/2 0041 22 849 5404 (Wamkele) 00411 22 849 5405 (Kim) 0041 22 849 5403 (Miguel)
-1 HOUR	Ms Kim Kappel Counsellor (Economic)	M 0041 79786 6024 (Faizel)
	Mr Ephraim Mogashoa Counsellor (Economic)	F 0041 22 735 7365 E Faizel.Ismail51@gmail.com wamkele@bluewin.ch wto mission.southafrica@gmail.com KKappel@bluewin.ch emogashoa@bluewin.ch

the dti Campus

77 Meintjies Street

Sunnyside

Pretoria

0002

the dti

Private Bag X84

Pretoria

0001

the dti Customer Contact Centre: 0861 843 384

the dti Website: www.thedti.gov.za



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Department:
Trade and Industry
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