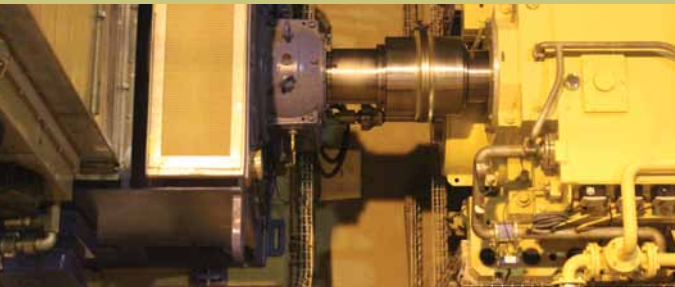


# ANNUAL REPORT 2014 / 2015



## ECONOMIC DEVELOPMENT DEPARTMENT



**economic  
development**

Economic Development Department  
**REPUBLIC OF SOUTH AFRICA**

RP279/2015  
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2014/



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Economic Development Department  
REPUBLIC OF SOUTH AFRICA

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# PART A

## General Information





**PART A**  
General Information

## 1. Departmental General Information

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## 2. List of Abbreviations/Acronyms

<b>AENE</b>	Adjusted Estimates of National Expenditure
<b>AGSA</b>	Auditor-General of South Africa
<b>AO</b>	Accounting Officer
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>CFO</b>	Chief Financial Officer
<b>DSBD</b>	Department of Small Business Development
<b>DFI</b>	Development Finance Institution
<b>EU</b>	European Union
<b>HOD</b>	Head of Department
<b>MEC</b>	Member of Executive Council
<b>MTEF</b>	Medium Term Expenditure Framework
<b>PFMA</b>	Public Finance Management Act
<b>SCM</b>	Supply Chain Management
<b>SDIP</b>	Service Delivery Improvement Plan
<b>MTSF</b>	Medium Term Strategic Framework
<b>NDP</b>	National Development Plan
<b>NGP</b>	New Growth Path
<b>IPAP</b>	Industrial Policy Action Plan
<b>SITA</b>	State Information Technology Agency
<b>SMME</b>	Small Medium and Micro Enterprises
<b>TR</b>	Treasury Regulations
<b>SIP</b>	Strategic Integrated Project
<b>MPAT</b>	Management Performance Assessment Tool
<b>ILO</b>	International Labour Organisation
<b>PICC</b>	Presidential Infrastructure Coordinating Commission
<b>WULAs</b>	Water Use Licence Applications



### 3. Economy Highlights

Employment grew by <sup>1</sup>	405 000
Total employment	15,5 million (March 2015)
Growth in women's employment <sup>1</sup>	111 000
Jobs held by women	6,8 million (March 2015)
Growth in jobs for youth aged 18 – 34 <sup>1</sup>	233 000
Jobs held by youth aged 18 – 34	6,2 million (March 2015)
GDP annual growth <sup>1</sup>	1,6%
Size of GDP (Annual)	R3,8 trillion
Investment grew by <sup>1</sup>	R47 billion
Infrastructure spending (estimate)	R254 billion
Manufacturing value add declined by <sup>1</sup>	R1,1 billion or 0,3%
Agricultural value add grew by <sup>1</sup>	R5 billion or 7,5%
Employment growth since adoption of the New Growth Path in October 2010	1,8 million

<sup>1</sup> Financial year 2014 to financial year 2015.



## 4. EDD and Agency Highlights

<b>PICC monitored infrastructure projects (March 2015)</b>	R1 trillion
<b>Jobs on PICC projects, March 2015</b>	200 000
<b>IDC funding approvals, 2014/15</b>	R11,5 billion
<b>IDC funding approvals for Black-empowered companies, 2014/15</b>	R5,9 billion
<b>IDC funding disbursements, 2014/15</b>	R10,9 billion
<b>IDC funds set aside for youth over 5 years</b>	R4,5 billion
<b>Jobs supported through IDC funding, 2014/15</b>	20 388
<b>sefa facilitated funding approvals, 2014/15</b>	R1 billion
<b>sefa funding set aside for youth over 3 years</b>	R924 million
<b>Penalties imposed by the competition authorities, 2014/15</b>	R191 million
<b>Mergers with employment and other public-interest conditions imposed by Competition Commission, 2014/15</b>	39
<b>ITAC tariff increases, 2014/15</b>	8 industrial products
<b>ITAC tariff rebates (reductions), 2014/15</b>	5 industrial products
<b>EDD staff numbers, March 2015</b>	124
<b>EDD budget spent (including transfers to agencies)</b>	R695 million (ie. 99,7%)
<b>Frontline KPIs achieved*</b>	100%

\* The Department exceeded the frontline KPIs.



## 5. FOREWORD by the Minister



Mr. Ebrahim Patel  
Minister of Economic Development

*“In the year under review, employment continued to grow. Some 405 000 jobs were created in the 12 months to March 2015. Taking a longer view, since the New Growth Path was adopted in October 2010, some 1,8 million more people have found paying work.”*

### 5.1 Overview and Economic Performance

The EDD’s core mandate is to facilitate and accelerate job creation across the economy. In the year under review, employment continued to grow. Some 405 000 jobs were created in the 12 months to March 2015. Taking a longer view, since the New Growth Path was adopted in October 2010, some 1,8 million more people have found paying work.

While job creation held up over the past year, there is no denying that the South African economy faced renewed headwinds. Above all, the international commodity boom has come to an end, with a sharp fall in the prices of our top exports – platinum, iron ore, coal and gold. According to the World Bank, growth in other upper-middle-income economies, excluding China, fell from 3,1% to 2,2%, while growth in China declined from 7,8% to 7,4% in the last two calendar years. While growth in the U.S. was stable at just over 2%, the Eurozone was growing at below 0,5% a year.

Combined with internal constraints around electricity and workplace conflict, the result of these trends was slower growth in South Africa. The GDP growth rate was 1,6% in the year to March 2015, compared to 2,2% in the previous financial year.

Despite this, the investment rate – that is, investment as a share of the GDP – remained essentially unchanged over the year, at just over 20% of the GDP. This level of investment is substantially above the rate in the 1990s and equal to the level achieved for most of the past ten years. It was exceeded only in 2008, just before the global financial crisis in 2008/9.

The more challenging economic conditions mean that the EDD’s focus on promoting inclusive growth has become yet more important. It is worth recalling that the National Development Plan envisages 11 million new jobs by 2030. Since it was published in August 2012, close to a million jobs have been created. The pace of job creation needs to be stepped up in the period ahead.



## 5.2 Infrastructure

A pillar of our job creation strategy has been the national build programme. We have undertaken the largest infrastructure programme in South African history. Public investment has made a significant contribution to bolstering the economy in the face of slowing global growth. In the 2014/15 financial year, major projects included in the National Infrastructure Plan sustained a total of 200 000 jobs and in the calendar year of 2014 the state invested R254 billion in infrastructure.

In this past year, government made substantial progress with many parts of the National Infrastructure Plan. These have been highlighted in other public statements and documents. I wish to recall a few key achievements.

For example, in the town of Pofadder in the Northern Cape a new solar power plant, KaXu Solar, has been developed through a partnership between a foreign investor and the Industrial Development Corporation (IDC). The plant brings 100 MW of solar energy onto the grid. A similar-sized Eskom wind farm was opened in January 2015 in Matzikama. Together, they bring enough power for as many households situated in Newcastle, Grahamstown, Stellenbosch, Knysna and Mosselbay combined, or more than the entire energy generating installed capacity of Lesotho and Swaziland together. As of 31 March 2015, South Africa generates 1730 MW of energy from the sun, wind and water.

Ms Boniwe Gabela, a resident of Jadhuplace near eThekweni, is an unemployed mother of two children. In July last year her residence was connected to the grid. She used to buy paraffin, a candle and matches for R20 a day. Now she pays less than R5 a day for electricity because she qualifies for free basic electricity.

Her story is not unique. In 2014/15, more than 160 000 houses were connected to the grid, which means that about 600 000 more South Africans, women, men and children, were able to access electricity.

Furthermore, cities are being transformed through the Bus Rapid Transit (BRT) system. In Tshwane, every bus now has free WiFi, a bonus to students. Currently eight cities are building new

bus lanes for the BRT system and in three cities thousands of passengers are already using the system.

Major new water programmes will bring water for black small-holder farmers and allow small businesses to obtain reliable supplies of water so that they can expand their operations. Twelve large infrastructure projects are underway in this sector, ranging from dam building at Mzimvubu, Clanwilliam, Nwamitwa and Lesotho to water pipelines from the Mokolo Crocodile, Vaal Gamagara and Oliphants River to sanitation projects such as the Sedibeng scheme and addressing Acid Mine Drainage.

Infrastructure is also powering industrialisation. In the past twelve months, we opened many factories directly connected to the supply of components or rolling stock used in infrastructure, including a thin-film solar experimental plant in Stellenbosch; a plant making wind towers in Coega; expansion in locomotive-furbishing capacity; a large truck factory in Coega, with 450 new jobs; a factory to assemble and laminate solar panels in Epping; a truck and bus plant in Pretoria, with 350 new jobs initially; a further wind tower plant in Atlantis, with 200 new jobs once it is fully operational; a factory making solar inverters in Cape Town; and a majority black-owned factory in Blackheath that supplies buses to municipalities.

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*“We have undertaken the largest infrastructure programme in South African history. Public investment has made a significant contribution to bolstering the economy in the face of slowing global growth.”*

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## PART A – General Information

### Foreword by the Minister

Two years ago, we imported buses for municipalities from Brazil. Since April last year alone, we produced over 173 buses, here in South Africa, in factories in Germiston, Randfontein and Cape Town and with most of the bus bodies also made locally.

Three years ago, all of the taxis used in South Africa were imported. Since then, two taxi assembly plants have been established. They have produced 31 000 taxis in the past two years.

Finally, we have built many new hospitals, clinics and schools, and undertaken a major programme to build and upgrade universities and further education colleges across the country. These institutions are a direct investment in our people as well as improving the quality of life for millions.

The EDD contributes to the build programme in a number of ways.

A central role for the Department is to provide technical support to the Presidential Infrastructure Coordinating Commission (PICC) and to promote coordination across the state. It conducted in-depth monitoring and evaluation, providing amongst others some 72 reports on Strategic Integrated Projects (SIPs) progress to the national Cabinet in the course of the year under review. Department officials went on infrastructure site visits to provide decision makers with accurate, up-to-date information. This proved to be very valuable to the PICC. The EDD also delivers technical back-up for the engines of the PICC, especially the national management structures and the SIPs.

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*“Infrastructure is also powering industrialisation. In the past twelve months, we opened many factories directly connected to the supply of components or rolling stock used in infrastructure.”*

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The EDD helped to unblock important projects in the National Infrastructure Plan. In the past year, amongst others, it facilitated implementation of a programme to eradicate the bucket system in Hobhouse in the Free State; the installation of boreholes in the village of Ngobi in Moretele; and accelerated the issuing of water licences so as to ensure progress on a number of projects, including two wind-energy projects as well as the Kusile power station and the Rustenburg BRT system.

The EDD is also responsible for proposing policies and strategies to support the build programme. In the past year, together with the Department of Higher Education and Training, the EDD completed a project on skills for infrastructure. It identified a number of actions to combat cable theft, which has become a significant hazard for our people and for infrastructure operation.

### 5.3 Investment and Industrial Financing

In the year under review, the EDD was responsible for overseeing the Industrial Development Corporation (IDC) and its Small Enterprise Finance Agency, or **sefa**.

Industrial funding is critical to redirect the economy by supporting new industries and new entrepreneurs, including black industrialists, women and young business owners, and rural investors. It enables the economy to embark on new areas where the risks might deter purely private investors.

State support for industrial expansion is in excess of R25 billion, ranging from loans and equity to cash incentives, rebates of duty and tax incentives. The IDC alone approved investment of about R11.5 billion in the year under review.

The IDC now accounts for around 2% of total investment, and through partnerships with private company's leverages an additional 6%. Approvals reached R11,5 billion in the year under review. These investments supported 20 388 jobs, most of which are new jobs. Of the funds provided, almost R2 billion went to black industrialists. The resources provided to women doubled, to reach R756 million, while funding for youth rose more than threefold, climbing to R159 million.

In the year under review, the Department analysed levels of development and industrial funding by the state. It found that





between the IDC, **sefa**, the National Empowerment Fund (NEF), the Department of Trade and Industry (**the dti**) and the Department of Agriculture, Forestry and Fisheries (DAFF) as well as provincial development finance institutions, the state extends around R20 billion to transform our economy. This excludes tax incentives and rebates on duties. As a next phase, we will be working to identify ways to ensure that these resources achieve greatest possible improvements in the lives of our people, especially by supporting job creation and strengthening the development impacts.

The EDD itself also acts to unblock and promote major investments. It supports projects that face a wide variety of challenges, for instance, delays in obtaining land and access to infrastructure and water licences. Often EDD officials need to bring parties into a room to obtain an agreement that unlocks millions of rand investments and creates or saves hundreds of jobs.

In the 2014/15 financial year, for instance, the EDD worked with a textile producer and the IDC to save 150 jobs from liquidation; collaborated with local government to address cable theft that was affecting factories in Babelegi; assisted a bio-fuel ethanol project in KwaZulu Natal to secure a lease agreement for land; and fast-tracked the competition process for the buyout by Lewis Furniture of 63 Beares Furniture stores, which avoided the liquidation of these stores and saved approximately 350 jobs.

During the year, I visited a number of workplaces and communities to hear from South Africans whether we are making a difference at local level and to identify problems in implementation. For instance, I visited Chic Shoes, a major shoe factory, and opened its new premises on 16 September 2014. The company was started by a black woman in 2004 and now employs about 300 workers, with plans to expand to over 240 new jobs in the coming two years. The company received support from the IDC as well as a government production incentive grant.

In another case, a local steel pipe company in Gauteng notified the EDD that the Greytown water treatment works was planning to procure steel pipes from a Chinese company. The EDD held discussions with ArcelorMittal South Africa (AMSA), which provided steel pipes at a discounted price to the domestic manufacturer, which in turn provided further production discounts and passed on the AMSA discount to the Greytown project. It was able to supply the water pipes at a competitive price, resulting in the pipes being manufactured domestically instead of being imported.

The EDD is working with Lodox, which produces full-body scanners for medical use. This is an advanced technology that creates jobs in South Africa. Lodox has now sold machines in 22 countries worldwide, and also to the Health Departments in Gauteng and KwaZulu Natal. We are now actively supporting Lodox in marketing the product in South Africa and abroad.

## 5.4 Competition and Trade Regulation

The EDD is also responsible for overseeing the competition authorities. Vigorous enforcement of competition policy is particularly important in South Africa because of the highly concentrated economy and often collusive business practices shaped under apartheid. Many of the cartels being pursued today have treated their activities as the normal way of doing business for decades – but at the cost of higher prices, lower production and investment, and ultimately growth and job creation.

The EDD guides and supports the work of the competition authorities as required, and assists them in aligning competition enforcement with our national development strategy.

In the past few years, the competition authorities have increasingly sought to ensure that penalties levied for collusion and conditions on mergers promote smaller producers and job creation. These efforts have directed hundreds of millions of rands into industrial and agricultural development. In the past 12 months, fines and special mandatory funding worth R279 million were imposed on companies under the Competition Act.

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*“In an increasingly globalised world, ensuring that all parties play by the rules and that vulnerable producers have time to adapt to unanticipated import surges is increasingly important.”*

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## PART A – General Information

### Foreword by the Minister

As an example of these projects, in 2014, the EDD signed an agreement with AFGRI, a major grain storage and poultry company, as part of the process with the competition authorities around the takeover by an international private equity firm. The agreement provided for a range of technical supports and training for small farmers valued at R90 million over a period of four years, from 2014 to 2018, plus a further 40% discount on grain storage for emerging farmers. In 2014/15, a progress report on the AFGRI Development Fund confirmed that a total of 213 small black farmers benefited from a 40% discount for grain storage costs for emerging farmers since April 2014, and that 14% of chickens slaughtered by AFGRI are now provided by black emerging farmers.

The EDD oversees the International Trade Administration Commission of South Africa (ITAC), which implements the national trade policy. In an increasingly globalised world, ensuring that all parties play by the rules and that vulnerable producers have time to adapt to unanticipated import surges is increasingly important.

The EDD has provided legal support to ITAC to defend key decisions, in particular limiting exports of scrap metal in order to support national development goals on climate change,

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*“I am directing ITAC in the new financial year to adopt a principle of reciprocity when granting tariff support to industries, taking sectoral conditions into account. This means that tariff amendments will be conditioned on a commitment by beneficiaries on how they will perform against government’s set policy objectives, in particular employment, production and investment.”*

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infrastructure development and rebuilding local industries. It also works with the agency to improve the alignment of trade measures with industrial financing and other investment-promotion instruments. Its success is shown by the fact that, in the year to March 2015, exports of scrap iron ore fell by 14% and scrap copper by 71%.

Some key trade measures in the past 12 months included the following:

- Tariffs were increased on sugar, wheat, heat exchange units, vitrifiable enamels, bead wire, A3 and A4 business paper, some packaging materials and steel wire products, and some kinds of helical springs.
- Rebates on tariffs – that is, reductions – were provided for some upholstery fabrics, polyurethane flat shapes and silicone rubber straps for dust masks, pile fabrics for bedroom footwear, some inputs to washing preparations, cranberry juice concentrate for fruit juice and sodium hydroxide, while tariffs were reduced on graphite electrodes and stranded wire plated with brass.
- Rebates were also extended to manufacturers in Industrial Development Zones.
- Anti-dumping measures to prevent unfair competition by imports of frozen potato chips, chicken and soda ash.

## 5.5 Social Dialogue

The EDD has always seen social dialogue as critical to inclusive growth. But social dialogue requires strong partners. Business associations must be represented by large and small businesses. The labour movement must be united and effective in order to give a voice to the powerless and working poor. This issue came to the fore in the year under review, which saw further fragmentation of the trade union movement.

The Ministry engaged intensively with the unions and business to address industrial challenges. In addition, the EDD supported the Deputy Presidency’s engagements at NEDLAC around the national minimum wage and industrial conflict.

Over the past five years, the EDD facilitated five national social accords, which forged partnerships on education; skills; the green economy; local procurement; and youth employment. In 2014/15, it supported efforts to achieve the goals of these Accords.



## 5.6 Organisational Context and Outcomes

This past year was a transition period to the fifth Administration. The Department therefore spent considerable time assisting in developing the new Medium Term Strategic Framework (MTSF) for the Administration, particularly as it relates to the economy and to infrastructure. Following the adoption of the MTSF, the Department's own strategic and annual performance plans were restructured to take into account the new challenges we face. As a result of these changes, the Annual Performance Plan was revised in the first quarter of the 2014/15 financial year, with the new plan guiding our work for the nine months from June 2014.

Overall, the EDD fulfilled all of the targets in the Annual Performance Plan, and indeed over-achieved on many. However, to address the needs of our people, we should improve the development impact of our work and not simply undertake activities to comply with a plan. Actions must have strong impacts on the lives of citizens.

Reflections on current conditions as well as the EDD's achievements and experiences over the past five years have led us to develop significant changes in the departmental structure. These changes should enable a focus on implementation, problem-solving and unblocking, with somewhat less emphasis on policy development.

In this context, the EDD is grateful for the support provided by other departments and state agencies. Some 60 people have been seconded by various organs of the state to support the SIPs that fall under the PICC. For its part, the IDC provides important technical support and research, and other departments as well

as provincial governments collaborate closely with EDD staff on projects ranging from surveys of youth projects to support for new investment projects. This is part of a smart management system that we are developing, instead of building a large bureaucratic apparatus in the Department.

This process also laid the basis for a review of our APP targets for the coming financial year. We have worked to ensure they reflect our core outcomes better and to introduce stretch targets. In the past five years, including 2014/15, the EDD has met its goals and achieved an unqualified audit. But we can do more. Our aim is to continue improving the planning and implementation process so that our people gain more from the EDD's efforts, as they are increasingly well directed and more efficiently delivered.

## 5.7 Conclusion

In summary, in 2014/15, the EDD made real contributions to supporting more inclusive growth. In light of the global headwinds as well as the systemic economic distortions entrenched under apartheid, much more still needs to be done. Still, South Africa has made considerable progress since 1994 in building a stronger and more inclusive economy, laying a sound foundation for our work in the coming years.

I wish to thank the Deputy Minister and the out-going Director General for their hard work over the past year, as well as the employees of the IDC, **sefa**, the Competition Commission and Tribunal and ITAC as well as the Department for their support.

**Mr Ebrahim Patel**  
*Minister of Economic Development*  
31 July 2015



## 6. STATEMENT by the Deputy Minister



Mr Madala Masuku  
Deputy Minister of Economic Development

The end of the commodity boom and slow growth in our major trading partners has made it ever more important for the state to take vigorous actions not only to stimulate growth but also to ensure it is both sustainable and inclusive. This will go a long way in unlocking and encouraging investment, so as to reach the higher rate of growth and job creation required by both the New Growth Path (NGP) and the National Development Plan (NDP).

As highlighted in the Minister's foreword, the PICC continues to play a vital role in monitoring the implementation of infrastructure projects and addressing blockages to fast-track the roll out of key projects. The EDD would like to see this model of coordinated and effective governance replicated in other jobs drivers from the New Growth Path.

The PICC approach has been amplified within the Medium Term Strategic Framework (MTSF) 2014 – 2019 which emphasised the need for greater coherence and a common planning framework across government. It is against this background that the EDD has made a radical move to integrate economic development frameworks across the spheres of government. The Department has embarked on a process of engaging provinces and municipalities around the alignment and integration of plans to support inclusive growth and job creation.

Since joining the EDD as a Deputy Minister, I have led the engagements with provincial departments on co-ordination and integration of economic development planning across the three spheres of government. These included meeting with the leadership officials: Mpumalanga, Free State, KwaZulu-Natal, Eastern Cape and Limpopo. These engagements revealed that they have been taking steps in the right direction. Most of the provincial strategic plans and Provincial Growth and Development Strategies are beginning to focus on the national growth and development priorities as articulated in our National Development Plan and New Growth Path.

We also find that while the local economic development capacity in the metros is fairly well established, more support is still required for district and local municipalities. We are working with our provincial partners to play a bigger role in supporting economic development initiatives at the local level.

Our engagements with provinces and municipalities culminated in the hosting of a dynamic two-day conference on "Aligning Economic Planning and Development across the State" in March 2015. The conference was attended by senior officials from national, provincial and metro economics departments. It emphasised the need for integrated economic development planning across the state and to ensure that national policies, strategies and plans find expression at the provincial and local level, taking into account the specific contexts of these different regions.

The importance of municipalities in economic development and inclusive growth cannot be overemphasised. The EDD worked with several stakeholders to develop and strengthen key programmes and projects in the period under review.



Let me highlight some of the key achievements over the past financial year.

As part of the process of improving the planning around economic policy within the three spheres of government, the EDD supported the strategic planning sessions of the Limpopo Department of Economic Development, Environment and Tourism (LEDET) and the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs. We worked with these departments to identify how provincial plans could be better aligned with the NGP and take advantage of national programmes, including the National Infrastructure Plan and the Spatial Development Zones.

The EDD also facilitated the strategic planning workshop convened by the Mpumalanga Department of Economic Development and Tourism (DEDET), to assist with alignment of their plans and initiatives to national plans and the NDP. Furthermore, the Department reviewed the Provincial Growth and Development Plans of the Free State and the North West provinces, amongst others.

In Mpumalanga, the EDD developed a mapping report on agro-processing opportunities in the 18 local municipalities of the province, which provides summary information on selected projects that would be supported by the Department in the province.

In Limpopo, the Department together with the Vhembe District Municipality developed an assessment report on the Vhembe Local Economic Development Strategy. The EDD also helped the municipality to obtain support for co-operatives.

To contribute towards the objective of removing red tape, the Department conducted training in the state's new impact assessment system, the Socio-Economic Impact Assessment System (SEIAS) for Tshwane and Ekurhuleni. The Department is also working with Nelson Mandela Bay, which has approved the inclusion of SEIAS in its Policy Development Framework.

The past year has seen several notable successes in the EDD's work, although much still remains to be done. I look forward to continue strengthening the role of provinces and municipalities in the context of more coherent implementation of our development

strategies across the state.

Included in the subnational engagement above, the Department has incorporated and promoted the notion of township and village economies. To this effect, the Department has initiated some work on this area to establish the potential for developing more self-sustaining production through clusters in townships that meet local needs as well as linking into broader value chains. In line with our overall mandate, we have sought, in particular, to promote alignment of policies on the township economies. These policies necessarily involve all the spheres of the state and state-owned agencies and companies. It is important at this moment to acknowledge and appreciate the commitment of the Gauteng Province and the efforts it has advanced to make the township economy a practical reality.

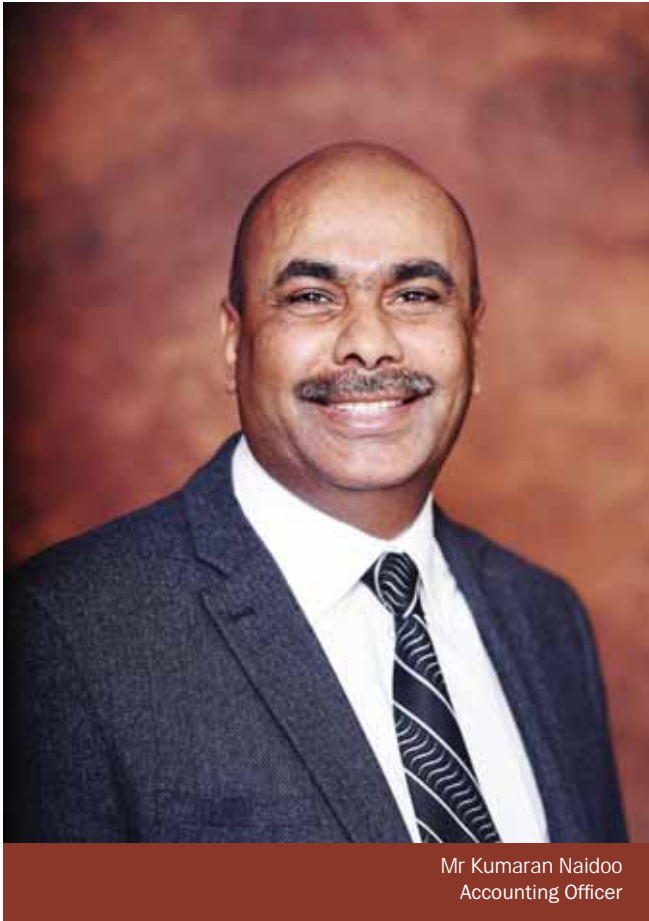
In the 2015/16 financial year, the Department shall focus on infusing the notion of township and village economies in the inter-sphere planning engagements. The EDD will also focus on the sustainability and practical implementation of the subnational plans by measuring them against the availability of natural resources, raw materials, human resource capacity and budgets. Our dream is to build capacity to drive the economy at the subnational level informed by strong people participation in shaping the destination of their economy and socio-economic development. We believe that it is activism at this level that will unleash energies, innovation, creativity and adaptability towards shaping their physical, economic, social and intellectual environment to achieve the socio-economic changes they seek to realise in their society, thus making the radical second phase of our development a reality.

I wish to thank the Minister, the Director General and the staff of the Department, as well as our counterparts in the provinces and municipalities, for their support and their hard work in serving our people over the past year.

**Mr Madala Masuku**  
*Deputy Minister of Economic Development*  
31 July 2015



## 7. REPORT of the Accounting Officer



Mr Kumaran Naidoo  
Accounting Officer

### 7.1 Overview of the Performance of the Department

The Economic Development Department (EDD) was established after the elections in 2009. Its role is to support job creation, inclusive growth, industrialisation and social inclusion through policy development, facilitation of major investments and projects and social dialogue, as well as integration and coordination between departments, spheres of government and public entities.

Having just completed its first five-year period of existence, some of the key achievements of the Department include:

- Agreement on the New Growth Path as a key economic strategy, which has become a pillar of the National Development Plan;
- Setting up the structures of the PICC, providing support for the PICC and finalising the Infrastructure Development Act;
- Establishing the Small Enterprise Finance Agency (**sefa**);
- Working with the IDC and **sefa** that has led to a substantial increase in financing for industry and smaller enterprises, with increasing developmental impacts;
- Strengthening the capacity and strategic approaches of the competition authorities and the International Trade Administration Commission of South Africa (ITAC), leading to a major focus on cartels and monopolies and stronger public interest priorities in mergers and approvals;
- Engagement with social partners, leading to Social Accords that underpin collaboration in addressing the challenges faced in building a more inclusive economy; and
- Supporting improved alignment around inclusive growth policies across the state through work in the Economic MinMec, the relevant clusters of state departments and the PICC, amongst others.

During the past administration, the EDD developed the administrative structures and policies required to live up to its responsibilities in terms of government policy while complying with governance requirements. The Department has consistently achieved unqualified audit opinions, achieved most of its annual targets and spent almost all of its annual allocated budgets.

For the financial year under consideration, the Department spent 99,7% of its allocated budget, met all its targets and exceeded its targets for 50% of the indicators included in its Annual Performance Plan (APP). The total planned targets for the year under review were 154 against which 209 were delivered. These statistics are reflected in the tables below.



## Performance against indicators

Budget programmes	Total indicators	Indicators against which targets were met	Indicators against which targets were exceeded	Indicators against which targets were not met
Economic Policy Development	4	2	2	–
Economic Planning and Coordination	13	5	8	–
Economic Development and Social Dialogue	5	4	1	–
<b>Total</b>	<b>22</b>	<b>11</b>	<b>11</b>	<b>–</b>

## Performance against targets

Targets against set indicators	Total	Economic Policy Development	Economic Planning and Coordination	Economic Development and Social Dialogue
Planned	154	18	122	14
Achieved	209	22	172	15

## 7.2 Organisational Development

Key to the success in delivering on the Department's objectives has been ensuring appropriate human resources. A continuous assessment of the Human Resources complement has been necessary for an organisation and key to service delivery. This process has provided the organisation with an opportunity to take stock of the Human Resources, the competencies possessed and their level of performance within the organisation. To maximise its Human Resources capacity the Department adopted an innovative management model that enabled work across programmes to meet its service requirements. It also implemented a staffing model that permitted mobilisation of resources as required, using permanent appointments, contracts and part-time appointments, secondments of staff and using of staff employed by other agencies. These measures have enabled the Department to deliver on its Strategic Objectives through responsive and appropriately resourced project teams.

In the coming period, the EDD will complement this delivery model with Expert and Advisory Panels to provide high-level capacity to support the Executive Management and Executive Authority. These panels will be constituted on areas such as economic policy, infrastructure development, social dialogue and competition policy. They may be established on an ad hoc or more permanent basis, as required, on a case by case basis.

The EDD will also commission work to be done through public institutions and universities, where appropriate, through the creation of budget lines based on Memoranda of Understanding (MOUs). These projects will source additional intellectual expertise to supplement the role of the EDD staff.

The EDD has also drawn on the strong expertise and research of the entities reporting to the Department. It will increasingly aim to coordinate the research work of these entities with the programmes of government, including through budget support for specified requirements.



## PART A – General Information

### Report of the Accounting Officer

The shortage of critical skills, especially economic and statistical analysts, has been a risk to the Department since it is dependent on external supply for these skills. The strategies outlined above are to mitigate some of these risks.

The Economic Development Department's organisational structure was approved by the Minister of Economic Development with the concurrence of the Minister of Public Service and Administration in 2009 with four core business branches and a total of 265 posts. The structure was funded incrementally over the Medium Term Expenditure Framework (MTEF), reaching a total of 164 funded posts for the year 2014/15.

The Department reflected on managerial and performance effectiveness of the 2009 structure and identified a number of weaknesses, including over segmented organisational and budgetary structures. This realisation and the need to enhance the organisational design for implementation of the MTSF resulted in work to review the organisational design and budget programme structure. In addition, the October 2014 Medium Term Budget Policy Statement (MTBPS) gave effect to the Cabinet decision to reduce allocations for compensation of employees across government, amongst other budget cuts, which required the EDD to unfund previously funded posts.

To this end, the EDD maintained the approved organisational structure to remove some of the anomalies identified and to operationalise the MTBPS directive. This involved un-funding of a number of managerial functions to enhance funding of technical staff posts, and adjusting supervisory relationships accordingly.

For the year under review, while the staffing target set at the start of the year was 164, the MTBPS guidelines (see above) required the EDD to reduce its staff to 149 from 2015/16.

In anticipation of this reduction the Department focused on filling only critical posts. As a result, at the end of the 2014/15 financial year, the Department had filled 124 posts. This has implications for the 2014/15 vacancy rate but was unavoidable and hence the vacancy rate is overstated.

During the 2014/15 financial year, the Department commenced a process of reviewing its organisational structure, a draft of which has been finalised. Consultation with staff on the new structure has begun and approval process will be finalised in the new financial year.

During this financial year the national elections were held, after which the Department of Small Business Development (the DSBD) was created to give focused attention to supporting and encouraging small businesses, which is considered key in the job creation initiatives of government. The implications of this for EDD are that the Minister of Small Business Development will be responsible for providing strategic direction to the work of **sefa**, as well as reviewing its corporate plan, annual report and quarterly reports as required by the Public Finance Management Act (PFMA).

## 7.3 Overview of the Financial Results of the Department

### 7.3.1 Departmental Receipts

The Departmental revenue collected in the 2014/15 financial year amounted to slightly over R50 million, as compared to R60 million in 2013/14. During the reporting period, Departmental revenue was generated mainly from dividends of R50 million received from the IDC. The table below reflects the breakdown of the Departmental receipts.





## Departmental receipts

Departmental receipts	2014/2015			2013/2014		
	Estimate R'000	Actual amount collected R'000	(Over)/ under collection R'000	Estimate R'000	Actual amount collected R'000	(Over)/ under collection R'000
Sale of goods and services other than capital assets	18	85	(67)	20	23	(3)
Interest, dividends and rent on land	50 250	50 237	13	50 045	50 229	(184)
Sale of capital assets	n/a	n/a	n/a	n/a	n/a	n/a
Financial transactions in assets and liabilities	80	45	35	82	9 836	(9 754)
<b>Total</b>	<b>50 348<sup>1</sup></b>	<b>50 367</b>	<b>(19)</b>	<b>50 147</b>	<b>60 088</b>	<b>(9 941)</b>

<sup>1</sup> Penalties collected by the Competition Commission are no longer reflected in the Annual Financial Statements of EDD, which is in line with the reporting requirements of the Office of the Accountant General. In the 2014/15 financial year the Commission collected R880 million in penalties, which was transferred to the National Revenue Fund via the EDD.

### 7.3.2 Departmental Expenditure

The budget allocation for the 2014/15 financial year was R697 million against which the expenditure was R695 million, i.e. 99,7% of the budget.

The spending pattern should be considered in the context of the departmental cost drivers, which comprises mainly transfer payments. Approximately 80% (R560 million) of the expenditure consisted of transfers to departmental agencies. The remaining funds were utilised for operational expenses. All EDD transfer payments are disbursed via Programme 3: Economic Planning and Coordination.

The total under-spending for the Department amounts to R2 million or 0.3% of the voted budget for the 2014/15 financial year. No requests for roll overs were made for the 2014/15 financial year. The table below reflects the department's expenditure against the programmes.

#### Programme expenditure

Programme Name	2014/2015			2013/2014		
	Final appropriation R'000	Actual expenditure R'000	(Over)/ Under expenditure R'000	Final appropriation R'000	Actual expenditure R'000	(Over)/ under expenditure R'000
Administration	88 076	87 419	657	91 342	91 301	41
Economic Policy Development	12 834	12 775	59	23 891	23 886	5
Economic Planning and Coordination	586 500	585 452	1 048	644 515	644 511	4
Economic Development and Social Dialogue	9 450	9 267	183	11 718	11 697	21
<b>Total</b>	<b>696 860</b>	<b>694 912</b>	<b>1 948</b>	<b>771 466</b>	<b>771 395</b>	<b>71</b>



**PART A – General Information**  
Report of the Accounting Officer

### 7.3.3 Virements

A total of R 6,8 million was re-directed from Administration to Economic Planning and Coordination (R5,4 million), Economic Policy Development (R0,9 million) and Economic Development and Social Dialogue (R0,5 million) through internal virements. Funds were redirected to entities as outlined below.

Virements from programmes	Virements to programmes	Virement amounts (R'000)	Reason
Administration	Economic Planning and Coordination	5,4	R5,1 million to ITAC, and Competition Tribunal for accommodation costs and R250 000 reprioritised internally.
Administration	Economic Policy Development	0,9	Reprioritisation of the budget
Administration	Economic Development and Social Dialogue	0,5	Reprioritisation of the budget
<b>Total</b>		<b>6,8</b>	

### 7.3.4 Unauthorised, Fruitless and Wasteful Expenditure

The EDD had no unauthorised, fruitless and wasteful expenditure for the 2014/15 financial year. All Supply Chain Management processes and systems are in place to prevent irregular expenditure.

### 7.3.5 Gifts and Donations

Gifts and donations received in kind from non-related parties.

Organisation	Gifts or donation
Phakisa World Fleet Solutions	Metal travelling cup and chocolate
IDC	Gift pack (Colibri towel, dish towel, Christmas crackers and dairy concentrate)
Travel With Flair (PTY) LTD	5 boxes (150) of calendars
Konica Minolta South Africa	3 calendars and 3 diaries

### 7.3.6 Exemptions and Deviations Received from the National Treasury

No exemptions were requested and/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.

### 7.3.7 Events after reporting date

No events took place after the reporting date of 31 March 2015 that would impact on the financial position of the EDD.

The next financial year will see the Department consolidating its plans, and implementing its new 2015 – 20 Strategic Plan. The Department will continue with its role of providing secretariat support to the PICC and the roll-out of infrastructure. The monitoring of the Accords will also proceed as per our Annual Performance Plan of 2015/16. The Department's management will continue to provide strategic guidance to its entities to ensure that they fulfil their mandates.

The Minister, Deputy Minister, the entities reporting to the EDD and all the staff are acknowledged for their continuous dedication and commitment.

**Mr Kumaran Naidoo**  
Accounting Officer

31 July 2015



8.

## STATEMENT OF RESPONSIBILITY and Confirmation of Accuracy for the Annual Report

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

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

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

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

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

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

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the Performance Information, the Human Resources Information and the Annual Financial Statements.

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

In my opinion, the Annual Report fairly reflects the operations, the Performance Information, the Human Resources Information and the financial affairs of the Department for the financial year ended 31 March 2015.

Yours faithfully

**Mr. Kumaran Naidoo**  
*Accounting Officer*

31 July 2015



## 9. STRATEGIC Overview

### 9.1. Vision

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

### 9.2. Mission

The EDD aims to:

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

### 9.3. Values

The EDD promotes the Constitution, with special reference to the chapters on human rights, cooperative governance and public administration, including these key basic values and principles governing public administration (section 195(i)).

The EDD upholds the following values:

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



## 10. LEGISLATIVE and Other Mandates

The EDD was established in 2009 when the state conducted a macro-reorganisation of state institutions under Schedule 1 of the Public Service Act of 1994 (as amended by the Public Service Amendment Act 30 of 2007). It acts in accordance with the following legislation, government policies and strategies, and social accords.

### The EDD administers the following legislation:

- The Industrial Development Corporation Act (Act No. 22 of 1940);
- The Competition Act (Act No. 89 of 1998);
- The Competition Amendment Act s16 (2008) s16 promulgated 1 April 2013; and
- The International Trade Administration Act (Act No. 71 of 2002).

Since 2014, the EDD has had responsibilities under the Infrastructure Development Act No. 23 of 2014.

### The following policy frameworks guide the Annual Performance Plan of the Department:

- State of the Nation Address
- National Development Plan
- New Growth Path
- National Infrastructure Plan
- Industrial Policy Action Plan
- Delivery Agreement on Outcome 4: Decent employment through inclusive economic growth
- Delivery Agreement on Outcome 5: A skilled and capable workforce to support inclusive growth
- Delivery Agreement on Outcome 6: Efficient, competitive and responsive economic network

- Delivery Agreement on Outcome 7: Vibrant, equitable, sustainable rural communities, and
- Framework for South Africa's response to the international economic crisis (2010).

### Accords that the Department facilitated and monitors:

- Basic Education Accord
- National Skills Accord
- Local Procurement Accord
- Green Economy Accord
- October 2011 Social Accord, and
- Youth Employment Accord.

### The EDD participates in, supports or convenes the following coordinating structures:

- The EDD coordinates, integrates and provides technical support, monitoring and evaluation functions, secretariat services and inter-governmental coordination to the PICC.
- The EDD, together with **the dti**, convenes the MinMec/ Technical MinMec with provincial Members of the Executive Council (MECs) and economic development departments.
- The EDD supports **the dti** in its convening of the Outcome 4 Technical Implementation Forum.
- The EDD is a member of the Economic Sectors and Employment Cluster and the Infrastructure Development Cluster. In the new financial year, these structures have been combined in the Economic Sectors, Employment and Infrastructure Development Cluster.



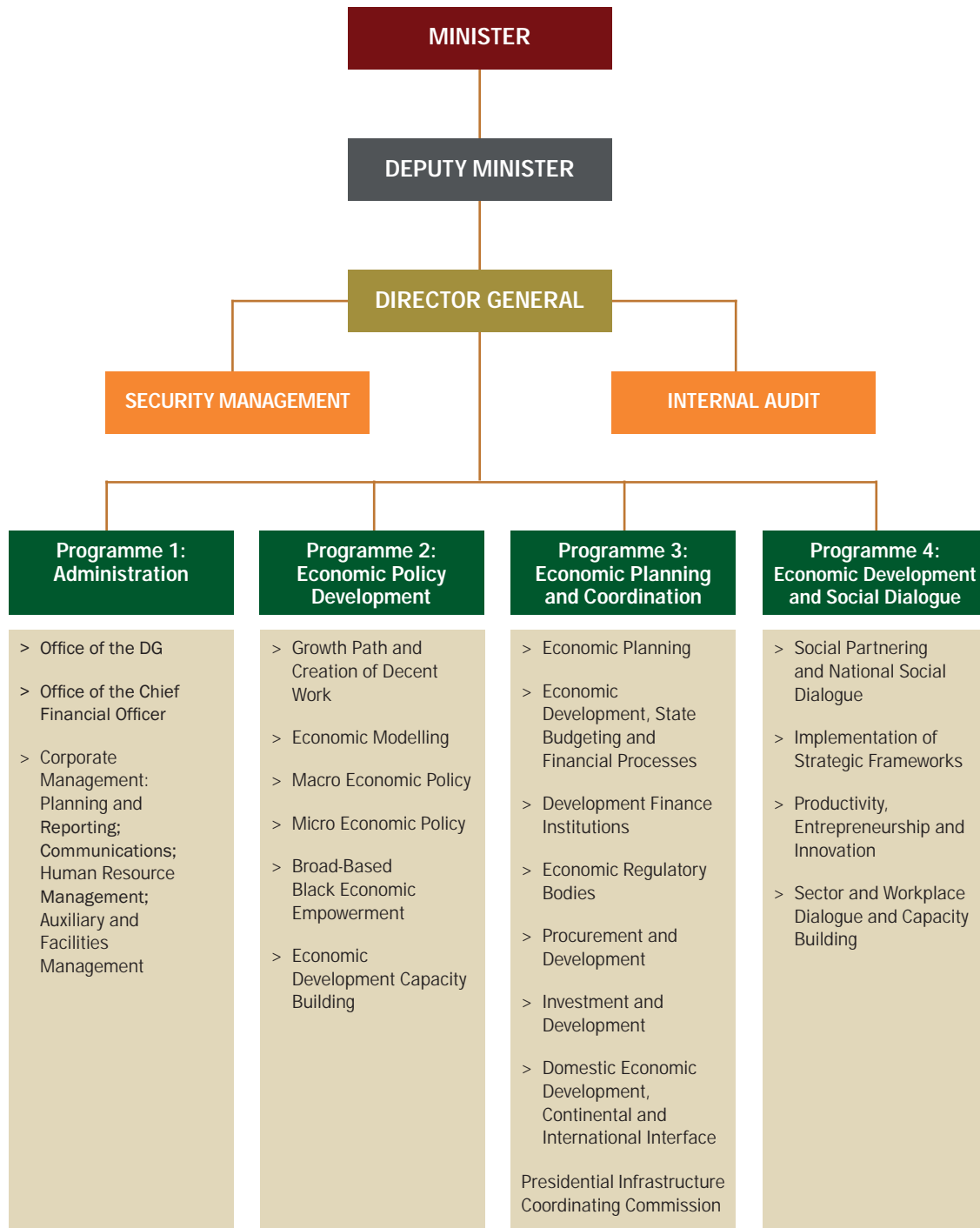
# PART B

## Performance Information





# 1. ORGANISATIONAL Structure







## 2. ENTITIES REPORTING TO THE MINISTER

*The following entities reported to the Minister in 2014/15.*

Name of Entity	Legislative mandate	Financial relationship	Nature of operations
The Competition Commission	The Competition Act, 1998 (Act No. 89 of 1998)	The Department transfers money to the entity for it to be able to fulfil its mandate	The Competition Commission is the investigative and enforcement arm of the Competition Act and investigates mergers and/or anti-competitive conduct and refers its findings to the Competition Tribunal for a decision.
The Competition Tribunal	The Competition Act, 1998 (Act No. 89 of 1998)	The Department transfers money to the entity for it to be able to fulfil its mandate	The Tribunal adjudicates on mergers and prohibited practice cases. Prohibited practice cases involve anti-competitive outcomes achieved either through co-ordinated conduct between competing firms or through unilateral conduct by a dominant firm.
The International Trade Administration Commission of South Africa (ITAC)	The International Trade Administration Act, 2002 (Act No. 71 of 2002), save for item 2 of Schedule 2 of this Act read with section 4(2) of the Board of Tariffs and Trade Act (Act No. 107 of 1986), which is administered by the Minister of Trade and Industry	The Department transfers money to the entity for it to be able to fulfil its mandate	ITAC aims to create fair trade conditions that will boost South Africa's economic development and growth.
The Industrial Development Corporation (IDC)	The Industrial Development Corporation Act, 1940 (Act No. 22 of 1940)	IDC generates the bulk of the funding required for investment through internal profitability and borrowing funds. It manages some funds on behalf of the EDD (eg. Agro-processing Competitiveness Scheme) and <b>the dti</b> (Manufacturing Competitiveness Enhancement Scheme, Clothing and Textiles Competitiveness Programme, etc.)	IDC's main activities focus on the provision of industrial financing to support sustainable industrialisation, job creation and empowerment. It develops projects in priority industries, provides non-financial support to businesses, manages funds on behalf of government, undertakes economic research and provides support and capacity to government.
The Small Enterprise Finance Agency ( <b>sefa</b> )	<b>sefa</b> is established in terms of the Industrial Development Corporation Act (Act No. 22 of 1940)	<b>sefa</b> receives an annual grant from the EDD. The grant is channelled via the IDC	<b>sefa</b> provides financing for medium, small and micro enterprises through wholesale and direct lending; providing credit guarantees; supporting financial intermediaries; creating strategic partnerships for sustainable SMME development and support; as well as innovative financing mechanisms.



## **2.1 Highlights of Agency Performance in 2014/15**

### **2.1.1 Competition Commission**

#### ***Strategies to promote industrialisation***

The Competition Commission's five year strategic plan, vision 2030, talks to strategic collaboration with other economic stakeholders with a view to achieve improved coordination on the application of economic policy and competition policy.

This reflects the internalisation by the Commission of the Minister's vision of strengthened coordination around industrialisation and combating the impact of price fixing and market abuse.

#### ***Amendments to the Competition Act***

With regard to amendments to the Competition Act, the Commission will be providing input into the proposed amendments to the Act for consideration by the Minister. The proposed amendments are designed to, inter alia, strengthen the Commission's ability to prosecute abuse of dominance contraventions by firms and to address procedural problems in the processes related to the investigation and litigation of cases.

#### ***Public Interest Issues***

Through employment-related merger conditions, firms committed to create 2 429 new jobs and to save 2 231 existing jobs. The mergers reviewed during this period resulted in a loss of 584 jobs. Discounting these job losses, the Commission's interventions on employment had a positive net effect on jobs of 4 076.

#### ***Walmart Supplier Development Fund***

Since the inception of the R200 million Walmart Supplier Development Fund in 2012, the Fund administrators claim funding to the value of R71 million has been disbursed to qualifying enterprises, as at December 2014. The disbursed funding is said to have benefitted 139 smallholder farming enterprises and 24 manufacturing SMME's.

A detailed engagement has been underway by the Ministry with Walmart to renew the impact, efficiency and project selection of products supported by the fund and will be reported in the new financial year.

#### ***Civil Remedies and Restitution Packages***

The consent agreements entered into by the Commission with various firms as part of the Commission's Fast Track Settlement

Process have paved the way for various consumers affected by collusions in the construction industry to bring civil claims for damages in the ordinary civil courts by obtaining section 65 certificates from the Tribunal. A section 65 certificate is a prerequisite for bringing a damages claim in the ordinary civil courts against firms found in contravention of the Act by the Tribunal. In the past financial year the Tribunal has issued over 200 section 65 certificates.

The Commission's policy to safeguard the interest of consumers to bring claims of civil damages in the ordinary civil courts against cartel members in the construction sector informed the Commission's decision to enter into consent agreements with leniency applicants in the Commission's Fast Track Settlement Process in order to preserve the rights of consumers to bring civil claims for damages against, inter alia, leniency applicants. These consent agreements with leniency applicants were the first of their kind to be concluded by the Commission.

The Commission has also commenced the first phase of prosecutions in the Competition Tribunal against several firms who did not settle their cases in the Commission's Fast Track Settlement Process.

On 2nd August 2013, the Gauteng North High Court delivered a judgment in the matter of Premier Foods v Norman Manoim. It found in favour of the Competition Commission and consumers that the Competition Tribunal had jurisdiction to issue a s65 certificate against a leniency applicant who was not necessarily cited in the complaint referral but against whom the Tribunal had made a finding on the merits. Through its participation in the High Court proceedings, the Commission sought to safeguard the rights of consumers to bring damages claims against members of the bread cartel. On 23 April 2014, the Supreme Court of Appeal granted special leave to Premier Foods to appeal the High Court judgment. The appeal will be set down for hearing in the Supreme Court of Appeal at a later date.

#### ***Pioneer Foods Agro Processing Competitiveness Fund***

Since the establishment of the Agro-Processing Competitiveness Fund (APCF) from the Pioneer Foods remedy in April 2011 up until March 2015, funding to the value of R186 118 290 (74% of the total fund size of R250 million) has been approved to 30 enterprises. The Fund has crowed-in co-funding from various third parties, including contributions



by the enterprise owners themselves, and in two instances co-funding was provided by commercial banks. The largest co-financier is the IDC, which contributed an additional R172 885 641 in loan finance.

### ***Private Healthcare and Gas Market Inquiries***

The Health Inquiry received and reviewed 68 detailed submissions in response to the call for submissions published on 1 August 2014. The 68 submissions totalled in excess of 15 000 pages received from various stakeholders, including hospitals, medical schemes, practitioner groups, individuals, regulatory bodies and state institutions. The non-confidential version of the submissions was published on the Commission's website on the 5th of February 2015 and stakeholders were afforded an opportunity to review all submissions and respond to areas of inaccurate, adverse or possibly misleading information contained in these submissions. The inquiry has now entered its detailed analysis phase with the issuing of detailed information and data requests to relevant stakeholders.

This includes a process of eliciting further detailed information from stakeholders and is considered necessary by the panel to enable it to carry out its tasks. The first sets of information and data requests have been submitted to the major hospital groups, medical schemes and medical scheme administrators. The volume of data/information expected in response to these formal requests is likely to be substantial. The analysis phase will be followed by public hearings where the key issues will be addressed with all relevant stakeholders.

The Commission initiated a market inquiry in the LPG (Liquified Petroleum Gas) sector in August 2014 and proceeded to issue a call for submissions on 16 September 2014. The Commission concluded reviewing all these submissions. The review was followed up with detailed information requests to all major market participants. The Commission also undertook site visits/field investigations across all levels of the LPG value chain to gain a better understanding of the critical issues in the industry. By mid-May 2015, the Commission will have received responses from information requests sent out. The inquiry is progressing well and the Commission is confident of meeting the deadline of March 2016.

### ***BRICS International Competition Conference***

The Commission, with the support of the Ministry, will host the 4th BRICS International Competition Conference in Durban between 11 and 13 November 2015. The aim of the conference is for BRICS competition authorities to share experiences and best practice on competition policy and enforcement strategies amongst BRICS countries. The conference will explore a number of developmental issues and the impact of competition law and policy in the various economies under the theme "Competition and Inclusive Growth". Relevant Ministers, authorities, practitioners, academics, civil society and business leaders from across the globe will attend the conference.

### ***2.1.2 Competition Tribunal***

During financial year under review the Competition Tribunal saw a small increase in the number of consent orders granted. In the 2014/15 financial year the Tribunal granted 43 consent orders compared to 42 in the previous year. The orders granted are mainly the result of a large cartel uncovered by the Competition Commission in the furniture removal industry which involved 45 furniture removal companies. Cover bids were submitted in respect of large tenders issued by, amongst others, public entities such as Eskom, the SANDF, and the SAPS. Although the penalties are not large they represent between 5 – 10% of the removal companies' turnover.

Other industries in which cartels were found to be operating were in the fishing industry, airlines cargo, electrical cables, and concrete and masonry products.

The total number of administrative penalties levied by the Tribunal during 2014/15 amounted to R189 million.

Since 2013 there has been a steady increase in the number of large mergers referred to the Tribunal. In 2013 only 67 mergers were referred by the Commission, while in 2015 the number increased to 106. The Tribunal heard and decided 98 large mergers, up from 97 in 2014.

The Tribunal approved 13 large mergers with employment conditions in the past financial year. Two mergers need special mentioning here, namely the offer by Lewis Stores to buy all the viable stores owned by Ellerine's Beares division, as part of the African Bank failure, and the Bidvest acquisition of Adcock Ingram. Although neither of the mergers raised any competition concerns both raised important public interest concerns.



## PART B Performance Information

The Tribunal heard the Ellerines transaction on an expedited basis in light of the fact that it concerned a failing company which would result in a large number of job losses. The Tribunal imposed an employment condition preventing Lewis from retrenching any employee as a result of the transaction and ordering Lewis to invite affected employees of the non-viable stores to apply for new positions at the viable stores that it bought. A total of 339 jobs were saved as a result of the transaction. The expedited basis on which the case was heard demonstrates that the public interest in employment can be of benefit to merging parties as well.

In the Adcock merger the Tribunal developed new jurisprudence around employment concerns. The Tribunal clarified what it meant by “merger related” as opposed to “operational” retrenchments. In this transaction there was a change in the employment policy of the acquiring company that was significantly different of that of the target firm pre-merger. The Tribunal found that retrenchments made pursuant to such policy changes could be regarded as merger specific. Secondly, where a firm does not consult with labour properly, its decision to retrench will not be regarded as being rationally made. The Tribunal held that even if a firm considers retrenchments post-merger to be operational and not merger specific, labour needs to be consulted so it can make submissions on this aspect as it may have a different view.

It is also worth noting that in the past 15 years the Tribunal has placed employment related conditions on more than 29 mergers and prevented more than 3 803 job losses as a result of the conditions placed.

### 2.1.3 *The International Trade Administration Commission of South Africa (ITAC)*

As enunciated in the New Growth Path and the Trade Policy and Strategy Framework, ITAC follows a developmental or strategic approach to tariff setting with the objective of promoting domestic manufacturing activity, employment retention and creation and international competitiveness. An increase in customs duty is considered on a case by case basis to support domestic producers, particularly those making a contribution to employment or value addition, and are experiencing threatening import competition.

Currently, when applying for a tariff change, an applicant must explain how the change in duties will affect it and provide a

developmental plan with implications of its proposal. Following guidance from the Ministry this work will be advanced and ITAC will be implementing a Ministerial Directive on the principle of reciprocity when granting tariff support to industries. This means that tariff amendments will be conditioned on a commitment by beneficiaries on how they will perform against government's set policy objectives, in particular employment, production and investment.

Since April 2014, the Commission recommended a tariff increase on sugar. Implemented by SARS, the domestic reference prices for sugar was raised from US\$358/Ton to US\$566/Ton resulting in an increase in the duty of sugar to 201,1c/kg, equivalent to 45% ad valorem when the variable tariff formula was triggered.

In a previous financial year, the variable tariff formula for wheat had been amended by increasing the domestic reference price from US\$215/Ton to US\$294/Ton triggering a duty in early 2015 of 46,1c/kg, equivalent to 16% ad valorem.

In the past year, the Commission further recommended tariff increases, which were implemented by SARS, on:

- heat exchange units from free of duty to 15%;
- verifiable enamels from free of duty to 5%;
- bead wire from free of duty to 10%;
- A3 and A4 business paper from free of duty to 5% and 10% respectively;
- flexible packaging materials from free of duty to 5%;
- steel wire products from 5% to 15%; and
- certain helical springs from 5% to 30%.

A number of rebates of duty provisions have been recommended and implemented by SARS, to reduce the cost of production for manufacturing firms and increase their international competitiveness. Such rebates include provisions for certain fabrics for upholstered furniture, polyurethane flat shapes and silicone rubber straps for dust masks, pile fabrics for bedroom footwear, methyl ester sulphonate for washing preparations, cranberry juice concentrate for fruit juice; certain electronic ballasts for the manufacture of fluorescent discharge lamps; sodium hydroxide for use in the manufacture of sodium hypochlorite; and an amendment to Schedule no. 3 of the Customs and Excise Act to allow manufacturers in an Industrial Development Zones customs controlled area to use Schedule No. 3 rebates.



### Trade Remedies

Trade remedies, including anti-dumping, countervailing measures and safeguards, are a critical government intervention to retain jobs and support domestic industry against unfair trade practices. Of the three instruments, the mostly used is anti-dumping. Anti-dumping duties are imposed to protect the Southern African Customs Union (SACU) industry against unfair trade practices, where foreign producers export products to SACU at prices lower than their domestic selling prices, causing or threatening to cause material injury to the SACU industry.

#### Anti-dumping

##### Frozen Chicken – Anti-Dumping

An anti-dumping investigation on frozen chicken originating in or imported from Germany, the Netherlands and United Kingdom was initiated in the previous financial year. The South African Poultry Association (SAPA), representing the domestic industry in this investigation, lodged the application. The investigation was finalised and final duties were imposed in February 2015.

##### Soda Ash – Anti-Dumping

An investigation on behalf of the Government of Botswana was initiated and a preliminary determination was made by the Commission in the previous financial year. The investigation was finalised in June 2014 and final anti-dumping duties were imposed.

#### Sunset Reviews

Sunset reviews are to determine the likelihood of continued dumping that would result in injury when anti-dumping or countervailing duties are removed after the five years they are in place. Four anti-dumping sunset review investigations covering welded link chain, gypsum plasterboard, wire ropes and cables, and tall oil fatty acid were initiated in the previous financial year and were finalised in the year under review. The duties on gypsum plasterboard, and wire ropes and cables were maintained.

#### Safeguard

Safeguards are short term measures to remedy serious injury to a SACU industry caused by a sudden surge in imports as a result of unforeseen events. Safeguard measures were imposed against the increased importation of frozen potato chips at the following rates:

Period	Rate
5 July 2014 to 4 July 2015	40,92%
5 July 2015 to 4 June 2016	20,45%

### Import and Export Control

Out of South Africa's approximately 6 650 tariff lines, 276 are under import control and 177 tariff lines are under export control. These import and export control measures are to enforce inter alia health, environmental, security, safety, and technical standards arising from domestic law and international agreements.

During the reporting period, 18 454 import and 14 181 export permits were issued. The bulk of the import permits (3 765) were issued for the importation of machinery and mechanical appliances, equipment and parts thereof of chapter 84 of the Harmonized Customs Tariff.

Control is exercised over the export of ferrous and non-ferrous waste and scrap for health and environmental purposes, ensuring that the exported material complies with the requirements of the Basel Convention for the Control of Trans-Boundary Movement of Hazardous Waste and Scrap. However, the growing exports of scrap metal have also impacted negatively on environmental, infrastructure and industrial policies and in this regard, a price preference system has been introduced to ensure that the domestic downstream scrap processing industry has access to the necessary supply of affordable scrap metal.

The Commission conducted a review of the discount rates in the price preference system for ferrous and non-ferrous waste and scrap metal. In terms of the previous dispensation, exporters were required to offer the domestic foundries and other metal beneficiation industries scrap metal at a price preference rate of 20% below an international benchmark price. However, as a result of the considerable differences in the value of scrap metal such as steel, copper, and aluminium, in certain instances the rate of 20% was too low. The Commission decided to implement the following changes to the price preference rates:

- An increase in the price preference rate for steel (incl. stainless steel) scrap to 30% below the international benchmark price; and
- An increase in the price preference rate for aluminium scrap to 25% below the international benchmark price.



### 2.1.4 The Industrial Development Corporation (IDC)

The IDC maintained high levels of funding approvals despite the challenging investment conditions, approving R11.5 billion in 2015. Investment over the last five years has increased considerably compared to the previous five years. Funding for the five year period from 2005/6 to 2009/10 was R39 billion, while funding for the next five year period increased to R61 billion.

Of the R11,5 billion approved, 46% was directed at manufacturing activities, 20% for mining operations and 34% towards infrastructure development and services sectors. Disbursements were R10,9 billion for the financial year.

IDC expects its funding approvals in 2014/15 to create 14 537 jobs and save a further 5 851 jobs, giving a total jobs impact

of 20 388 jobs. Since its focus is on developing manufacturing capacity, 59% of the jobs expected to be created or saved are in this sector. These include a substantial number of new jobs in industries such as recycling, metal products and transport equipment (including automotive components) and agro-processing.

Of the funds that IDC plans to invest over the next five years, R4,5 billion will be targeted for youth empowered businesses and a further R4,5 billion will be targeted for women empowered businesses. In 2014/15 IDC funding for youth empowered enterprises increased from R105 million in 2013/14 to R144 million in 2014/15. The funding approved for women empowered businesses where women had at least a 25% shareholding increased from R325 million in 2013/14 to R756 million in 2014/15

#### Summary of IDC activities for 2010/11 to 2014/15

	Funds approved	Funds disbursed	Number of approvals	Jobs expected to be created and saved through approvals (direct employment only)	Funding for youth-empowered enterprises (> 25% shareholding by youth)
2014/15	R11,5 billion	R10,9 billion	210	20 388	R158,6 million
2013/14	R13,8 billion	R11,1 billion	196	19 593	R105,1 million
2012/13	R13,1 billion	R16,0 billion	238	22 872	R39,7 million
2011/12	R13,5 billion	R8,4 billion	293	45 956	R57,8 million
2010/11	R8,7 billion	R6,3 billion	221	31 316	R111,0 million

### 2.1.5 Small Enterprise Finance Agency (sefa)

sefa funding has remained above R1 billion for two consecutive years. It implements loan programmes through a hybrid of direct lending through regional offices and wholesale lending through financial intermediaries.

Approvals were R1 008 million in 2014/15. New innovative supplier credit schemes have been developed to increase the utilisation of the Khula Credit Guarantee Scheme.



The table below provides a high level summary of **sefa's** performance with regard to approvals and disbursements.

### sefa approvals and disbursements

Performance measure	2013/14 R million	2014/15 R million	% Increase/ (decrease)
Approvals	R1 065	R1 008	(5,6%)
<b>Disbursements:</b>			
Intermediary disbursement utilising <b>sefa</b> funds plus <b>sefa</b> disbursements through its Direct Lending Channel	R822	R1 294	36,5%
<b>sefa</b> disbursement to intermediaries plus <b>sefa</b> disbursements through its Direct Lending Channel	R549	R665	17,4%

**sefa's** disbursements impacted 51 460 SMMEs and co-operatives and it is anticipated that **sefa** disbursements supported 60 169 direct job opportunities. In order to play a role in addressing the challenges of youth poverty and unemployment, **sefa's** funding to youth-owned businesses increased by 85% from

R157 million in 2013/14 to R292 million in 2014/15. In addition, 74% of the funds disbursed benefitted black-owned business, 49% to enterprises in rural and peri-urban areas, and 37% to women-owned businesses. The table below summarises **sefa's** developmental impact:

### Indicators of developmental impact for sefa for 2014/15

Number of SMMEs financed	51 460
Number of jobs supported	60 169
Approved to youth owned enterprise (18 – 35 years old)	R292 million
Approved to women owned enterprise	R437 million
Approved to black owned enterprise	R848 million
Facilities approved to end users under R250 000	R228 million



### 3. **AUDITOR-GENERAL'S REPORT** Predetermined Objectives

The Auditor-General South Africa (AGSA) has conducted certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusions on the performance against predetermined objectives is included in the report to management, with material

findings being reported under the Predetermined Objectives heading, in the report on other legal and regulatory requirements section of the auditor's report.

Refer to Part E on financial information for the Auditor-General's report.

## 4. **OVERVIEW OF Departmental Performance**

### 4.1 **Service Delivery Environment**

The EDD as a coordinating Department is tasked with catalysing the transformation of the South African economic landscape with the New Growth Path (NGP) as the key policy in this regard. A key feature of the NGP is that economic growth needs to be underpinned by employment creation and greater equity in the distribution of socio-economic benefits and opportunities.

Our efforts to fulfil this commitment are affected by the on-going uncertainties in the global economy. In these conditions, it is important to unlock the opportunities in domestic and regional markets, including through more effective coordination by public entities and greater crowding in of private investment. That will require strong initiatives to address key challenges, notably around electricity and labour relations, while taking forward the overall strategy of driving the infrastructure build programme and realising the potential of the jobs drivers identified in our policy framework.

2013/14 had seen a continued strengthening of policy coherence centred on the implementation of the NDP with the NGP as its operational component for the economy. The Outcomes system, in particular Outcomes 4 and 6, provided an increasingly important framework for managing economic transformation. The year 2014/15 saw a renewed emphasis on driving implementation based on the Medium-Term Strategic Framework (MTSF) adopted in mid-2014. This guided a further refinement of the Department's plan and indicators and had structural and staffing implications (which are addressed in more detail in the relevant section).

On this basis, work by the Ministry and Department in the following areas contributes to building a jobs rich, efficient and inclusive economy:

- Cabinet, its structures and the PICC;
- The Economic Sectors, Employment and Infrastructure Development (ESEID) Cluster and national departments;
- The competition authorities and ITAC as well as economic regulators in general;
- The Development Finance Institutions, specifically the IDC;
- Premiers and provincial Departments of Economic Development and their MECs;
- Municipalities;
- Workers, particularly through their trade unions;
- Businesses, investors, entrepreneurs and smaller enterprises, including through organised business;
- Historically marginalised communities, including youth and black women in their roles in the economy; and
- Social entrepreneurs through NGOs and the social economy.

The EDD has reviewed its service delivery model on the basis of the experience of the first five years of its existence and the new service delivery environment in which it operates. It recognises the need to continually develop the appropriate mechanisms for integration and coordination across the state while maintaining the agility required to respond to changing economic conditions.

Given the dynamic nature of the economy and the EDD's role, the service delivery model needs to be sufficiently agile to respond to rapidly emerging economic circumstances as well as





government's need for integration, coordination, and monitoring and evaluation of the implementation and impact of economic policy and strategy.

The EDD aims to support decent work, reduced inequality, and stronger economic growth. It has a co-ordinating, integrating and unblocking role and an obligation to be responsive to changing dynamics in the economy.

To fulfil this role, it has adopted an innovative management model that enables work across programmes to meet its service requirements. It has also implemented a staffing model that permits mobilisation of resources as required, using permanent appointments, contracts and part-time appointments, secondments of staff and use of staff employed by other agencies. These measures enable the Department to deliver on its Strategic Objectives through responsive and appropriately resourced project teams.

In the coming period, the EDD will complement this delivery model with Expert and Advisory Panels to provide high-level capacity to support the Executive Management and Executive Authority. These panels will be constituted on areas such as

economic policy, infrastructure development, social dialogue and competition policy. They may be established on an ad hoc or more permanent basis, as required, on a case by case basis.

The EDD will also commission work to be done through public institutions and universities where appropriate, through the creation of budget lines based on Memoranda of Understanding (MOUs). These projects will source additional intellectual expertise to supplement the role of the EDD staff.

The EDD also draws on the strong expertise and research of the entities reporting to the Department. It will increasingly aim to coordinate the research work of these entities with the programmes of government, including through budget support for specified requirements.

## 4.2 Service Delivery Improvement Plan

The EDD has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

### Main services and standards

Main services	Beneficiaries	Current/Actual standard of service		Planned achievement against standards	Achieved
Economic Policies and Reports	Economic Cluster, Cabinet, provincial departments and the public	Quantity and time	Reports and policies produced but some not on time	10 % improvement against the actual standard of service achieved in 2013/14	Achieved
		Quality	Reports and policies are well received by key stakeholders	Strive to improve the quality of reports on a continual basis	Partially achieved
		Consultation	Consultation takes place at Cluster and Ministerial level	Improve the frequency of consultations	Achieved
Economic Plans	National departments, provincial governments, municipalities, social partners and the public	Quantity and time	Targets (quantity and time) are met on plans	Improve the timeliness of reports by consulting with departments and social partners on a regular basis	Achieved
		Quality	Reports generally of good quality	Improve the quality of reports on a continual basis	Partially achieved
		Consultation	Time constraints may limit consultation	Consult with stakeholders on a regular basis	Achieved
Social Dialogue	National departments, provincial governments, municipalities and social partners	Quantity and time	Sufficient quantity and good timing	Continue to monitor social partner commitments	Achieved
		Quality	All Accords are of good standard	Review and revise accords as and when necessary	Partially achieved
		Consultation	Sufficient consultation is conducted with social partners	Continue to consult social partners	Achieved



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**Consultation arrangement with stakeholders**

Type of arrangement	Actual stakeholders	Potential stakeholders	Planned achievements	Achieved
Engagements with stakeholders	Ministers, MECs and legislature	Provincial departments	Economic development plans will be advocated to Parliament, Ministers and MECs	Achieved
	Economic Clusters	Economic Cluster Departments	An agreed schedule of meetings at more frequent of intervals will be planned and better resourced to provide greater impetus against socio economic delivery mandates	Achieved
	Sectoral networks/ platforms	Government stakeholders and constituencies (business, labour and community) and the general public	Network sessions and platforms will provide inputs and wider perspectives into a variety of projects	Achieved
	The public	Public, provinces and municipalities	Engagements with provincial and municipal bodies will increase	Ongoing

**Batho Pele arrangements with beneficiaries**

Current/actual arrangements	Desired arrangements	Actual achievements	Actual achievements
Engagements with Stakeholders	Ministers, MEC's and legislatures	Provincial departments	Engagements with Provinces through MinMec and Technical MinMec. Some Provincial Economic Development Plans were also reviewed
	Economic Cluster	Economic Cluster departments	Meetings with the Economic Cluster departments were attended
	Sectoral Networks	Government stakeholders, Nedlac Constituencies (Business, Labour, Community) and the general public	A Western Cape Youth Indaba feedback session was held
	The Public	Vulnerable groups	Engagements through the leadership of the Deputy Minister involved the public

**Service delivery information tool**

Current/actual information tools	Desired information tools	Actual achievements
Electronic Website	Captured information related to the Department on the website	Development of the Departmental intranet where Departmental information was captured Department website was updated
Brochures	Distributed brochures on Accords and the "Small Chicken Farmers Guide" to all potential beneficiaries and stakeholders	EDD developed a toolkit/guide to assist black rural small indigenous chicken farmers
Policy documents	Policy documents were submitted as proposals to Cabinet	The National Infrastructure Act was submitted and approved by Cabinet



## Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Telephonic, electronic website personal interfaces	Direct complaints on the Departmental website and email address dedicated to complaints	The Department has a dedicated email address on the website for stakeholders to lodge complaints. This is in addition to the list of telephone contacts which also appear on the website  These complaints were received by the Communications unit and distributed to the relevant units for action or follow-up

## 4.3 Organisational Environment

The EDD was established on 7 July 2009 in terms of the Public Service Act, 1994 (Proclamation 103 of 1994), following President Zuma's creation of the new portfolio of Economic Development on 10 May 2009 and the appointment of Mr Ebrahim Patel as Minister. It aims to support decent work and stronger economic growth and reduce inequality. As a relatively new department, the EDD is still undergoing organisational development in a number of ways.

The Department had reflected on the managerial and performance effectiveness of its structure as designed in 2009 and identified a number of weaknesses, including over segmented organisation and budgetary structures.

This realisation and the need to enhance the organisational design for implementation of the MTSF resulted in work to review the organisational design and budget programme structure of the EDD. In addition, the October 2014 Medium Term Budget Statement (MTBPS) gave effect to the Cabinet decision to reduce allocations for compensation of employees across government, amongst other budget cuts, which required the EDD to unfund previously funded posts.

In 2014/15, the EDD had 4 core business branches and a target number of 149 positions to be filled. For the year under review, while the staffing target set at the start of the year was 164, the MTBPS guidelines to reduce allocations for compensation of employees across government required the EDD to reduce its staff to 149 from 2015/16. (See Accounting Officer's report). A total of 124 positions were filled for the year. In the year under review the Department recruited or received transfers of a total of 30 people as a result of its recruitment drive. There were 11 resignations and 9 external transfers over the course of the year. For the period under review, the Department did not

have resignations within its key critical posts which assisted in stabilising the Department.

The EDD's employment model is based on permanent appointments, contract appointments and secondments. The contract appointments and secondments are project focused and time bound. This meant that during this period the EDD received support through secondments of officials from other departments and across the state to support the work of the PICC.

The Department is located on **the dti** campus, which has promoted coordination between the EDD and **the dti**. The total space occupied on **the dti** campus is 3 329 square metres. The staff of EDD is housed in selected floors in four buildings on the Campus.

The Department utilises **the dti** for some Information and Communications Technology (ICT) services and infrastructure. The EDD is on **the dti** network and **the dti** provides services such as network, e-mail system, backup, ICT security, telephony, etc. The EDD is responsible for its own information technology desktop support services and has developed an Information Management Plan.

## 4.4 Key Policy Developments and Legislative Changes

The National Council of Provinces (NCOP) passed the Infrastructure Development Act in March 2014. The Act was agreed to in terms of Section 65 of the Constitution.

The Infrastructure Development Act aims to strengthen the capacity of government to implement the rollout of infrastructure and thus aims at the heart of our efforts to improve



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citizens' lives. The Act builds on the successes of infrastructure roll out, and provides legal tools to strengthen coordination across the state and address unnecessary bureaucratic delays to priority infrastructure projects.

The main elements of the Act are as follows:

- First, the Act establishes in law the coordination structures of the PICC. Members of these structures are nominated by the President from the three spheres of government. The PICC is charged with identifying infrastructure priorities and overseeing their implementation.
- Second, the Act provides for a planning framework for infrastructure, with a long-range plan that moves beyond the work of a single administration, in line with the NDP and the NGP. This ensures that government moves beyond the stop-start pattern of infrastructure, allows universities and FET colleges to tool up to produce the skills that will be needed for the next 20 to 30 years, and gives investors the certainty that they need to commit to long term investment in the domestic economy.
- Third, the Act provides for the designation of Strategic Infrastructure Projects (SIPs) through the National Infrastructure Plan. To date, the Cabinet has approved 18 SIPs that bring together hundreds of construction projects from improving schools across the country to building dams, roads and railway and improving municipal infrastructure. The SIPs set clear priorities for the build programme, lay the basis for integrating infrastructure and economic functions and set a framework for more integrated oversight and unblocking. The Act provides that each SIP has a forum of executing authorities, chaired by a designated Minister, to provide strong and coordinated political leadership on infrastructure priorities.
- Fourth, the Act sets timeframes for the approval of regulatory decisions affecting the implementation of infrastructure projects. The timeframes provide for extensive public consultation. The Act provides for processes to run concurrently where possible, instead of sequential approval processes. This ensures that the state works towards a common deadline.
- Fifth, the Act sets out processes of coordination based on the establishment of a steering committee for each SIP that includes all the relevant departments, agencies and spheres of the state. The steering committees are expected to oversee SIP plans, ensure efficient management of regulatory requirements, and report regularly to the PICC through an integrated dashboard.
- Sixth, the Act provides for the PICC to expropriate land directly as required for SIP projects, but makes such power subject to the Constitution and the regulations in the legislation on expropriation.
- Seventh, the Act contains strong mechanisms to prevent conflicts of interest by Steering Committee members in relation to the project, as part of government's anti-corruption drive. It provides for tough penalties for non-disclosure by members, extending to imprisonment of up to five years.
- Eighth, the Act empowers the Minister of Economic Development to set targets and guidelines as well as regulate to enhance the developmental impact of SIPs. The Minister may guide areas such as local industrialisation, job creation, youth employment, greening the economy, skills development, rural development and broad-based empowerment.

The Medium Term Strategic Framework (MTSF) was adopted in 2014, highlighting government's support for creating decent work opportunities, encouraging investment and a competitive economy. It sets out actions government will take and targets to be achieved. The Outcomes relevant to the work of EDD are:

- Outcome 4: Decent employment through inclusive growth;
- Outcome 5: A skilled and capable workforce to support an inclusive growth path;
- Outcome 6: An efficient, competitive and responsive economic infrastructure network; and
- Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all.

Details of the work undertaken by the EDD in relation to the MTSF are dealt with elsewhere in the document.



## 5. STRATEGIC Outcome Oriented Goals

**The EDD's strategic oriented goals are:**

1. Promote decent work through meaningful economic transformation and inclusive growth.
2. Provide participatory, coherent and coordinated economic policy, planning and dialogue for the benefit of all South Africans.

These goals have been given greater detail through the various Outcomes that the Presidency introduced, which include Outcome 4: Decent employment through inclusive growth. Other Outcomes that are also relevant to the goals of the Department

include Outcome 5: A skilled and capable workforce to support inclusive growth; Outcome 6: Efficient competitive and responsive economic infrastructure network; and Outcome 7: Vibrant, equitable sustainable rural communities.

The EDD, supports the dti as the coordinating department for Outcome 4, and works with the dti and the National Treasury to manage the monitoring system of the outcome to provide analysis of the impact achieved by the Cluster departments.



## 6. PERFORMANCE Information by Programme

### 6.1 Programme 1: Administration

**Purpose:** Coordinate and render an effective, efficient, strategic support and administrative services to the Minister, Deputy Minister, Director General, the Department and its agencies.

**Strategic Objective 1:** Provide strategic support and administrative services to the Minister, the Deputy Minister and the Director-General.

#### *Sub-programmes*

- Ministry
- Office of the Director-General
- General Management Services

#### *Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements*

The Department had not set KPIs in this budget programme as the regulatory frameworks are clear and reporting against these

frameworks is a predetermined requirement in the period under review. Work was done to improve the processes and productive outputs of the Department. This programme also provided support to the Minister and the Deputy Minister in executing their executive functions.

This programme is supported by Corporate Management which includes units such as Communications, Information Technology, Human Resource Management, Administration, Development and Planning and Reporting.

The Office of the Chief Financial Officer is responsible for Supply Chain Management and Financial Management in the Department. Heat-map meetings are held through this office to deal with Auditor General findings, and measures were put in place to avoid and mitigate any of the re-occurrence of findings.

#### Sub-programme expenditure

Sub- programme name	2014//2015			2013/2014		
	Final appropriation R'000	Actual expenditure R'000	(Over)/ under expenditure R'000	Final appropriation R'000	Actual expenditure R'000	(Over)/ under expenditure R'000
Ministry	20 421	19 828	593	21 067	21 050	17
Office of the Director General	12 610	12 583	28	10 792	10 773	19
General Management Services	55 044	55 008	36	59 483	59 478	5
<b>Total</b>	<b>88 076</b>	<b>87 419</b>	<b>657</b>	<b>91 342</b>	<b>91 301</b>	<b>41</b>



## 6.2 Programme 2: Economic Policy Development

Programme 2 “Economic Policy Development” has four Key Performance Indicators and 18 products. Its purpose is to strengthen government’s economic development policy capacity; review, develop and propose the alignment of economic policies; and develops policies aimed at broadening participation in the economy and creating decent work opportunities. Key areas of its work include:

- the contribution to the development of economic policy papers;
- coordinating and aligning economic development through, as examples, the work in the PICC; establishing and supporting a steering committee on township economies leading to the integration of work on township economies; participation in the IPAP and the ESEID Cluster; and coordinating the social economy jobs drivers;
- gathering and providing additional information on economic development through, as an example, mapping agro-processing opportunities in Mpumalanga;
- promoting inclusive growth through, as examples evaluating the impact of transformation policies on the development of black industrialists and women, and holding a B-BBEE workshop with stakeholders from government, the private sector and state agencies; and
- supporting provincial development through numerous engagements with provinces.

**Purpose:** Strengthen the economic development policy capacity of government; review, develop and propose the alignment of economic policies; and develop policies aimed at broadening participation in the economy and creating decent work opportunities.

**Strategic Outcome:** Enable integrated and aligned economic policy across the state for inclusive job creation, equality and promotion of inclusive growth.

### Sub-programmes

- Growth Path and Creation of Decent Work
- Economic Policy
- Broad-Based Black Economic Empowerment
- Second Economy

**Strategic Objective 2:** Coordinate jobs drivers, sector/spatial projects and the implementation of the New Growth Path for job creation, inclusive growth, industrialisation and social inclusion. (The NDP sets the target of 11 million jobs by 2030. The NGP is the economic strategy to implement the NDP).

### Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements

The EDD’s Strategic Objective 2 is to “Coordinate jobs drivers, sector/spatial projects and the implementation of the New Growth Path for job creation, inclusive growth, industrialisation and social inclusion”. This objective aligns with Outcomes 4, 5, 6 and 7. It also aligns with targets set in the MTSF. In 2014/15 the EDD undertook a range of activities focused on coordination of government economic development efforts and implementation of the NGP and catalysing inclusive economic growth, participation and job creation.

Reports were compiled against the targets set for Outcome 4: Decent employment for inclusive growth, and these reports were submitted to Cabinet in collaboration with **the dti** and the National Treasury. The reports noted key trends, tracked progress in terms of employment, equity, growth and investment as well as the resulting opportunities and risks.

The EDD participated in a number of forums that aimed to improve coordination around economic strategies across the state. These included, for example, the Industrial Policy Action Plan (IPAP) meetings, the Outcome 4 process, the Economic Sector, Employment and Infrastructure Development Cluster (ESEID Cluster) as well as PICC meetings (for which it acts as secretariat). The EDD also participated in the development of the five point plan of the Electricity Technical Implementation War Room to address challenges in the energy sector.

The EDD established an interdepartmental steering committee on township economies to coordinate initiatives and programmes geared towards the development of township economies and enterprises. These included programmatic interventions as well as funding in townships by government and its agencies.

The Department also convened a research roundtable discussion on township economies attended by government institutions, research organisations and academia, which provided a platform to engage on some of the practical solutions



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to revive township economies. This would feed into the strategy on township economies to be led by the Department of Small Business Development.

The EDD developed a partnership with the International Labour Organisation (ILO), on the implementation of the social economy initiatives. At a meeting held between the EDD and the ILO on 6 February 2015 a partnership on developing the social economy was agreed to through a Memorandum of Understanding between the EDD and ILO. This will include profiling and determining priority sectors for the social economy. The EDD, through the leadership of the Deputy Minister had a series of engagements with provinces and municipalities around the co-ordination of economic development across the three spheres of government. Areas of focus for the provincial visits included

discussion on the economic development frameworks; alignment of provincial and local economic development priorities to the NDP; social accords; and unblocking constraints to economic development potential at provincial and local level. These engagements culminated in the EDD hosting a conference on “Aligning Economic Planning and Development across the State” which was attended by senior officials from national, provincial and some of the metros. The objective of the conference was to re-emphasise the need for integrated economic development planning across the state and agree on a framework to ensure that national policies, strategies and plans find expression at the provincial and local level, taking into account the specific contexts of these different regions.





## Programme 2: Economic Policy Development

Performance indicator	Actual achievement 2013/2014	Planned target 2014/2015	Actual achievement 2014/2015	Deviation from planned targets for 2014/2015	Comment on deviations
<b>KPI 1:</b> Coordinate and support implementation of selected jobs drivers, through development of monitoring dashboards, collation of data on performance, aligning activities with overall government plans and unblocking obstacles to implementation	-	2	4	+2	<ol style="list-style-type: none"> <li>1. An agreement with the ILO was signed for the development of Socio-Economic Impact Assessment (SEIAS)</li> <li>2. Various interventions were made around the mining value chain to promote capacity to beneficiate raw materials locally and to address critical issues</li> </ol>
<b>KPI 2:</b> Participation in Cluster and Outcome 4 processes within government to facilitate achievement of economic outcomes of the MTSF	-	6	6	-	-
<b>KPI 3:</b> Strengthen implementation of the New Growth Path as part of achieving the National Development Plan goals by 2030	-	4	6	+2	<ol style="list-style-type: none"> <li>1. The Minister addressed Head of Mission's conference with South African ambassadors and released an investment projects profile for use by South African missions.</li> <li>2. Conducted a progress review on the impact of transformation policies</li> </ol>
<b>KPI 4:</b> Spatial, local and/ or provincial initiatives completed to support inclusive growth and job creation, national economic priorities and promote greater accountability	-	6	6	-	



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### Linking Performance with Budgets

Expenditure for Programme 2 amounted to R12,7 million or 99,5% of the adjusted programme budget of R12,8 million.

With the budget allocated the programme achieved all four of its Key Performance Indicators and over-achieved in two of its indicators. The programme focuses on interventions on jobs drivers to achieve the targets of the NGP, work with the provincial departments, analysing their provincial growth and development strategies and participation in and contribution to the Outcome 4 cluster meeting.

#### Sub-programme Expenditure

Sub-Programme name	2014//2015			2013/2014		
	Final appropriation R'000	Actual expenditure R'000	(Over)/ under expenditure R'000	Final appropriation R'000	Actual expenditure R'000	(Over)/ under expenditure R'000
Growth Path and Creation of Decent Work	2 995	2 995	–	2 257	2 256	1
Economic Policy	9 389	9 334	55	19 913	19 911	2
B-BBEE	442	442	–	1 160	1 158	2
Second Economy	8	4	4	561	561	–
<b>Total</b>	<b>12 834</b>	<b>12 775</b>	<b>59</b>	<b>23 891</b>	<b>23 886</b>	<b>5</b>

### 6.3 Programme 3: Economic Planning and Coordination

Programme 3 “Economic Planning and Coordination” has 13 Key Performance Indicators and 122 products. Its purpose is to promote economic planning and coordination through developing economic planning proposals; provide oversight and policy coordination of identified Development Finance Institutions (DFIs) and Economic Regulatory Bodies; and contribute to the development of the green economy. It aligns with the Outcomes 4, 5 and 6, and with the targets set in the MTSF. In 2014/15 the EDD undertook a range of work under this programme that expanded industrial funding and promoted investment and entrepreneurship; unblocked projects and investments; and coordinated infrastructure development through providing on-going technical assistance to the Presidential Infrastructure Coordinating Commission (PICC). The programme provided support to the Minister’s engagements with key agencies such as the IDC, **sefa**, ITAC, the Competition Commission and the Competition Tribunal.

The Minister of Economic Development heads the secretariat of the PICC, which was established to oversee the implementation of

the infrastructure plan. South Africa is implementing the largest infrastructure programme in its history and this infrastructure is fundamental to economic transformation, to change patterns of ownership and the economy and to address the legacies of under-development. The PICC has taken steps to implement the commitment to improve infrastructure planning and coordination.

The EDD’s work with the IDC and **sefa** – two important Development Finance Institutions (DFIs) – has led to a substantial increase in funding. In the year under review the IDC approved R11,5 billion. These investments supported some 20 388 jobs, most of which are new jobs. Funding for the five year period from 2005/06 to 2009/10 was R39 billion, while funding for the next five year period increased to R61 billion. **sefa** has provided in excess of R1 billion funding for each year in the last 2 years. In the year under review, **sefa**’s disbursements impacted 51 460 SMMEs and co-operatives and is anticipated that **sefa** disbursements supported 60 169 direct job opportunities.

The activities of the DFIs and ERBs in the year under review, are included under Part A of this report.

More details on key achievements under each Strategic Objective in this Programme are reflected hereunder:



**Purpose:** Promote economic planning and coordination through developing economic planning proposals; provides oversight and policy coordination of identified development finance institutions and economic regulatory bodies; and contribute to the development of the green economy.

**Strategic Outcome:** Enable integrated and aligned economic planning and coordination across the state for inclusive job creation, equality and promotion of inclusive growth.

**Strategic Objective 3:** Coordinate infrastructure development for inclusive growth, service delivery, job creation, industrialisation and social inclusion.

**Strategic Objective 4:** Promote investments, expand industrial funding and entrepreneurship and improve performance of DFIs for job creation, inclusive growth, industrialisation and social inclusion.

**Strategic Objective 5:** Promote competition, trade and other economic regulation in support of job creation, inclusive growth, industrialisation and social inclusion.

### *Sub-programmes*

- Spatial, Sector and Planning
- Economic Development, Financing and Procurement
- Investment for Economic Development
- Competitiveness and Trade for Decent Work
- Green Economy

## *Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements*

### *Strategic Objective 3*

The Department, through the technical task team of the PICC provided support for the implementation of the National Infrastructure Plan through its work with the Secretariat of the PICC.

- It helped to track and support rollout of economic and social infrastructure covering electricity, water, transport, ICT, health and education as covered elsewhere in this report;
- The team compiled 72 Cabinet level progress reports on Strategic Integrated Projects;
- It unblocked, fast-tracked or facilitated the unblocking of 14 infrastructure projects;
- It coordinated the National Treasury approval for the increased capacity in the Mokolo Crocodile Water Augmentation project;

- It provided secretariat and coordination functions for the PICC in 44 Council, Secretariat and Manco meetings; and
- The team conducted a number of site visits and prepared work on skills, cable theft and job creation.

### *Strategic Objective 4*

The EDD through its unblocking support functions, facilitated, fast tracked and/or unblocked 13 investment initiatives, over the period, some of the support provided includes:

- Facilitated funding of R5 million for the Sihlela Community to develop 350 hector forestry plantation with joint funding between the IDC and Sappi;
- Facilitated interaction with ITAC and the potato processing industry which resulted in increased tariffs on frozen chips, thus protecting the local industry;
- Supported Nestle with their energy challenges in Babelegi;
- Facilitated the finalisation of a lease agreement between an investor and the Department of Rural Development and Land Reform, which unblocked the potential of a bio-fuel project in northern KZN; and
- Assisted with negotiations between the IDC and uMhlathuze Municipality which resulted in an approved price for the purchase of land for the proposed Pulp United Project that is proposed by the IDC.

The Minister held a number of engagements with the IDC management and Board in order to provide input on its corporate plan and policies; gave strategic guidance and ensured improvement in its efficiencies. The Minister also attended the IDC's public release of its Annual Report.

The Department prepared an evaluative report of IDC/sefa funding and turnaround times as well as a baseline report on the levels of government and DFI industrial funding.

### *Strategic Objective 5*

In order to strengthen the administrative efficiency of the trade and competition authorities the Minister engaged with the regulators, providing strategic guidance and oversight and attended the internal strategic session of the Competition Commission. Annual Performance Plans and Annual Reports were reviewed and feedback was provided.

Through guidance to the entities and a number of meaningful achievements can be captured for the financial year 2014/15 including:



## PART B

### Performance Information

Trade policies provided support to our domestic manufacturers through stronger trade protection or rebates from paper and batteries to barbed wire and chicken.

The IDC and **sefa** have strengthened funding efforts. **sefa** has approved funding of more than R1 billion for the second year in succession, while IDC funding was R11.5 billion and it supported 20 388 jobs.

The Competition Commission entered into consent agreements as part of the Commission's Fast Track Settlement Process which paved the way for consumers affected by collusion in the construction industry to bring civil claims for damages by getting section 65 certificates from the Competition Tribunal. In the last financial year the Competition Tribunal issued over 200 section 65 certificates.

More details of the work of the entities is captured in the section dealing with the entities. In addition, work with the entities included:

- The establishment of the AGRI Development Fund;
- Monitoring and oversight of the AGRI Development Fund;
- Training of regulators; and
- Evaluation of the jobs supported and developmental impact of the regulators.



## Programme 3: Economic Planning and Coordination

Performance indicator	Actual achievement 2013/2014	Planned target 2014/2015	Actual achievement 2014/2015	Deviation from planned targets for 2014/2015	Comment on deviations
<b>KPI 5:</b> Cabinet-level quarterly progress reports on Strategic Integrated Projects	71	60	72	+12	Additional reports were reviewed and analysed than provided in target
<b>KPI 6:</b> Infrastructure projects unblocked, fast tracked or facilitated	8	8	14	+6	More Water Use Licence Applications (WULAs) needed to be unblocked
<b>KPI 7:</b> Implementation of Cabinet and PICC strategic decisions on infrastructure (including policy, funding, users, development impact or capacity-development areas)	–	4	5	+1	More decisions were taken at Cabinet level and needed to be implemented by the PICC
<b>KPI 8:</b> Provide a secretariat and coordination function for PICC (Council, Secretariat, Manco and Coordinators meetings)	–	20	44	+24	More meetings were required and undertaken to implement the Infrastructure Development Act and address challenges at the start of the 5th administration
<b>Strategic Objective 4: Promote investments, expand industrial funding and entrepreneurship and improve performance of DFI's for job creation, inclusive growth, industrialisation and social inclusion</b>					
<b>KPI 9:</b> Facilitate, fast track and/or unblock investment initiatives	18	10	13	+3	More than anticipated fast tracking and unblocking of investments had to be undertaken, due to client demands
<b>KPI 10:</b> Improve the efficiency of DFI's and ensure world-class institutions through strategic guidance and Departmental work	6	4	4	–	
<b>KPI 11:</b> Measure and expand the level of industrial funding available across government and DFI's	–	2	2	–	
<b>KPI 12:</b> Monitor and facilitate the improvement of the jobs impact of industrial funding, administered through DFI's and/or government departments	4	2	3	+1	An additional engagement by the Minister to provide strategic guidance



**PART B**  
Performance Information

Performance indicator	Actual achievement 2013/2014	Planned target 2014/2015	Actual achievement 2014/2015	Deviation from planned targets for 2014/2015	Comment on deviations
<b>KPI 13:</b> Measure and facilitate the improvement of the achievement of developmental goals through industrial funding (including women, youth, small business, black industrialists, township enterprises, rural development, entrepreneurship)	–	2	3	+1	Need to facilitate funding for rural enterprises
<b>Strategic Objective 5: Promote competition, trade and other economic regulation in support of job creation, inclusive growth, industrialisation and social inclusion</b>					
<b>KPI 14:</b> Strengthen administrative efficiency of trade and competition authorities and ensure world-class institutions through strategic guidance and Departmental work	7	3	5	+2	Additional opportunities presented on significant work to be undertaken by the Department in strengthening the efficiency of entities
<b>KPI 15:</b> Evaluate and strengthen the jobs, inclusive growth and developmental impact of economic regulators	–	4	4	–	
<b>KPI 16:</b> Reduce red-tape and unnecessary restrictions on enterprises and/or improve impact assessment of government/regulatory measures	–	2	2	–	



Performance indicator	Actual achievement 2013/2014	Planned target 2014/2015	Actual achievement 2014/2015	Deviation from planned targets for 2014/2015	Comment on deviations
<b>KPI 17:</b> Build regulatory capacity and effectiveness across the state including through improved training of regulators and where necessary, consolidating regulatory institutions and administration/amendment of legislation	–	1	1	–	

### *Linking Performance with Budgets*

Actual expenditure for Programme 3 and its sub-programmes amounted to R585,5 million or 99,8% of the adjusted programme budget of R586,5 million for the 2014/15 financial year. Spending in this programme is driven mainly by transfer payments to the Departmental entities and agencies.

This programme achieved all its performance indicators for the financial year within its budget, while eight indicators were over achieved. There were no targets that were not achieved for the period under review.

There were no in-year changes to indicators or its targets for the period under review.



**PART B**  
Performance Information

Sub-programme expenditure

Sub- Programme Name	2014/2015		2013/2014			
	Final appropriation	Actual expenditure	(Over)/ under expenditure	Final appropriation	Actual expenditure	(Over)/ under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Spatial, Sector and Planning	10 185	9 769	417	19 351	19 351	–
Economic Development, Financing and Procurement	186	185	–	390	388	2
Investment for Economic Development	273 529	273 375	155	347 320	347 319	1
Competitiveness and Trade for Decent Work	301 491	301 215	276	277 036	277 035	1
Green Economy	1 108	908	201	419	419	–
<b>Total</b>	<b>586 500</b>	<b>585 452</b>	<b>1 048</b>	<b>644 515</b>	<b>644 511</b>	<b>4</b>





## 6.4 Programme 4: Economic Development and Social Dialogue

Programme 4 “Economic Development and Social Dialogue” has 4 sub programmes, 5 KPIs and 14 products. Its objective is to facilitate social dialogue and the implementation of the social accords that EDD had facilitated; support productivity and innovation for job creation, inclusive growth, industrialisation and social inclusion and promote a broader consensus on the Department’s other key strategic objectives. During the year under review it has driven support for local procurement and the youth accords and enhanced youth empowerment. It has also enhanced awareness of the accords and deepened social dialogue, exceeding its target by producing 15 products.

**Purpose:** Promote social dialogue; implement strategic frameworks; build capacity among social partners; and promote productivity, entrepreneurship and innovation in the workplace.

**Strategic Outcome:** Enable integrated and aligned social accord implementation across the state for inclusive job creating, equality and promoting growth.

**Strategic Objective 6:** Facilitate social dialogue and implementation of social accords, (including the youth, green economy, and local procurement and skills accords), and support productivity and innovation for job creation, inclusive growth, industrialisation and social inclusion, and promote broader consensus on other key strategic objectives of the Department.

### *Sub-programmes*

- National Social Dialogue and Strategic Frameworks
- Sector and Workplace Social Dialogue
- Capacity Building for Economic Development
- Productivity, Entrepreneurship, Innovation

### *Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements*

The KPIs focus on support for local procurement; the green economy; enhancing skills development and youth empowerment; and promoting economic development partnerships. The KPIs also promote the implementation and monitoring of the Accords.

The Presidential Youth Indaba report back forum was successfully held in the Western Cape on 10 April 2014 with more than 400 people attending. The workshop provided a platform to publicise resources and programmes for youth provided by the IDC and **sefa** which have set aside R2,7 billion for youth enterprises.

One example of a successful social dialogue process yielding positive results is found in the EDD’s intervention in the procurement of steel pipes from a Chinese company. The result of the intervention was that AMSA provided raw steel to a South African company – Hall Longmore at a discounted rate. Hall Longmore in turn reduced their profit margins to arrive at a more competitive price. The initiative supports Commitment 4 of the local procurement accord to improve the levels of local procurement.

There are initiatives such as one sponsored by the private sector and government that provide work placement and job readiness training for young people. The Youth Employment Accord emphasises that business and government connect young people with employment opportunities through, amongst others, support for job placement schemes and work readiness promotion programmes.

Social dialogue at national, sectoral and workplace level is crucial for sustainable long-run growth. The EDD has facilitated, social accords on youth employment, the green economy, local procurement and skills development. The majority of the work now is to focus on improving and measuring implementation of the agreements.



**PART B**  
Performance Information

**Programme 4: Economic Development and Social Dialogue**

Performance Indicator	Actual Achievement 2014/2015	Planned target	Actual achievement 2013/2014	Planned target	Comments on deviations
<b>KPI 18:</b> Support local procurement of goods and/or services implementation of the Procurement Accord	4	2	3	+1	Additional intervention to assist a company increase sale of locally produced goods
<b>KPI 19:</b> Support the development of the green economy and green jobs and/or implementation of the Green Economy Accord	6	2	2	–	
<b>KPI 20:</b> Enhance skills development and/or implementation of the National Skills Accord	–	2	2	–	
<b>KPI 21:</b> Enhance youth empowerment (employment, skills or entrepreneurship) and/or implementation of the Youth Employment Accord	1	4	4	–	
<b>KPI 22:</b> National, sector and workplace economic development partnerships facilitated with social partners, covering commitments to work together on economic goals, improve social equity and productivity, reduce workplace conflict, and/or promote greater innovation/entrepreneurship	2	4	4	–	

**Linking Performance with Budgets**

Spending for Programme 4 for the year 2014/15 was R9,3 million or 98,1% from the adjusted programme budget of R9,4 million.

With the budget allocated to the programme all five KPIs were achieved and one was over achieved.

**Sub-programme expenditure**

Sub- Programme Name	2014//2015			2013/2014		
	Final appropriation R'000	Actual expenditure R'000	(Over)/ Under expenditure R'000	Final appropriation R'000	Actual expenditure R'000	(Over)/ under expenditure R'000
National Social Dialogue and Strategic Frameworks	4 465	4 360	105	6 001	5 985	16
Sector and Workplace Social Dialogue	1 790	1 717	74	2 844	2 844	–
Capacity Building for Economic Development	24	24	(-)	–	–	–
Productivity, Entrepreneurship and Innovation	3 170	3 166	4	2 873	2 868	5
<b>Total</b>	<b>9 450</b>	<b>9 267</b>	<b>183</b>	<b>11 718</b>	<b>11 697</b>	<b>21</b>



## 7. TRANSFER Payments

### 7.1. Transfer Payments to Public Entities

Name of public entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
Competition Commission	The Competition Commission is the investigative and enforcement arm of the Competition Act. It investigates mergers and/or anti-competitive conduct and refers its findings to the Competition Tribunal for a decision	198 212	321 772	Refer to Part A of Annual Report
Competition Tribunal	The Competition Tribunal adjudicates on mergers and prohibited practice cases that involve anti-competitive outcomes achieved either through co-ordinated conduct between competing firms or through unilateral conduct by a dominant firm	19 911	33 100	Refer to Part A of Annual Report
International Trade and Administration Commission of South Africa	ITAC aims to create fair trade conditions that will boost South Africa's economic development and growth. ITAC comprises three core business units, namely, Tariff Investigations, Trade Remedy Investigations and Import and Export Control	88 374	86 642	Refer to Part A of Annual Report
<b>sefa</b>	<b>sefa</b> provides access to Small Medium and Micro Enterprises via Direct Lending and Intermediaries	N/A	15,000	For 2014/15 financial year <b>sefa</b> financed 67 724 SMMEs through its different loan programmes. It disbursed R1 billion and facilitated in the creation or maintenance of 60 029 jobs
	Baseline allocation	192 604	192 604	
	Economic Competitiveness Support Package (ECSP)	50 000	50 000	
	Additional ECSP allocation during adjustment budget process Adjusted Estimate of National Expenditure (AENE)	26 241	26 241	
<b>TOTAL</b>		<b>575 342</b>	<b>725 359</b>	



## 7.2 Transfer Payments to All Organisations Other Than Public Entities

The table below reflects the transfer payments made for the period 1 April 2014 to 31 March 2015

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Mitchells Plain Skills Centre	Non-Profit Organisation	Donation		60	60	–

The table below reflects the transfer payments which were budgeted for in the period 1 April 2014 to 31 March 2015, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Purpose for which the funds were used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons for the funds unspent by the entity
Not applicable					

## 8. CONDITIONAL Grants

No conditional grants were received by the Department for the financial year under consideration.



## 9. DONOR Funds

### 9.1. Donor Funds Received – Employment Creation Fund – European Union (EU)

#### Funding for Dimbaza Steel Mill

Name of donor	EU
Full amount of the funding	R6,4 million
Period of the commitment	2014/15
Purpose of the funding	Detailed Feasibility Study on the Dimbaza Steel Mill
Expected outputs	First draft of the detailed Feasibility Study on the possible conversion of Dimbaza into a successful “Steel Hub” whereby locally owned and operated manufacturing, beneficiation and fabrication machine shops can be established utilising the community and thereby contribute extensively to local job creation and economic development
Actual outputs achieved	The first phase of the project has been completed
Amount received in current period	R2,5 million
Amount spent by the Department	R2,5 million
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	The following measures are being considered: <ul style="list-style-type: none"> <li>• Project Steering Committee’s recommendations</li> <li>• Progress reports</li> <li>• Invoices/receipts from service provider</li> </ul>

#### Funding for Rise Up Bakery Project

Name of donor	EU
Full amount of the funding	R16 million
Period of the commitment	2014/15
Purpose of the funding	To establish up to 50 co-operative bakeries owned by women
Expected outputs	Establish 50 co-operative bakeries with each bakery owned by 5 women co-operative members
Actual outputs achieved	First 5 bakeries established
Amount received in current period (R’000)	R1,5 million
Amount spent by the department (R’000)	R1,5 million
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	sefa has been appointed as project manager for this project and is overseeing its implementation



## 10. CAPITAL Investment

### 10.1. Capital Investment, Maintenance and Asset Management Plan

The EDD is located within **the dti** campus and its capital investments relate largely to the procurement of computer related assets as most of the furniture is provided through the Public Private Partnership (PPP) arrangement between **the dti** and the private party.

The EDD commenced the 2014/15 financial year with assets worth R10,3 million and software worth R1,4 million. An additional R1,5 million was added during the financial year, whilst R59 000 worth of assets were disposed of.







# PART C

## Governance





## PART C Governance

### 1. Introduction

Corporate governance is all the structures, systems or processes, procedures and controls within an organisation at both oversight/monitoring level and within the management structures of the Department. These were designed to ensure that the Department achieves its objectives within reasonable risk management parameters, efficiently, effectively and equitably.

The Department acknowledges that a comprehensive and robust governance framework is essential to improving and maintaining governance practices in its work. The Department established governance structures to facilitate information sharing, planning and decision making, policy formulation and review, performance monitoring and review. The structures that are central to the function of the Department are: Management Committee, Audit Committee, Risk Committee, ICT Steering Committee, Branch Management Committee, Finance and Supply Chain Structures such as the Bid Evaluation and Bid Adjudication Committees.

Audit reports have been and are viewed seriously by both the Executive Authority and Management and improvements and mitigations are implemented to address audit findings.

### 2. Risk Management

The Department has a risk management strategy approved by the Director-General. It conducted regular risk assessments based on the strategic and operational objectives of the Department. New and emerging risks were identified on a continuous basis and mitigating measures were put in place to ensure the efficiency and effectiveness of the Department's operations.

The EDD established a Risk Management Committee to advise the Accounting Officer, Management and the Audit Committee on the overall system of risk management, and the mitigation of risks on a regular basis. The Risk Management Committee was chaired by an external person from the Department of Trade and Industry (**the dti**).

### 3. Fraud and Corruption

The EDD's approved Fraud Prevention Policy and Plan as well as Whistle Blowing Policy was implemented on an on-going basis.

The Department subscribed to the National Anti-Corruption Hotline, for the reporting of suspected fraud and corruption

incidents. Any report of suspected fraud is investigated internally or referred to other law enforcement agencies such as SAPS for further investigation and prosecution. Internal disciplinary actions are instituted against defaulters. However, so far no such cases have been reported in the Department.

### 4. Minimising Conflict Of Interest

All officials in the Department were obliged to disclose any business interests that might result in a conflict of interest. Conflict of interest registers were maintained and lodged with the Public Service Commission annually. No conflicts of interest were disclosed in the financial year under consideration.

Officials involved in tender adjudicating committees also had to complete a declaration of interest and a confidentiality form at each meeting.

### 5. Code of Conduct

An information session was held to ensure that employees understand and adhere to the public service code of conduct. In this regard, 71 employees attended this session which was offered by the Public Service Commission.

Furthermore, an information session was held wherein the Department of International Relations and Cooperation offered protocol training and ethics in the public service.

### 6. Health, Safety and Environmental Issues

The Department participated in **the dti** campus health and safety programme. Programmes include regular health and safety inspections. The EDD remained a tenant on **the dti** campus and adhered to the waste management requirements of **the dti**.

All maintenance, safety and hazardous issues were attended to by **the dti** through the Experience Delivery Company (EDC).

### 7. Portfolio Committee

The EDD had 11 interactive sessions with the Portfolio Committee and the Select Committee. In addition the EDD attended 13 briefings given by its entities to the Portfolio Committee as well as the Portfolio Committee's capacity building workshop, its Strategic Planning Session as well as two oversight visits to the EDD and its entities.



The Ministry replied to 71 parliamentary questions in the 2014/15 financial year, of which 12 were oral and 59 were written replies.

## 8. Scopa Resolutions

There were no SCOPA resolutions related to the Department.

## 9. Prior Modifications to Audit Reports

There were no prior modifications to audit reports.

## 10. Internal Control Unit

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

## 11. Internal Audit and Audit Committees

The Internal Audit Unit reported to the Accounting Officer administratively and to the Audit Committee functionally as required. The Unit followed a risk-based internal audit approach. The three-year and annual internal audit plans were based on an assessment of the risk of the Department. The Audit Plan was discussed with MANCO before approval by the Audit Committee. Using the risk assessment as a basis, audit reviews for the year included performance information, operational, financial, compliance and follow-up audit reviews.

The Audit Committee comprised independent non-executive members, who operated in accordance with their approved charter. The Audit Committee had five (5) meetings during the year under review. The committee played an essential part in the Department's corporate reporting processes in relation to both financial and performance information reporting.

## 12. Audit Committee Report

We are pleased to present our Audit Committee report for the financial year ended 31 March 2015.

### *Audit Committee Members and Attendance*

The Audit Committee is required to meet at least four times per annum as per its approved terms of reference.

During the year under review, five meetings were held.

### *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 Audit committee reports that, during the year under review, they were presented with regular monthly or quarterly management reports to enable them to:

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

For the financial year ended 31 March 2015, the Audit Committee was presented with the following information for review:

- The Annual Financial Statements, and made certain recommendations for improvement;
- All quarterly Financial Statements;
- Unaudited Annual Financial Statements before submission to the Auditor-General South Africa (AGSA) on 31 May 2015;
- The management letter of the AGSA related to the audit of the final 2014/15 Annual Financial Statements;
- The appropriateness of accounting policies, practices and potential changes;
- The effectiveness of the system of risk management, including emerging risks;
- Compliance with relevant laws and regulations;
- The Annual Report and predetermined objectives prior to submission to the AGSA and final publication; and
- The plans, work and reports of Internal Audit and the AGSA. The Audit Committee also conducted several independent meetings with the assurance providers.



## PART C Governance

### *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.

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. Risk Management Committee monitors and oversees the control of risk identification throughout the Department. Risk management is a standing agenda item in the Audit Committee meetings and the Chair of the Risk Management Committee provides feedback on this process.

The system of Internal control and the concomitant control environment were reasonably effective as attested by the various Internal Audit reports and those of the AGSA. We do, however, emphasise that in certain instances, Human Resource Management and Information and Communication Technology controls were found to be only partially effective, these require further improvement and we have received assurance that the matter is being addressed and will monitor progress in this regard.

### *Internal Audit*

The Committee has ensured that the Internal Audit function was independent and had the necessary resources, standing and authority within the Department to enable it to effectively and efficiently discharge its duties and that it has addressed the risks pertinent to the Department in its audit assignments. Furthermore, the Committee oversaw cooperation between the Internal and External Auditors.

### *Evaluation of Financial Statements*

The Audit Committee has evaluated the Department's financial statements for the year ended 31 March 2015, and concluded that there were no material misstatements, and this concurs with and accepts the conclusion of the AGSA on the Annual Financial Statements.

Prepared by:

**Mr. Sakhiseni Simelane**  
*Chairperson of the Audit Committee*  
*Economic Development Department*

31 July 2015







# PART D

## Human Resource Management





## 1. Introduction

The information provided/presented in respect of Human Resources Management is in line with the requirements applicable to all government departments as outlined in Regulation J3/III/1 of the Public Service Regulations, 2002 as amended.

## 2. Overview of Human Resources

The Economic Development Department's (EDD's) organisational structure was approved by the Minister of Economic Development with the concurrence of the Minister of Public Service and Administration in 2009 with four core business branches.

The Department has reflected on the first four years of its existence, on managerial and performance effectiveness of the structure as designed in 2009 and identified a number of weaknesses in the structure, including over segmented organisational and budgetary structures. This realisation and the need to enhance the organisational design for implementation of the Medium Term Strategic Framework (MTSF) resulted in work to review the organisational design and budget programme structure of the EDD. In addition, the October 2014 Medium Term Budget Policy Statement (MTBPS) gave effect to the Cabinet decision to reduce allocations for compensation of employees across government, amongst others is the budget cuts, which required the EDD to unfund previously funded posts.

To this end, the EDD removed some of the anomalies identified and restructured to operationalise the MTBPS. This has involved unfunding a number of unnecessary managerial functions to enhance funding of technical staff posts, and adjusting supervisory relationships accordingly. For the year under review, while the staffing target set at the start of the year was 164, the MTBPS guidelines (see above) required the EDD to reduce its staff to 149 from 2015/16. The Department therefore revised its target for the 2014/15 to 149 to avoid having unfunded staff appointments. This has implications for the 2014/15 vacancy rate

but was unavoidable and hence the vacancy rate is overstated. At the end of the 2014/15 financial year 124 positions were filled.

The Department employs staff on a permanent basis, as well as through fixed term contracts for specific projects and secondments to access specific scarce skills and knowledge in relation to, for example, the PICC technical unit, wherein an additional 60 staff from various government entities were utilised without any expense being incurred.

The EDD had the ratio of employing women in senior management positions at 54% for the 2014/15 financial year. The EDD enrolled 19 interns during the 2013/14 financial year on a year-long internship programme. This programme overlapped into the 2014/15 financial year and continued with training programmes, including the induction of newly-appointed employees. A workplace skills plan was developed, submitted to the Public Service SETA, and monitored on a monthly basis.

The collective bargaining and consultative structure (the EDD bargaining chamber) is fully functional.

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

## 3. Human Resources Oversight Statistics

### 3.1 Personnel Related Expenditure

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

- amount spent on personnel
- amount spent on salaries, overtime, homeowner's allowances and medical aid.





**Table 3.1.1 Personnel expenditure by programme for the period 1 April 2014 and 31 March 2015**

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	87 419	39 533	545	270	6	70
Economic Policy Development	12 775	10 244	0	0	1	17
Economic Planning and Coordination	585 452	17 743	0	73	3	24
Economic Development and Social Dialogue	9 267	8 168	0	30	1	13
<b>Total</b>	<b>694 912</b>	<b>75 688</b>	<b>545</b>	<b>373</b>	<b>11</b>	<b>124</b>

**Table 3.1.2 Personnel costs by salary band for the period 1 April 2014 and 31 March 2015**

Salary band	Personnel expenditure (R'000)	% of total personnel cost	Number of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1 – 2)	0	0,0%	0	0
Skilled (level 3 – 5)	2 677	3,5%	12	223
Highly skilled production (levels 6 – 8)	9 350	12,4%	33	283
Highly skilled supervision (levels 9 – 12)	25 269	33,4%	42	602
Senior and Top management (levels 13 – 16)	38 392	50,7%	37	1 038
<b>Total</b>	<b>75 688</b>	<b>100,0%</b>	<b>124</b>	<b>610</b>

**Table 3.1.3 Salaries, overtime, home owners' allowance and medical aid by programme for the period 1 April 2014 and 31 March 2015**

Programme	Salaries		Overtime		Home owners allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	25 764	34	523	0,7	648	0,9	839	1,1
Economic Policy Development	6 789	9	33	0	22	0	129	0,2
Economic Planning and Coordination	12 842	17	2	0	50	0,1	280	0,4
Economic Development and Social Dialogue	5 393	7,1	2	0	43	0,1	114	0,2
<b>Total</b>	<b>50 788</b>	<b>67,1</b>	<b>560</b>	<b>0,7</b>	<b>763</b>	<b>1,0</b>	<b>1 362</b>	<b>1,8</b>



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**Table 3.1.4 Salaries, overtime, home owners allowance and medical aid by salary band for the period 1 April 2014 and 31 March 2015**

Salary band	Salaries		Overtime		Home owners' allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1 – 2)	0	0,0%	2	0,0%	0	0,0%	0	0,0%
Skilled (level 3 – 5)	1 224	1,6%	83	0,1%	78	0,1%	102	0,1%
Highly skilled production (levels 6 – 8)	6 561	8,7%	303	0,4%	329	0,4%	428	0,6%
Highly skilled supervision (levels 9 – 12)	18 691	24,7%	181	0,2%	84	0,1%	324	0,4%
Senior management (level 13 – 16)	24 311	32,1%	0	0,0%	271	0,4%	508	0,7%
<b>Total</b>	<b>50 788</b>	<b>67,1%</b>	<b>569</b>	<b>0,8%</b>	<b>763</b>	<b>1,0%</b>	<b>1 362</b>	<b>1,8%</b>

### 3.2 Employment and Vacancies

**Table 3.2.1 Employment and vacancies by programme as on 31 March 2015**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administration	81	69	14,8	0
Economic Policy Development	22	15	31,8	3
Economic Planning and Coordination	44	24	45,4	0
Economic Development and Social Dialogue	17	13	23,5	0
<b>Total</b>	<b>164</b>	<b>121</b>	<b>26,2</b>	<b>3</b>

The totals exclude one secondment that was in the employ of the Department at financial year end.

*NB: As a result of the October 2014 Medium Term Budget Policy Statement (MTBPS) which gave effect to the Cabinet decision to reduce allocations for compensation of employees across government, the EDD's funded posts were reduced to 149, hence the vacancy rate reflected here is overstated.*



**Table 3.2.2 Employment and vacancies by salary band as on 31 March 2015**

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Skilled (3 – 5), permanent	10	7	30	0
Highly skilled production (level 6 – 8), permanent	32	30	6,3	0
Highly skilled supervision (level 9 – 12), permanent	43	36	16,3	0
Senior management (level 13 – 16), permanent	62	31	50	0
Contract (level 3 – 5), permanent	3	3	0	2
Contract (level 6 – 8), permanent	3	3	0	0
Contract (level 9 – 12), permanent	6	6	0	0
Contract (level 13 – 16), permanent	5	5	0	1
<b>Total</b>	<b>164</b>	<b>121</b>	<b>26,2</b>	<b>3</b>

NB: As a result of the October 2014 Medium Term Budget Policy Statement (MTBPS) which gave effect to the Cabinet decision to reduce allocations for compensation of employees across government, the EDD's funded posts were reduced to 149, hence the vacancy rate reflected here is overstated.

**Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2015**

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administrative related	28	25	10,7	0
Finance and economists related	3	3	0	2
Financial & related professional	9	7	22,2	0
Finance clerks and credit controllers	2	2	0	0
Light vehicle drivers	2	2	0	0
Logistical support personnel	7	6	14,3	0
Risk management and security services	1	1	0	0
Statistical and related professionals	2	2	0	0
Other related professionals	13	10	23,1	0
Security officer	1	1	0	0
Material recording and transport clerks	2	0	100	0
Communication and information related	3	3	0	0
Head of Office	1	1	0	0
Human resource clerks	8	7	12,5	0
Human resource related	5	5	0	0
IT	2	2	0	0
Other admin and related clerks and organisers	3	3	0	0
Food services aid	3	3	0	0
Secretaries and other keyboard operating clerks	3	3	0	0
Messenger services	1	1	0	0
Legal services	1	0	100	0
Senior managers	57	30	47,4	0
Economists	7	4	42,9	1
<b>Total</b>	<b>164</b>	<b>121</b>	<b>26,2</b>	<b>3</b>

NB: As a result of the October 2014 Medium Term Budget Policy Statement (MTBPS) which gave effect to the Cabinet decision to reduce allocations for compensation of employees across government, the EDD's funded posts were reduced to 149, hence the vacancy rate reflected here is overstated.



### 3.3 Filling of SMS Posts

**Table 3.3.1 SMS post information as on 31 March 2015**

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	1	100	0	0
Salary level 16	2	1	50	1	50
Salary level 15	5	0	0	5	100
Salary level 14	31	14	45	17	55
Salary level 13	28	21	75	7	25
<b>Total</b>	<b>67</b>	<b>37</b>	<b>55</b>	<b>30</b>	<b>45</b>

**Table 3.3.2 Advertising and filling of SMS posts for the period 1 April 2014 and 31 March 2015**

SMS level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months after becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/Head of Department	0	0	0
Salary level 16	0	0	0
Salary level 15	0	0	0
Salary level 14	1	0	0
Salary level 13	2	1	0
<b>Total</b>	<b>3</b>	<b>1</b>	<b>0</b>

**Table 3.3.3 Reasons for not having complied with the filling of funded vacant SMS - advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2014 and 31 March 2015**

**Reasons for vacancies not advertised and filled within six months**

For the year under review, while the staffing target set at the start of the year was 164, the MTBPS guidelines (see above) required the EDD to reduce its staff to 149 from 2015/16.

In anticipation of this reduction the Department focused on only filling critical posts. Hence, vacancies were not advertised within six months.

**Table 3.3.4 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2014 and 31 March 2015**

**Disciplinary steps taken**

None



### 3.4 Job Evaluation

**Table 3.4.1 Job evaluation by salary band for the period 1 April 2014 and 31 March 2015**

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 (level 3 – 5)	3	0	0	0	0	0	0
Contract (level 6 – 8)	3	0	0	0	0	0	0
Contract (level 9 – 12)	6	0	0	0	0	0	0
Contract (Band A)	1	0	0	0	0	0	0
Contract (Band B)	2	0	0	0	0	0	0
Contract (Band C)	1	0	0	0	0	0	0
Contract (Band D)	2	0	0	0	0	0	0
Skilled (level 3 – 5)	10	0	0	0	0	0	0
Highly skilled production (level 6 – 8)	32	1	3,1	0	0	0	0
Highly skilled supervision (level 9 – 12)	43	18	41,9	0	0	0	0
Senior Management Service Band A	27	0	0	0	0	0	0
Senior Management Service Band B	29	1	3,4	0	0	0	0
Senior Management Service Band C	4	2	50	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
<b>TOTAL</b>	<b>164</b>	<b>22</b>	<b>13,4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

NB: As a result of the October 2014 Medium Term Budget Policy Statement (MTBPS) which gave effect to the Cabinet decision to reduce allocations for compensation of employees across government, the EDD's funded posts were reduced to 149, hence the vacancy rate reflected here is overstated.

**Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2014 and 31 March 2015**

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with a disability	0	0	0	0	0



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**Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2014 and 31 March 2015**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation	No of employees in Department
Administrative	2	12	13	Retention	
Finance related	1	12	13	Retention	
<b>Total</b>	<b>3</b>				<b>124</b>
Percentage of total employment	2,4				

**Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2014 and 31 March 2015**

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	1	0	1
Male	2	0	0	0	2
<b>Total</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>3</b>

### 3.5 Employment Changes

**Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2014 and 31 March 2015**

Salary band	Number of employees at beginning of period 1 April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Skilled (levels 3 – 5)	11	0	1	9,1
Highly skilled production (levels 6 – 8)	33	3	3	9,1
Highly skilled supervision (levels 9 – 12)	47	7	12	25,5
Senior Management Service (levels 13 to 16)	45	6	7	15,6
Contracts Skilled (level 3 – 5)	0	4	1	0
Contracts Highly skilled production (levels 6 – 8)	0	2	1	0
Contracts Highly skilled supervision (level 9 – 12)	0	3	1	0
Contracts Senior Management Service (levels 13 to 16)	0	5	4	0
<b>Total</b>	<b>136</b>	<b>30</b>	<b>30</b>	<b>22,1</b>



**Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2014 and 31 March 2015**

Critical occupation	Number of employees at beginning of period April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related	25	6	4	16
Financial & related professionals	14	1	1	7,1
Finance and economic related	0	4	4	0
Head of office	1	0	0	0
Human resource clerks	6	1	0	0
Human resource related	7	2	2	28,6
Light vehicle drivers	0	1	0	0
Logistics and support	0	1	0	0
Information technology	3	0	1	33,3
Other Admin and related clerks and organisers	3	1	0	0
Secretaries and other operating clerks	6	2	1	16,7
Messenger services	5	0	0	0
Legal services	2	0	1	50
Senior managers	26	9	9	34,6
Other related professionals	0	2	7	0
Economists & other related professionals	38	0	0	0
<b>TOTAL</b>	<b>136</b>	<b>30</b>	<b>30</b>	<b>22,1</b>

**Table 3.5.3 Reasons why staff left the Department for the period 1 April 2014 and 31 March 2015**

Termination Type	Number	% of total terminations
Death	1	3,33
Resignation	11	36,67
Expiry of contract	7	23,33
Dismissal – misconduct	*1	3,33
Retirement	1	3,33
Transfer to other Public Service Departments	9	30,0
<b>Total</b>	<b>30</b>	<b>100</b>
Total number of employees who left as a % of total employment		8,87

\* Dismissal relates to abscondment



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**Table 3.5.4 Promotions by critical occupation for the period 1 April 2014 and 31 March 2015**

Occupation	Employees 1 April 2014	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	25	0	0	13	52
Financial & related professionals	14	0	0	10	71,4
Head of Office	1	0	0	0	0
Human Resource Clerks	6	0	0	2	33,3
Human Resource related	7	1	14,3	2	28,6
IT	3	0	0	1	33,3
Other admin and related clerks and organisers	3	0	0	1	33,3
Secretaries	6	0	0	2	33,3
Messenger Services	5	0	0	0	0
Legal Services	2	0	0	0	0
Senior Managers	26	0	0	21	80,8
Economist & other related professionals	38	0	0	1	2,6
<b>Total</b>	<b>136</b>	<b>1</b>	<b>0,7</b>	<b>53</b>	<b>39</b>

**Table 3.5.5 Promotions by salary band for the period 1 April 2014 and 31 March 2015**

Salary Band	Employees 1 April 2014	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of
Employees by salary bands					
Skilled (levels 3-5)	11	0	0	3	27,3
Highly skilled production (levels 6-8)	33	0	0	19	57,6
Highly skilled supervision (levels 9-12)	47	1	2,1	10	21,3
Senior Management (levels 13-16)	45	0	0	21	46,7
<b>Total</b>	<b>136</b>	<b>1</b>	<b>0,7</b>	<b>53</b>	<b>39</b>





### 3.6 Employment Equity

**Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2015**

Occupational category	Male					Female					Total
	African	Coloured	Indian	Total		African	Coloured	Indian	Total		
				Black	White				Black	White	
Legislators, senior officials and managers	12	1	1	14	3	13	1	0	14	6	37
Professionals	12	0	0	12	1	16	0	0	16	1	30
Technicians and associate professionals	7	0	0	7	0	22	3	1	26	0	33
Clerks	4	0	0	4	0	12	0	0	12	0	16
Plant and machine operators and assemblers	3	0	0	3	0	0	0	0	0	0	3
Labourers and related workers	0	0	0	0	0	3	0	0	3	0	3
Service shop and market sales workers	2	0	0	2	0	0	0	0	0	0	2
<b>Total</b>	<b>40</b>	<b>1</b>	<b>1</b>	<b>42</b>	<b>4</b>	<b>66</b>	<b>4</b>	<b>1</b>	<b>71</b>	<b>7</b>	<b>124</b>
Employees with disabilities	1	0	0	1	0	1	0	0	1	0	2



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**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2015**

Occupational band	Male					Female					Total
	African	Coloured	Indian	Total Black	White	African	Coloured	Indian	Total Black	White	
Top Management	0	0	0	0	0	0	0	0	0	1	1
Senior Management	12	1	1	14	1	12	1	0	13	2	30
Professionally qualified and experienced specialists and mid-management	17	0	0	17	1	14	2	1	17	1	36
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	4	0	0	4	0	24	1	0	25	0	29
Semi-skilled and discretionary decision making	2	0	0	2	0	6	0	0	6	0	8
Contract (Top management )	0	0	0	0	0	0	0	0	0	2	2
Contract (Senior management)	0	0	0	0	2	1	0	0	1	1	4
Contract (Professionally qualified and experienced specialists and mid-management)	1	0	0	1	0	5	0	0	5	0	6
Contract (Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents)	2	0	0	2	0	2	0	0	2	0	4
Contract (Semi-skilled and discretionary decision making)	2	0	0	2	0	2	0	0	2	0	4
<b>Total</b>	<b>40</b>	<b>1</b>	<b>1</b>	<b>42</b>	<b>4</b>	<b>66</b>	<b>4</b>	<b>1</b>	<b>71</b>	<b>7</b>	<b>124</b>



**Table 3.6.3 Recruitment for the period 1 April 2014 to 31 March 2015**

Occupational band	Male					Female					Total
	African	Coloured	Indian	Total Black	White	African	Coloured	Indian	Total Black	White	
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	3	0	0	3	0	3	0	0	3	0	6
Professionally qualified and experienced specialists and mid-management	3	0	0	3	0	5	0	0	5	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	1	0	3	0	0	3	1	5
Semi-skilled and discretionary decision making	0	0	0	0	0	3	0	0	3	0	3
Contract (Senior management)	0	0	0	0	2	2	0	0	2	1	5
Contract (Professionally qualified and experienced specialists and mid-management)	1	0	0	1	0	0	0	0	0	0	1
Contract (Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents)	1	0	0	1	0	0	0	0	0	0	1
Contract (Semi-skilled and discretionary decision making)	1	0	0	1	0	0	0	0	0	0	1
<b>Total</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>2</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>2</b>	<b>30</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0



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**Table 3.6.4 Promotions for the period 1 April 2014 to 31 March 2015**

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



**Table 3.6.5 Terminations for the period 1 April 2014 to 31 March 2015**

Occupational band	Male					Female					Total
	African	Coloured	Indian	Total Black	White	African	Coloured	Indian	Total Black	White	
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	2	0	1	3	2	2	1	0	3	1	9
Professionally qualified and experienced specialists and mid-management	3	0	0	3	0	8	0	0	8	1	12
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	3	0	1	0	0	1	0	4
Semi-skilled and discretionary decision making	1	0	0	1	0	1	0	0	1	0	2
Contract (Senior management)	1	0	0	1	0	1	0	0	1	0	2
Contract (Professionally qualified and experienced specialists and mid-management)	1	0	0	1	0	0	0	0	0	0	1
<b>Total</b>	<b>11</b>	<b>0</b>	<b>1</b>	<b>12</b>	<b>2</b>	<b>13</b>	<b>1</b>	<b>0</b>	<b>14</b>	<b>2</b>	<b>30</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

Total Black refers to Africans, Coloureds and Indians, both male and female.

**Table 3.6.6 Disciplinary action for the period 1 April 2014 to 31 March 2015**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Misconduct	1	1	0	0	1	1	0	0	4

\* Disciplinary warnings were given to officials for non-compliance to administrative policies



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**Table 3.6.7 Skills development for the period 1 April 2014 to 31 March 2015**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	0	0	0	2	0	0	0	2
Professionals	1	0	0	1	3	0	0	0	5
Technicians and associate professionals	20	0	0	0	20	0	0	0	40
Clerks	0	0	0	0	0	0	0	0	0
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

**3.7 Signing of Performance Agreements by SMS Members**

**Table 3.7.1 Signing of performance agreements by SMS members as on 31 July 2014**

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/Head of Department	1	1	0	0
Salary level 16	2	1	1	100
Salary level 15	5	1	0	0
Salary level 14	31	14	12	86
Salary level 13	28	20	20	100
<b>Total</b>	<b>67</b>	<b>37</b>	<b>33</b>	<b>89</b>

**Table 3.7.2 Reasons for not having concluded performance agreements for all SMS members as on 31 July 2014**

Reasons
Operational reasons

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 July 2014**

Reasons
Written warnings were issued to SMS members who did not comply



### 3.8 Performance Rewards

**Table 3.8.1 Performance rewards by race, gender and disability for the period 1 April 2014 to 31 March 2015**

Race and gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee (R'000)
<b>African</b>					
- Male	6	38	16	102	17
- Female	14	68	21	217	16
<b>Asian</b>					
- Male	0	1	0	0	0
- Female	1	1	100	24	24
<b>Coloured</b>					
- Male	0	1	0	0	0
- Female	2	4	50	69	37
<b>White</b>					
- Male	0	4	0	0	0
- Female	0	7	0	0	0
Employees with disabilities	2	2	100	12	6
<b>Total</b>	<b>25</b>	<b>124</b>	<b>20</b>	<b>424</b>	<b>17</b>

\* Four employees were paid performance rewards during this financial year which should have been paid in the 2013/14 financial year

**Table 3.8.2 Performance rewards by salary band for personnel below senior management service for the period 1 April 2014 to 31 March 2015**

Salary band	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Skilled (level 3-5)	3	7	42.9	17	5,667
Highly skilled production (level 6-8)	9	30	30	87	9,667
Highly skilled supervision (level 9-12)	10	36	27.8	233	23,300
Contract (level 3-5)	0	3	0	0	0
Contract (level 6-8)	0	3	0	0	0
Contract (level 9-12)	1	6	16.7	35	35,000
<b>Total</b>	<b>23</b>	<b>85</b>	<b>27.1</b>	<b>372</b>	<b>16,174</b>



**PART D**  
Human Resource Management

**Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2014 to 31 March 2015**

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	10	25	40	231	23,100
Financial and related professionals	2	8	25	44	22,000
Communications and information related	0	3	0	0	0
Food service aid	1	3	33,3	4	4,000
Finance and economic related	0	3	0	0	0
Financial clerks and credit controllers	0	2	0	0	0
Head of Office	0	1	0	0	0
Human resource clerks	2	7	28,6	12	6,000
Human resource related	1	5	20	13	13,000
IT	1	2	50	11	11,000
Light vehicle driver	1	2	50	8	8,000
Logistical support personnel	0	6	0	0	0
Other admin and related clerks and organisers	1	3	33,3	7	7,000
Risk management and security services	0	1	0	0	0
Secretaries & other keyboard operating clerks	3	3	100	22	7,333
Security officers	0	1	0	0	0
Messenger services	0	1	0	0	0
Senior managers*	2	32	6,3	52	26,000
Economist & other related professionals	1	4	25	20	20,000
Statistical and related professionals	0	2	0	0	0
Other related professions	0	10	0	0	0
<b>Total</b>	<b>25</b>	<b>124</b>	<b>20,2</b>	<b>424</b>	<b>16,960</b>

\* It should be noted that band A and band B beneficiaries includes carryovers from the last financial years 2011/12 and 2012/13.

**Table 3.8.4 Performance related rewards (cash bonus), by salary band for senior management service for the period 1 April 2014 to 31 March 2015**

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	2	20	10	52	26,000	0.07
Band B	0	14	0	0	0	0
Band C	0	1	0	0	0	0
Band D	0	2	0	0	0	0
<b>Total</b>	<b>2</b>	<b>37</b>	<b>5.4</b>	<b>52</b>	<b>26,000</b>	<b>0.07</b>





### 3.9 Foreign Workers

**Table 3.9.1 Foreign workers by salary band for the period 1 April 2014 and 31 March 2015**

Salary band	01 April 2014		31 March 2015		Change	
	Number	% of total foreign workers	Number	% of total foreign workers	Number	% Change
Lower skilled	0	0	0	0	0	0
Senior Managers level 13 – 16	3	50	3	50	0	0
Highly skilled supervision (level 9 – 12)	2	33.3	2	33.3	0	0
Contract (level 9 – 12)	1	16.7	1	16.7	0	0
<b>Total</b>	<b>6</b>	<b>100</b>	<b>6</b>	<b>100</b>	<b>0</b>	<b>0</b>

**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2014 and 31 March 2015**

Major occupation	01 April 2014		31 March 2015		Change	
	Number	% of total foreign workers	Number	% of total foreign workers	Number	% Change
Senior Managers	3	50	3	50	0	0
Other professionals	3	50	3	50	0	0
<b>Total</b>	<b>6</b>	<b>100</b>	<b>6</b>	<b>100</b>	<b>0</b>	<b>0</b>

### 3.10 Leave Utilisation

**Table 3.10.1 Sick leave for the period 1 January 2014 to 31 December 2014**

Salary band	Total days	% Days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)	Total number of employees using sick leave	Total number of days with medical certification
Skilled (levels 3-5)	54	87	8	7.5	7	33,288	106	47
Highly skilled production (levels 6-8)	266	81.6	30	28.3	9	271,017	106	217
Highly skilled supervision (levels 9 -12)	247	76.1	28	26.4	9	541,123	106	188
Top and Senior management (levels 13-16)	176	86.9	27	25.5	7	645,148	106	153
Contract (levels 3-5)	11	63.6	1	0.9	11	8,178	106	7
Contract (levels 9-12)	36	63.9	9	8.5	4	73,062	106	23
Contracts (levels 13-16)	17	58.8	3	2.8	6	53,412	106	10
<b>Total</b>	<b>807</b>	<b>79.9</b>	<b>106</b>	<b>100</b>	<b>8</b>	<b>1,625,228</b>		<b>645</b>



**PART D**  
Human Resource Management

**Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2014 to 31 December 2014**

Salary Band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average says per employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of employees using disability leave
Skilled (levels 3-5)	0	0	0	0	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0	0	0	0	0
Highly skilled supervision (levels 9-12)	13	100	1	50	13	35	13	1
Senior management (levels 13-16)	5	100	1	50	5	22	5	1
<b>Total</b>	<b>18</b>	<b>100</b>	<b>2</b>	<b>100</b>	<b>9</b>	<b>57</b>	<b>18</b>	<b>2</b>

**Table 3.10.3 Annual Leave for the period 1 January 2014 to 31 December 2014**

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Skilled levels 3-5)	158	18	9
Highly skilled production (levels 6-8)	704	22	32
Highly skilled supervision (levels 9-12)	706	20	35
Senior management (levels 13-16)	734	21	35
Contract (level 3-5)	49	16	3
Contract (level 6-8)	22	6	4
Contracts (level 9-12)	219	17	13
Contracts (level 13-16)	32	6	5
Other	35	12	3
<b>Total</b>	<b>2 659</b>	<b>138</b>	<b>19</b>



**Table 3.10.4 Capped leave for the period 1 January 2014 to 31 March 2015**

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2015
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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.10.5 Leave pay-outs for the period 1 April 2014 and 31 March 2015**

Reason	Total amount (R'000)	Number of employees	Average payment per employee (R)
Leave pay-out for 2013/14 due to non-utilisation of leave for the previous cycle	5	1	5 000
Capped leave pay-outs on termination of service for 2013/14	0	0	0
Current leave pay-out on termination of service for 2013/14	138	8	17 250
<b>Total</b>	<b>143</b>	<b>9</b>	<b>15 889</b>

### 3.11 HIV/AIDS & Health Promotion Programmes

**Table 3.11.1 Steps taken to reduce the risk of occupational exposure**

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



**PART D**  
Human Resource Management

**Table 3.11.2 Details of health promotion and HIV/AIDS programmes (tick the applicable boxes and provide the required information)**

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Director: Human Resource Management. Employee Health and Wellness resides in the sub-Directorate: Human Resource Policy and Planning within the Directorate: Human Resource Management.
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		The sub-Directorate: Human Resource Policy and Planning is assigned with the responsibility of promoting the health and well-being of EDD employees. There were two employees responsible for the programme.
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	x		The EDD has procured the services of ICAS, which include counselling services on health and wellness issues, relationships and finance; access to a 24-hour helpline and one-on-one consultations. They offer information sessions to create awareness on health matters. Desk drops (information pieces on health and wellness themes) are provided on a regular basis to employees.
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		x	The Health and Wellness Committee was established in the Department and became dormant with the departure of the majority of its Committee members.
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	x		Policies have been in existence and there are no practices in these policies that discriminate against people living with HIV/ Aids.
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	x		The measures are guided by the Code of Conduct, Employee Health and Wellness Policy, Employment Equity Policy, Working Hour Policy, and Leave Policy.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	x		Opportunities for voluntary counselling and testing are created during wellness days and information sessions held in partnership with GEMS and ICAS, as a result the number of employees participating in the programme has increased.
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		GEMS Wellness day reports & ICAS quarterly reports.



### 3.12 Labour Relations

**Table 3.12.1 Collective agreements for the period 1 April 2014 and 31 March 2015**

Subject matter	Date
None	

**Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2014 and 31 March 2015**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	3	75
Final written warning	1	25
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
<b>Total</b>	<b>4</b>	<b>100</b>

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 01 April 2014 and 31 March 2015**

Type of misconduct	Number	% of total
Gross dishonesty	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Table 3.12.4 Grievances logged for the period 1 April 2014 and 31 March 2015**

Grievances	Number	% of total
Number of grievances resolved	2	50
Number of grievances not resolved	2	50
<b>Total number of grievances lodged</b>	<b>4</b>	<b>100</b>

**Table 3.12.5 Disputes logged with Councils for the period 1 April 2014 and 31 March 2015**

Disputes	Number	% of total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
<b>Total number of disputes lodged</b>	<b>0</b>	<b>0</b>



**PART D**  
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**Table 3.12.6 Strike actions for the period 1 April 2014 and 31 March 2015**

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

**Table 3.12.7 Precautionary suspensions for the period 1 April 2014 and 31 March 2015**

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
<b>Average number of days suspended</b>	<b>0</b>
<b>Cost of suspension(R'000)</b>	<b>0</b>

### 3.13 Skills Development

**Table 3.13.1 Training needs identified for the period 1 April 2014 and 31 March 2015**

Occupational category	Gender	Number of employees as at 1 April 2014	Learner ships	Training needs identified at start of the reporting period		Total
				Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	23	0	18	0	18
	Male	20	0	15	0	15
Professionals	Female	29	0	12	0	10
	Male	21	0	09	0	09
Technicians and associate professionals	Female	27	0	18	0	18
	Male	7	0	06	0	06
Clerks	Female	6	0	03	0	03
	Male	5	0	03	0	03
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	0	0	51	0	51
	Male	0	0	33	0	33
<b>Total</b>		<b>138</b>	<b>0</b>	<b>84</b>	<b>0</b>	<b>84</b>



**Table 3.13.2 Training provided for the period 1 April 2014 and 31 March 2015**

Occupational category	Gender	Number of employees as at 1 April 2014	Learner ships	Training provided within the reporting period		Total
				Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	23	0	2	0	2
	Male	20	0	0	0	0
Professionals	Female	29	0	1	0	1
	Male	21	0	3	0	3
Technicians and associate professionals	Female	27	0	4	0	4
	Male	7	0	2	0	2
Clerks	Female	6	0	18	0	18
	Male	5	0	17	0	17
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	0	0	24	0	24
	Male	0	0	22	0	22
<b>Total</b>		<b>138</b>	<b>0</b>	<b>47</b>	<b>0</b>	<b>47</b>

### 3.14 Injury on Duty

**Table 3.14.1 Injury on duty for the period 1 April 2014 and 31 March 2015**

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
<b>Total</b>	<b>0</b>	<b>0</b>



**PART D**  
Human Resource Management

### 3.15 Utilisation of Consultants

**Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2014 and 31 March 2015**

Project title	Total number of consultants that worked on project	Duration	Contract value Co-sourced audit on performance objectives and transfers and subsidies
Worked days	Contract value	19	168 744
<b>Total</b>			<b>168 744</b>

*This does not include legal services procured through the State Attorney's office, casual labourers and services acquired through compliance requirements*

**Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2014 and 31 March 2015**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Co-sourced audit on performance objectives & transfers and subsidies	B-BBEE Level 1	Not specified	Not specified





**Table 3.15.3 Report on consultant appointments using donor funds for the period 1 April 2014 and 31 March 2015**

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

**Table 3.15.4 Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2014 and 31 March 2015**

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

### 3.16 Severance Packages

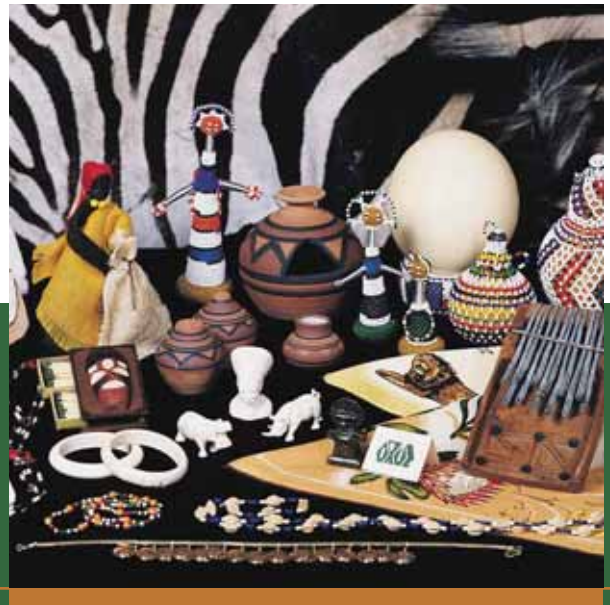
**Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2014 and 31 March 2015**

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0
Senior management (levels 13-16)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# PART E

## Annual Financial Statements





# ANNUAL FINANCIAL STATEMENTS

ECONOMIC DEVELOPMENT DEPARTMENT

For the year ended 31 March 2015



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## REPORT of the Auditor-General

### Report on the financial statements

#### *Introduction*

1. I have audited the financial statements of the Economic Development Department set out on pages 99 to 161, which comprise the appropriation statement, the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as 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 and fair presentation of these financial statements in accordance with Modified Cash Standards 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 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 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 Economic Development Department as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with Modified Cash Standards prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

### Additional Matter

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

#### *Unaudited supplementary schedules*

7. The supplementary information set out on pages 162 to 173 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.



## Report of the Auditor-General to Parliament on vote no. 28: Economic Development Department.

### **Report on other legal and regulatory requirements**

8. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

### **Predetermined objectives**

9. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programme presented in the annual performance report of the department for the year ended 31 March 2015:

- Programme 3: Economic Development Planning and Coordination on pages 47 to 50.

10. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

11. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programme. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPi).

12. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

13. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programme:

- Programme 3: Economic Planning and Coordination

### **Additional Matter**

14. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected, I draw attention to the following matter:

### **Achievement of planned targets**

15. Refer to the annual performance report on pages 26 to 56 for information on the achievement of the planned targets for the year.

### **Compliance with legislation**

16. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My finding on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, is as follows:

### **Human resource management and compensation**

17. Employees were appointed without following a proper process to verify the claims made in their applications in contravention of Public Service Regulation 1/VII/D.8.



## PART E Annual Financial Statements

Report of the Auditor-General to Parliament on vote no. 28: Economic Development Department.

### **Internal control**

18. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matter reported below is limited to the significant internal control deficiencies that resulted in the finding on non compliance with legislation in this report.

### **Leadership**

19. Although an action plan was developed to address external audit findings, it was not adequately monitored by management to prevent non-compliance with legislation.

*Auditor - General*

Pretoria  
31 July 2015



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*





National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

## Appropriation Statement

for the year ended 31 March 2015

Appropriation per programme									
2014/15								2013/14	
	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
<b>Programme</b>									
1. Administration	94 852	-	(6 775)	88 076	87 419	657	99.3%	91 342	91 301
2. Economic Policy Development	11 894	-	941	12 834	12 775	59	99.5%	23 891	23 886
3. Economic Planning and Co-ordination	581 126	-	5 374	586 500	585 452	1 048	99.8%	644 515	644 511
4. Economic Development and Dialogue	8 989	-	461	9 450	9 267	183	98.1%	11 718	11 697
Subtotal	696 860	-	-	696 860	694 912	1 948	99.7%	771 466	771 395
<b>TOTAL</b>	<b>696 860</b>	<b>-</b>	<b>-</b>	<b>696 860</b>	<b>694 912</b>	<b>1 948</b>	<b>99.7%</b>	<b>771 466</b>	<b>771 395</b>

	2014/15		2013/14	
	Final appropriation	Actual expenditure	Final appropriation	Actual expenditure
<b>TOTAL (brought forward)</b>	<b>696 860</b>	<b>694 912</b>	<b>771 466</b>	<b>771 395</b>
<b>Reconciliation with statement of financial performance</b>				
<b>ADD</b>				
Departmental receipts	50 367		60 088	
NRF Receipts	-		-	
Aid assistance	4 012		-	
<b>Actual amounts per statement of financial performance (total revenue)</b>	<b>751 239</b>		<b>831 554</b>	
<b>ADD</b>				
Aid assistance		4 012		
Prior year unauthorised expenditure approved without funding				
<b>Actual amounts per statement of financial performance (total expenditure)</b>		<b>698 924</b>		<b>771 395</b>

**PART E**  
Annual Financial Statements

National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

Appropriation per economic classification									
Economic classification	2014/15							2013/14	
	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
<b>Current payments</b>	<b>131 955</b>	<b>(9 268)</b>	<b>(4 537)</b>	<b>118 151</b>	<b>116 255</b>	<b>1 896</b>	<b>98.4%</b>	<b>137 224</b>	<b>136 794</b>
<b>Compensation of employees</b>	76 911	-	(350)	76 561	75 688	872	98.9%	70 948	70 922
Salaries and wages	69 556	(132)	(360)	69 063	68 208	856	98.8%	63 624	64 710
Social contributions	7 355	133	10	7 497	7 481	17	99.8%	7 324	6 213
<b>Goods and services</b>	55 045	(9 268)	(4 186)	41 590	40 567	1 024	97.5%	66 276	65 872
Administrative fees	648	(122)	-	526	524	2	99.7%	1 075	662
Advertising	16 484	(9 874)	(471)	6 139	6 138	1	100.0%	24 234	20 087
Minor assets	1 134	(1 066)	-	68	62	7	90.4%	180	225
Audit costs: External	2 617	420	-	3 037	3 037	-	100.0%	2 465	3 210
Bursaries: Employees	133	(36)	-	97	97	-	100.0%	310	123
Catering: Departmental activities	615	(215)	10	410	410	-	99.9%	2 691	1 396
Communication	633	837	2	1 472	1 471	1	99.9%	807	616
Computer services	590	209	813	1 611	1 609	2	99.9%	1 099	736
Consultants: Business and advisory services	479	(106)	-	373	372	1	99.7%	3 559	4 165
Legal services	4 025	393	(789)	3 629	3 355	274	92.4%	690	6 746
Contractors	481	(221)	-	260	240	20	92.2%	803	706
Agency and support / outsourced services	278	(54)	-	224	202	22	90.0%	19	129
Entertainment	93	(84)	-	9	9	-	100.0%	20	24
Fleet services	637	448	-	1 085	1 085	-	100.0%	410	975
Inventory: Clothing material and supplies	218	211	-	430	429	0	99.9%	10	7
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	2	-
Inventory: Materials and supplies	19	(8)	-	11	10	1	90.1%	20	9
Inventory: Medicine	-	-	-	-	-	-	-	1	-
Consumable supplies	768	(660)	0	108	100	8	92.3%	677	329
Consumable: Stationery printing and office supplies	2 672	(1 639)	-	1 033	1 029	4	99.6%	1 946	1 729
Operating leases	9 901	3 500	(4 216)	9 185	9 185	-	100.0%	6 042	8 216



National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

Appropriation per economic classification									
Economic classification	2014/15							2013/14	
	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
Property payments	10	(10)	-	-	-	-	-	45	56
Transport provided:									
Departmental activity	-	1	-	1	1	-	100.0%	-	69
Travel and subsistence	10 249	(424)	403	10 228	9 561	667	93.5%	17 749	11 839
Training and development	516	(244)	(51)	221	221	-	100.0%	80	322
Operating payments	1 162	(82)	-	1 080	1 068	12	98.9%	1 009	1 757
Venues and facilities	667	(434)	111	343	343	-	100.0%	9	1 428
Rental and hiring	17	(7)	-	10	10	-	100.0%	325	311
<b>Interest and rent on land</b>								-	-
<b>Transfers and subsidies</b>	<b>560 456</b>	<b>10 333</b>	<b>5 156</b>	<b>575 945</b>	<b>575 945</b>	<b>-</b>	<b>100.0%</b>	<b>628 081</b>	<b>628 077</b>
<b>Departmental agencies and accounts</b>									
Social security funds	291 611	10 085	5 124	306 820	306 820	-	100.0%	273 603	273 603
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	291 611	10 085	5 124	306 820	306 820	-	100.0%	273 603	273 603
<b>Public corporations and private enterprises</b>									
Public corporations	268 845	-	-	268 845	268 845	-	100.0%	353 979	353 979
Public corporations	268 845	-	-	268 845	268 845	-	100.0%	353 979	353 979
Other transfers to public corporations	268 845	-	-	268 845	268 845	-	100.0%	353 979	353 979
<b>Non-profit institutions</b>									
Non-profit institutions	-	60	-	60	60	-	100.0%	-	-
<b>Households</b>									
Households	-	188	32	220	220	-	100.0%	499	495
Social benefits	-	188	32	220	219	0	99.8%	499	495
<b>Payments for capital assets</b>	<b>4 448</b>	<b>(1 065)</b>	<b>(619)</b>	<b>2 764</b>	<b>2 712</b>	<b>52</b>	<b>98.1%</b>	<b>6 133</b>	<b>6 497</b>
Machinery and equipment	3 970	(587)	(619)	2 764	2 712	52	98.1%	5 001	4 998
Transport equipment	-	-	-	-	-	-	-	690	685
Other machinery and equipment	3 970	(587)	(619)	2 764	2 712	52	98.1%	4 311	4 313
Software and other Intangible assets	478	(478)	-	-	-	-	-	1 132	1 499
<b>Payments for financial assets</b>								<b>27</b>	<b>27</b>



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Statutory appropriation per economic classification									
Economic classification	2014/15							2013/14	
	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
<b>Current payments</b>	<b>131 955</b>	<b>(9 268)</b>	<b>(4 537)</b>	<b>118 151</b>	<b>116 256</b>	<b>1 896</b>	<b>98.4%</b>	<b>137 224</b>	<b>136 794</b>
Compensation of employees	76 911	-	(350)	76 561	75 688	872	98.9%	70 948	70 922
Goods and services	55 045	(9 268)	(4 186)	41 590	40 567	1 024	97.5%	66 276	65 872
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>560 456</b>	<b>10 333</b>	<b>5 156</b>	<b>575 945</b>	<b>575 945</b>	<b>-</b>	<b>100.0%</b>	<b>628 081</b>	<b>628 077</b>
Departmental agencies and accounts	291 611	10 085	5 124	306 820	306 820	-	100.0%	273 603	273 603
Public corporations and private enterprises	268 845	-	-	268 845	268 845	-	100.0%	353 979	353 979
Non-profit institutions	-	60	-	60	60	-	100.0%	-	-
Households	-	188	32	220	219	0	99.8%	499	495
<b>Payments for capital assets</b>	<b>4 448</b>	<b>(1 065)</b>	<b>(619)</b>	<b>2 764</b>	<b>2 712</b>	<b>52</b>	<b>98.1%</b>	<b>6 133</b>	<b>6 497</b>
Buildings and other fixed structures									
Machinery and equipment	3 970	(587)	(619)	2 764	2 712	52	98.1%	5 001	4 998
Heritage assets									
Specialised military assets									
Biological assets									
Land and subsoil assets									
Software and other Intangible assets	478	(478)	-	-	-	-	-	1 132	1 499
<b>Payments for financial assets</b>								<b>27</b>	<b>27</b>



National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

## Programme 1: Administration

	2014/15							2013/14	
	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
<b>Sub programme</b>									
1. Ministry	21 674	(217)	(1 035)	20 421	19 828	593	97.1%	21 067	21 050
2. Office of the Director General	15 701	(2 939)	(152)	12 610	12 583	28	99.8%	10 792	10 773
3. General Management Services	57 477	3 156	(5 589)	55 044	55 008	36	99.9%	59 483	59 478
<b>Total for sub programmes</b>	<b>94 852</b>	<b>-</b>	<b>(6 775)</b>	<b>88 076</b>	<b>87 419</b>	<b>657</b>	<b>99.3%</b>	<b>91 342</b>	<b>91 301</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>90 350</b>	<b>(9 084)</b>	<b>(6 117)</b>	<b>75 148</b>	<b>74 498</b>	<b>651</b>	<b>99.1%</b>	<b>86 815</b>	<b>86 778</b>
<b>Compensation of employees</b>	41 173	-	(1 598)	39 575	39 533	42	99.9%	38 124	38 106
Salaries and wages	36 996	(82)	(1 578)	35 336	35 311	25	99.9%	34 287	34 436
Social contributions	4 177	83	(21)	4 239	4 222	16	99.6%	3 837	3 670
<b>Goods and services</b>	49 177	(9 085)	(4 519)	35 574	34 965	609	98.3%	48 691	48 672
Administrative fees	113	132	-	246	244	1	99.5%	479	411
Advertising	16 484	(9 874)	(471)	6 139	6 138	1	100.0%	23 884	19 984
Minor assets	1 117	(1 052)	-	65	62	3	95.7%	144	225
Audit costs:									
External	2 617	420	-	3 037	3 037	-	100.0%	2 465	3 210
Bursaries:									
Employees	133	(36)	-	97	97	-	100.0%	310	123
Catering:									
Departmental activities	418	(303)	-	115	115	-	99.9%	764	315
Communication	505	782	-	1 287	1 287	-	100.0%	494	616
Computer services	273	104	-	377	375	2	99.5%	919	578
Consultants:									
Business and advisory services	300	52	-	352	351	1	99.7%	687	1 058
Legal services	4 025	(670)	-	3 355	3 355	-	100.0%	690	2 446
Contractors	432	(272)	-	160	157	3	98.1%	356	359
Agency and support / outsourced services	278	(76)	-	202	202	-	99.9%	19	129
Entertainment	93	(84)	-	9	9	-	100.0%	16	5
Fleet services	631	442	-	1 073	1 073	-	100.0%	407	968



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National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

**Programme 1: Administration (continued)**

	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Clothing material and supplies	1	-	-	1	0	0	40.8%	5	6
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	2	-
Inventory: Materials and supplies	19	(8)	-	10	9	1	89.9%	8	8
Inventory: Medicine	-	-	-	-	-	-	-	1	-
Consumable supplies	761	(665)	0	97	88	8	91.4%	529	242
Consumable: Stationery printing and office supplies	2 295	(1 324)	-	971	968	3	99.7%	991	1 290
Operating leases	9 901	3 500	(4 216)	9 185	9 185	-	100.0%	6 042	8 216
Property payments	10	(10)	-	-	-	-	-	45	34
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	57
Travel and subsistence	7 993	(518)	167	7 642	7 058	585	92.4%	8 398	7 344
Training and development	144	78	-	221	221	-	100.0%	80	322
Operating payments	511	361	-	871	871	1	99.9%	523	643
Venues and facilities	123	(61)	-	62	62	-	100.0%	400	57
Rental and hiring	-	-	-	-	-	-	-	35	25
<b>Interest and rent on land</b>	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>323</b>	<b>10 164</b>	<b>-</b>	<b>10 487</b>	<b>10 487</b>	<b>-</b>	<b>100.0%</b>	<b>202</b>	<b>202</b>
<b>Departmental agencies and accounts</b>	<b>323</b>	<b>10 085</b>	<b>-</b>	<b>10 408</b>	<b>10 408</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	323	10 085	-	10 408	10 408	-	100.0%	-	-
<b>Households</b>	<b>-</b>	<b>79</b>	<b>-</b>	<b>79</b>	<b>79</b>	<b>-</b>	<b>100.0%</b>	<b>202</b>	<b>202</b>
Social benefits	-	79	-	79	79	-	100.0%	202	202
Other transfers to households	-	-	-	-	-	-	-	-	-



National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

	2014/15							2013/14	
	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
<b>Payments for capital assets</b>	4 178	(1 079)	(658)	2 441	2 434	7	99.7%	4 297	4 178
<b>Machinery and equipment</b>	3 700	(601)	(658)	2 441	2 434	7	99.7%	4 269	4 265
Transport equipment	-	-	-	-	-	-	-	690	685
Other machinery and equipment	3 700	(601)	(658)	2 441	2 434	7	99.7%	3 579	3 580
<b>Software and other Intangible assets</b>	478	(478)	-	-	-	-	-	28	28
<b>Payments for financial assets</b>								<b>27</b>	<b>27</b>



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National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

1.1 Ministry									
Economic classification	2014/15							2013/14	
	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
<b>Current payments</b>	21 321	(85)	(1 035)	20 201	19 608	593	97.1%	20 401	20 384
Compensation of employees	12 606	429	(1 202)	11 833	11 823	10	99.9%	12 325	12 308
Goods and services	8 715	(514)	167	8 368	7 785	583	93.0%	8 077	8 076
Interest and rent on land									
<b>Transfers and subsidies</b>	-	9	-	9	9	-	100.0%	32	32
Households	-	9	-	9	9	-	100.0%	32	32
<b>Payments for capital assets</b>	353	(141)	-	212	212	-	100.0%	607	607
Buildings and other fixed structures									
Machinery and equipment	353	(141)	-	212	212	-	100.0%	607	607
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	27	27





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<b>1.2 Office of the Director General</b>									
<b>Economic classification</b>	<b>2014/15</b>							<b>2013/14</b>	
	<b>Adjusted appropriation</b>	<b>Shifting of funds</b>	<b>Virement</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>15 590</b>	<b>(2 968)</b>	<b>(152)</b>	<b>12 471</b>	<b>12 445</b>	<b>26</b>	<b>99.8%</b>	<b>10 556</b>	<b>10 537</b>
Compensation of employees	9 034	(258)	(152)	8 624	8 607	17	99.8%	8 550	8 550
Goods and services	6 556	(2 709)	0	3 847	3 838	9	99.8%	2 006	1 987
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>13</b>	<b>13</b>	<b>-</b>	<b>100.0%</b>	<b>25</b>	<b>25</b>
Households	-	13	-	13	13	-	100.0%	25	25
<b>Payments for capital assets</b>	<b>111</b>	<b>16</b>	<b>-</b>	<b>127</b>	<b>126</b>	<b>2</b>	<b>98.7%</b>	<b>211</b>	<b>211</b>
Buildings and other fixed structures									
Machinery and equipment	111	16	-	127	126	2	98.7%	211	211
<b>Payments for financial assets</b>									

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National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

<b>1.3 General Management Services</b>									
<b>Economic classification</b>	<b>2014/15</b>							<b>2013/14</b>	
	<b>Adjusted appropriation</b>	<b>Shifting of funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>53 440</b>	<b>(6 032)</b>	<b>(4 931)</b>	<b>42 477</b>	<b>42 446</b>	<b>31</b>	<b>99.9%</b>	<b>55 858</b>	<b>55 857</b>
Compensation of employees	19 533	(170)	(244)	19 118	19 104	14	99.9%	17 250	17 249
Goods and services	33 907	(5 862)	(4 687)	23 352	23 342	17	99.9%	38 608	38 608
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>323</b>	<b>10 142</b>	<b>-</b>	<b>10 466</b>	<b>10 466</b>	<b>-</b>	<b>100.0%</b>	<b>146</b>	<b>146</b>
Provinces and municipalities									
Departmental agencies and accounts	323	10 085	-	10 408	10 408	-	100.0%	-	-
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	-	57	-	57	57	0	99.2%	146	146
<b>Payments for capital assets</b>	<b>3 714</b>	<b>(954)</b>	<b>(658)</b>	<b>2 102</b>	<b>2 097</b>	<b>5</b>	<b>99.8%</b>	<b>3 479</b>	<b>3 475</b>
Buildings and other fixed structures									
Machinery and equipment	3 236	(476)	(658)	2 102	2 097	5	99.8%	3 451	3 447
Heritage assets									
Specialised military assets									
Biological assets									
Land and subsoil assets									
Software and other Intangible assets	478	(478)	-	-	-	-	-	28	28
<b>Payments for financial assets</b>									



National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

## Programme 2: Economic Policy Development

	2014/15							2013/14	
	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
<b>Sub programme</b>									
1. Growth Path & Creation of Decent Work	2 260	468	268	2 995	2 995	-	100.0%	2 257	2 256
2. Economic Policy	9 408	(298)	279	9 389	9 334	55	99.4%	19 913	19 911
3. BBB Economic Empowerment	168	(120)	395	442	442	-	100.0%	1 160	1 158
4. Second Economy	58	(50)	-	8	4	4	50.8%	561	560
<b>Total for sub programmes</b>	<b>11 894</b>	<b>-</b>	<b>941</b>	<b>12 834</b>	<b>12 775</b>	<b>59</b>	<b>99.5%</b>	<b>23 891</b>	<b>23 886</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>11 804</b>	<b>23</b>	<b>902</b>	<b>12 729</b>	<b>12 684</b>	<b>45</b>	<b>99.6%</b>	<b>13 513</b>	<b>13 142</b>
<b>Compensation of employees</b>	<b>10 639</b>	<b>-</b>	<b>(353)</b>	<b>10 286</b>	<b>10 244</b>	<b>42</b>	<b>99.6%</b>	<b>10 791</b>	<b>10 789</b>
Salaries and wages	9 897	(65)	(353)	9 479	9 437	41	99.6%	9 806	10 059
Social contributions	742	65	-	807	807	-	100.0%	985	730
<b>Goods and services</b>	<b>1 165</b>	<b>23</b>	<b>1 255</b>	<b>2 443</b>	<b>2 439</b>	<b>3</b>	<b>99.9%</b>	<b>2 723</b>	<b>2 353</b>
Administrative fees	402	(188)	-	214	214	-	100.0%	81	31
Advertising	-	-	-	-	-	-	-	-	33
Minor assets	-	4	-	4	-	4	-	-	-
Catering:									
Departmental activities	4	3	93	100	100	-	99.9%	307	409
Communication	52	(5)	2	49	50	-	100.7%	8	-
Computer services	316	105	813	1 234	1 234	-	100.0%	180	157
Consultants:									
Business and advisory services	-	-	-	-	-	-	-	60	320
Contractors	-	-	-	-	-	-	-	140	76
Entertainment	-	-	-	-	-	-	-	-	15
Fleet services	-	1	-	1	1	-	108.9%	-	3
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	5	-
Inventory: Materials and supplies	-	-	-	-	-	-	100.0%	-	1
Consumable supplies	5	(2)	-	4	4	-	100.0%	51	32

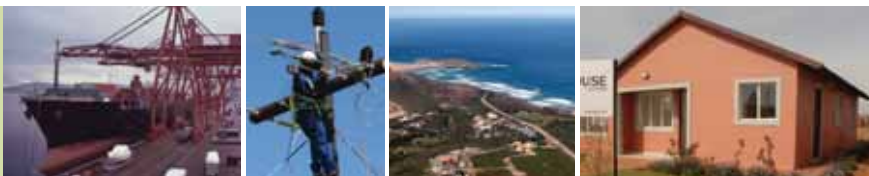


**PART E**  
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National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

**Programme 2: Economic Policy Development (continued)**

	2014/15							2013/14	
	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
Consumable:									
Stationery printing and office supplies	-	-	-	-	-	-	99.8%	242	105
Transport provided:									
Departmental activity	-	-	-	-	-	-	-	-	2
Travel and subsistence	385	(9)	236	612	612	-	100.0%	1 269	708
Operating payments	-	1	-	1	1	-	100.1%	75	212
Venues and facilities	-	114	111	224	224	-	100.0%	305	249
<b>Interest and rent on land</b>	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	15	-	15	15	-	100.0%	9 034	9 034
<b>Public corporations and private enterprises</b>	-	-	-	-	-	-	-	9 000	9 000
Public corporations	-	-	-	-	-	-	-	9 000	9 000
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	9 000	9 000
<b>Households</b>	-	15	-	15	15	-	100.0%	34	34
Social benefits	-	15	-	15	15	-	100.0%	34	34
<b>Payments for capital assets</b>	89	(38)	39	90	76	14	84.6%	1 343	1 710
<b>Machinery and equipment</b>	89	(38)	39	90	76	14	84.6%	239	239
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	89	(38)	39	90	76	14	84.6%	239	239
<b>Intangible assets</b>	-	-	-	-	-	-	-	1 104	1 471
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>11 894</b>	<b>-</b>	<b>941</b>	<b>12 834</b>	<b>12 775</b>	<b>59</b>	<b>99.5%</b>	<b>23 891</b>	<b>23 886</b>



National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

<b>2.1 Growth Path &amp; Creation of Decent Work</b>										
<b>Economic classification</b>	<b>2014/15</b>							<b>2013/14</b>		
	<b>Adjusted appropriation</b>	<b>Shifting of funds</b>	<b>Virement</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	
<b>Current payments</b>	2 225	510	229	2 963	2 963	0	100.0%	2 221	2 220	
Compensation of employees	2 148	78	-	2 226	2 226	0	100.0%	1 826	1 825	
Goods and services	77	432	229	738	738	0	100.0%	395	395	
Interest and rent on land										
<b>Transfers and subsidies</b>	-	2	-	2	2	0	100.0%	-	-	
Households	-	2	-	2	2	0	100.0%	-	-	
<b>Payments for capital assets</b>	35	(44)	39	30	30	0	100.0%	36	36	
Buildings and other fixed structures										
Machinery and equipment	35	(44)	39	30	30	0	100.0%	36	36	
<b>Payments for financial assets</b>										



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National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

<b>2.2 Economic Policy</b>									
<b>Economic classification</b>	<b>2014/15</b>							<b>2013/14</b>	
	<b>Adjusted appropriation</b>	<b>Shifting of funds</b>	<b>Virement</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>9 356</b>	<b>(318)</b>	<b>279</b>	<b>9 317</b>	<b>9 276</b>	<b>41</b>	<b>99.6%</b>	<b>10 692</b>	<b>10 322</b>
Compensation of employees	8 491	(78)	(353)	8 060	8 018	42	99.5%	8 820	8 819
Goods and services	865	(240)	632	1 257	1 257	-	100.0%	1 872	1 503
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>14</b>	<b>14</b>	<b>-</b>	<b>100.0%</b>	<b>9 034</b>	<b>9 034</b>
Public corporations and private enterprises	-	-	-	-	-	-	-	9 000	9 000
Households	-	14	-	14	14	-	100.0%	34	34
<b>Payments for capital assets</b>	<b>52</b>	<b>6</b>	<b>-</b>	<b>59</b>	<b>45</b>	<b>14</b>	<b>76.3%</b>	<b>187</b>	<b>554</b>
Buildings and other fixed structures									
Machinery and equipment	52	6	-	59	45	14	76.3%	187	187
<b>Payments for financial assets</b>									



National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

<b>2.3 BBB Economic Empowerment</b>									
Economic classification	2014/15							2013/14	
	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
<b>Current payments</b>	166	(120)	395	441	441	-	100.0%	41	39
Compensation of employees	-	-	-	-	-	-	-	6	5
Goods and services	166	(120)	395	441	441	-	100.0%	35	34
Interest and rent on land									
<b>Transfers and subsidies</b>									
<b>Payments for capital assets</b>	2	(1)	-	1	1	-	100.0%	1 119	1 119
Machinery and equipment	2	(1)	-	1	1	-	100.0%	15	15
Intangible assets				-	-	-	-	1 104	1 104
<b>Payments for financial assets</b>									

<b>2.4 Second Economy</b>									
Economic classification	2014/15							2013/14	
	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
<b>Current payments</b>	58	(50)	-	8	4	4	50.8%	561	560
Compensation of employees	-	-	-	-	-	-	-	139	139
Goods and services	58	(50)	-	8	4	4	50.8%	422	421
Interest and rent on land									
<b>Transfers and subsidies</b>									
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									



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National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

**Programme 3: Economic Planning and Co-ordination**

	2014/15							2013/14	
	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
<b>Sub programme</b>									
1. Spatial Sec & Planning	9 817	(239)	607	10 185	9 769	417	95.9%	19 351	19 351
2. Economic Dev Financing & Procurement	862	(677)	-	186	185	-	99.9%	390	388
3. Investment for Economic Development	272 705	1 074	(250)	273 529	273 375	155	99.9%	347 320	347 319
4. Competitive-ness & Trade for Decent Work	296 911	173	4 407	301 491	301 215	276	99.9%	277 036	277 035
5. Green Economy	830	(332)	611	1 108	908	201	81.9%	419	419
<b>Total for sub programmes</b>	<b>581 126</b>	<b>-</b>	<b>5 374</b>	<b>586 500</b>	<b>585 452</b>	<b>1 048</b>	<b>99.8%</b>	<b>644 515</b>	<b>644 511</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>20 865</b>	<b>(129)</b>	<b>237</b>	<b>20 973</b>	<b>19 925</b>	<b>1 048</b>	<b>95.0%</b>	<b>25 483</b>	<b>25 478</b>
<b>Compensation of employees</b>	17 286	-	1 160	18 445	17 743	702	96.2%	15 079	15 077
Salaries and wages	15 625	22	1 129	16 776	16 074	702	95.8%	13 480	13 831
Social contributions	1 661	(22)	30	1 670	1 669	-	100.0%	1 599	1 246
<b>Goods and services</b>	3 579	(129)	(922)	2 528	2 182	346	86.3%	10 404	10 402
Administrative fees	101	(54)	-	46	46	-	99.2%	342	76
Advertising	-	-	-	-	-	-	-	330	61
Minor assets	17	(17)	-	-	-	-	-	1	-
Catering: Departmental activities	44	133	(83)	94	94	-	100.0%	466	114
Communication	71	29	-	100	98	2	98.5%	204	1
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	179	(158)	-	21	21	-	100.0%	2 796	2 745
Legal services	-	1 063	(789)	274	-	274	-	-	4 300
Contractors	-	53	-	53	53	-	100.0%	98	41
Entertainment	-	-	-	-	-	-	-	5	3
Fleet services	6	3	-	9	10	-	104.1%	3	1
Inventory: Clothing material and supplies	166	232	-	398	398	-	99.9%	-	-





National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Materials and supplies	-	-	-	-	-	-	-	11	-
Consumable supplies	-	7	-	7	7	-	100%	42	21
Consumable: Stationery printing and office supplies	213	(169)	-	44	43	1	97.2%	331	115
Operating leases	-	-	-	-	-	-	-	-	0
Property payments	-	-	-	-	-	-	-	-	10
Transport provided: Departmental activity	-	1	-	1	1	-	100.0%	-	-
Travel and subsistence	1 465	(60)	-	1 404	1 347	57	95.9%	5 924	2 300
Training and development	372	(322)	(51)	-	-	-	-	-	-
Operating payments	592	(517)	-	75	63	12	83.9%	141	390
Venues and facilities	354	(350)	-	4	4	-	97.7%	(288)	223
<b>Interest and rent on land</b>	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>560 133</b>	<b>110</b>	<b>5 136</b>	<b>565 379</b>	<b>565 379</b>	<b>-</b>	<b>100.0%</b>	<b>618 790</b>	<b>618 790</b>
<b>Departmental agencies and accounts</b>	<b>291 288</b>	<b>-</b>	<b>5 124</b>	<b>296 412</b>	<b>296 412</b>	<b>-</b>	<b>100.0%</b>	<b>273 603</b>	<b>273 603</b>
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	291 288	-	5 124	296 412	296 412	-	100.0%	273 603	273 603
<b>Higher education institutions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Public corporations and private enterprises</b>	<b>268 845</b>	<b>-</b>	<b>-</b>	<b>268 845</b>	<b>268 845</b>	<b>-</b>	<b>100.0%</b>	<b>344 979</b>	<b>344 979</b>
Public corporations	268 845	-	-	268 845	268 845	-	100.0%	344 979	344 979
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	268 845	-	-	268 845	268 845	-	100.0%	344 979	344 979

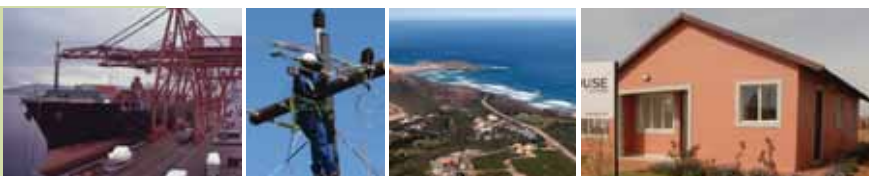


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National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

**Programme 3: Economic Planning and Co-ordination** (continued)

	2014/15							2013/14	
	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
<b>Non-profit institutions</b>	-	60	-	60	60	-	100.0%	-	-
<b>Households</b>	-	50	12	62	62	-	100.0%	208	208
Social benefits	-	50	12	62	62	-	100.0%	208	208
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>128</b>	<b>19</b>	<b>-</b>	<b>147</b>	<b>147</b>	<b>-</b>	<b>100.0%</b>	<b>242</b>	<b>243</b>
<b>Buildings and other fixed structures</b>	-	-	-	-	-	-	-	-	-
<b>Machinery and equipment</b>	128	19	-	147	147	-	100.0%	242	243
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	128	19	-	147	147	-	100.0%	242	243
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>581 126</b>	<b>-</b>	<b>5 374</b>	<b>586 500</b>	<b>585 452</b>	<b>1 048</b>	<b>99.8%</b>	<b>644 515</b>	<b>644 511</b>



National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

<b>3.1 Spatial Sector &amp; Planning</b>									
Economic classification	2014/15							2013/14	
	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
<b>Current payments</b>	<b>9 739</b>	<b>(306)</b>	<b>595</b>	<b>10 028</b>	<b>9 611</b>	<b>417</b>	<b>95.8%</b>	<b>18 966</b>	<b>18 965</b>
Compensation of employees	7 984	(119)	728	8 594	8 193	400	95.3%	8 951	8 950
Goods and services	1 755	(187)	(134)	1 434	1 418	16	98.9%	10 015	10 015
Interest and rent on land									
<b>Transfers and subsidies</b>	-	<b>50</b>	<b>12</b>	<b>62</b>	<b>62</b>	-	<b>100.0%</b>	<b>178</b>	<b>178</b>
Households	-	50	12	62	62	-	100.0%	178	178
<b>Payments for capital assets</b>	<b>78</b>	<b>17</b>	-	<b>95</b>	<b>95</b>	-	<b>100.0%</b>	<b>207</b>	<b>208</b>
Buildings and other fixed structures									
Machinery and equipment	78	17	-	95	95	-	100.0%	207	208
<b>Payments for financial assets</b>									



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National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

<b>3.2 Economic Development Financing &amp; Procurement</b>									
Economic classification	2014/15							2013/14	
	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
<b>Current payments</b>	<b>862</b>	<b>(677)</b>	-	<b>185</b>	<b>185</b>	-	<b>99.9%</b>	<b>366</b>	<b>364</b>
Compensation of employees	862	(677)	-	185	185	-	99.9%	348	347
Goods and services	-	-	-	-	-	-	-	18	17
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>24</b>	<b>24</b>
Households	-	-	-	-	-	-	-	24	24
<b>Payments for capital assets</b>	-	-	-	-	-	-	<b>100.0%</b>	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	100.0%	-	-
<b>Payments for financial assets</b>									



National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

<b>3.3 Investment for Economic Development</b>									
<b>Economic classification</b>	<b>2014/15</b>							<b>2013/14</b>	
	<b>Adjusted appropriation</b>	<b>Shifting of funds</b>	<b>Virement</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>3 831</b>	<b>1 022</b>	<b>(250)</b>	<b>4 603</b>	<b>4 449</b>	<b>155</b>	<b>96.6%</b>	<b>2 338</b>	<b>2 338</b>
Compensation of employees	3 403	907	(250)	4 060	3 959	102	97.5%	2 176	2 175
Goods and services	428	115	-	543	490	53	90.3%	163	163
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>268 845</b>	<b>60</b>	<b>-</b>	<b>268 905</b>	<b>268 905</b>	<b>-</b>	<b>100.0%</b>	<b>344 979</b>	<b>344 979</b>
Public corporations and private enterprises	268 845	-	-	268 845	268 845	-	100.0%	344 979	344 979
Non-profit institutions	-	60	-	60	60	-	100.0%		
<b>Payments for capital assets</b>	<b>29</b>	<b>(8)</b>	<b>-</b>	<b>21</b>	<b>21</b>	<b>-</b>	<b>100.0%</b>	<b>2</b>	<b>2</b>
Machinery and equipment	29	(8)	-	21	21	-	100.0%	2	2
<b>Payments for financial assets</b>									



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National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

<b>3.4 Competitiveness &amp; Trade for Decent Work</b>									
<b>Economic classification</b>	<b>2014/15</b>							<b>2013/14</b>	
	<b>Adjusted appropriation</b>	<b>Shifting of funds</b>	<b>Virement</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>5 602</b>	<b>164</b>	<b>(717)</b>	<b>5 048</b>	<b>4 772</b>	<b>276</b>	<b>94.5%</b>	<b>3 400</b>	<b>3 399</b>
Compensation of employees	4 209	222	71	4 503	4 502	-	100.0%	3 205	3 204
Goods and services	1 393	(59)	(789)	545	270	275	49.5%	195	195
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>291 288</b>	<b>-</b>	<b>5 124</b>	<b>296 412</b>	<b>296 412</b>	<b>-</b>	<b>100.0%</b>	<b>273 603</b>	<b>273 603</b>
Provinces and municipalities									
Departmental agencies and accounts	291 288	-	5 124	296 412	296 412	-	100.0%	273 603	273 603
<b>Payments for capital assets</b>	<b>21</b>	<b>10</b>	<b>-</b>	<b>31</b>	<b>31</b>	<b>-</b>	<b>100.0%</b>	<b>33</b>	<b>33</b>
Buildings and other fixed structures									
Machinery and equipment	21	10	-	31	31	-	100.0%	33	33
<b>Payments for financial assets</b>									



National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

<b>3.5 Green Economy</b>										
Economic classification	2014/15							2013/14		
	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	
<b>Current payments</b>	830	(332)	611	1 108	908	201	81.9%	413	412	
Compensation of employees	827	(334)	611	1 103	904	200	81.9%	400	400	
Goods and services	3	2	-	5	4	1	77.1%	13	12	
Interest and rent on land										
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	6	6	
Provinces and municipalities										
Departmental agencies and accounts	-	-	-	-	-	-	-	6	6	
<b>Payments for capital assets</b>										
<b>Payments for financial assets</b>										



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**Programme 4: Economic Development and Dialogue**

	2014/15							2013/14	
	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
<b>Sub programme</b>									
1. National Soc Dialogue & Strat Framework	4 592	(231)	105	4 465	4 360	105	97.6%	6 001	5 985
2. Sector and Workplace Social Dialogue	1 467	188	135	1 790	1 717	74	95.8%	2 844	2 844
3. Capacity Building for Economic Development	21	3	-	24	24	-	100.0%	-	-
4. Productivity Entrepreneurship & Innovation	2 910	40	220	3 170	3 166	4	99.9%	2 873	2 868
<b>Total for sub programmes</b>	<b>8 989</b>	<b>-</b>	<b>461</b>	<b>9 450</b>	<b>9 267</b>	<b>183</b>	<b>98.1%</b>	<b>11 718</b>	<b>11 697</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>8 936</b>	<b>(77)</b>	<b>441</b>	<b>9 301</b>	<b>9 149</b>	<b>152</b>	<b>98.4%</b>	<b>11 412</b>	<b>11 396</b>
<b>Compensation of employees</b>	7 813	-	441	8 254	8 168	87	98.9%	6 954	6 950
Salaries and wages	7 038	(7)	441	7 473	7 386	87	98.8%	6 051	6 383
Social contributions	775	7	-	782	782	-	100.0%	903	567
<b>Goods and services</b>	1 123	(77)	-	1 046	981	65	93.8%	4 458	4 446
Administrative fees	31	(11)	-	20	20	-	99.6%	173	145
Advertising	-	-	-	-	-	-	-	20	9
Minor assets	-	-	-	-	-	-	-	35	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	149	(48)	-	100	100	-	99.9%	1 154	558
Communication	5	32	-	36	36	-	100.0%	101	(1)
Consultants: Business and advisory services	-	-	-	-	-	-	-	16	42
Contractors	49	(2)	-	47	30	17	63.2%	210	230
Agency and support / outsourced services	-	50	-	50	-	50	-	-	-
Fleet services	-	2	-	2	2	-	99.9%	1	4





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	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Clothing material and supplies	52	(20)	-	31	31	-	100.0%	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	1	-
Consumable supplies	1	1	-	1	1	-	100.0%	55	35
Consumable: Stationery printing and office supplies	164	(146)	-	18	18	-	100.0%	383	218
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	12
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	10
Travel and subsistence	407	136	-	542	545	(3)	100.5%	2 158	1 487
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	59	74	-	134	134	-	99.9%	270	512
Venues and facilities	189	(136)	-	54	54	-	100.0%	(408)	899
Rental and hiring	17	(7)	-	10	10	-	100.0%	290	285
<b>Interest and rent on land</b>	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	<b>44</b>	<b>19</b>	<b>63</b>	<b>63</b>	-	<b>100.0%</b>	<b>55</b>	<b>50</b>
Households	-	44	19	63	63	-	100.0%	55	50
Social benefits	-	44	19	63	63	-	100.0%	55	50
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>53</b>	<b>33</b>	-	<b>87</b>	<b>55</b>	<b>32</b>	<b>63.6%</b>	<b>251</b>	<b>250</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	53	33	-	87	55	32	63.6%	251	250
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	53	33	-	87	55	32	63.6%	251	250
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8 989</b>	<b>0</b>	<b>461</b>	<b>9 450</b>	<b>9 267</b>	<b>183</b>	<b>98.1%</b>	<b>11 718</b>	<b>11 697</b>



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<b>4.1 National Social Dialogue &amp; Strategic Frameworks</b>									
<b>Economic classification</b>	<b>2014/15</b>							<b>2013/14</b>	
	<b>Adjusted appropriation</b>	<b>Shifting of funds</b>	<b>Virement</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>4 572</b>	<b>(284)</b>	<b>86</b>	<b>4 374</b>	<b>4 278</b>	<b>96</b>	<b>97.8%</b>	<b>5 758</b>	<b>5 742</b>
Compensation of employees	3 848	(186)	86	3 747	3 716	31	99.2%	3 170	3 167
Goods and services	724	(98)	-	626	561	65	89.8%	2 588	2 576
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>-</b>	<b>44</b>	<b>19</b>	<b>63</b>	<b>63</b>	<b>-</b>	<b>100.0%</b>	<b>45</b>	<b>45</b>
Households	-	44	19	63	63	-	100.0%	45	45
<b>Payments for capital assets</b>	<b>20</b>	<b>9</b>	<b>-</b>	<b>29</b>	<b>19</b>	<b>10</b>	<b>67.9%</b>	<b>198</b>	<b>198</b>
Buildings and other fixed structures									
Machinery and equipment	20	9	-	29	19	10	67.9%	198	198
<b>Payments for financial assets</b>									



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<b>4.2 Sector &amp; Workplace Social Dialogue</b>										
<b>Economic classification</b>	<b>2014/15</b>							<b>2013/14</b>		
	<b>Adjusted appropriation</b>	<b>Shifting of funds</b>	<b>Virement</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	
<b>Current payments</b>	1 448	169	135	1 753	1 697	56	96.8%	2 808	2 807	
Compensation of employees	1 306	128	135	1 569	1 514	56	96.4%	1 745	1 745	
Goods and services	142	41	-	183	183	-	99.9%	1 063	1 062	
Interest and rent on land										
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-	
<b>Payments for capital assets</b>	19	19	-	38	20	18	52.0%	36	36	
Buildings and other fixed structures										
Machinery and equipment	19	19	-	38	20	18	52.0%	36	36	
<b>Payments for financial assets</b>										



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<b>4.3 Capacity Building for Economic Development</b>										
<b>2014/15</b>								<b>2013/14</b>		
<b>Economic classification</b>	<b>Adjusted appropriation</b>	<b>Shifting of funds</b>	<b>Virement</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	
<b>Current payments</b>	21	3	-	24	24	-	100.0%	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-	-
Goods and services	21	3	-	24	24	-	100.0%	-	-	-
Interest and rent on land										
<b>Transfers and subsidies</b>										
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>										



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<b>4.4 Productivity Entrepreneurship &amp; Innovation</b>										
2014/15								2013/14		
Economic classification	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	
<b>Current payments</b>	2 895	34	220	3 150	3 150	-	100.0%	2 847	2 846	
Compensation of employees	2 659	58	220	2 938	2 938	-	100.0%	2 039	2 039	
Goods and services	236	(24)	-	212	212	-	100.0%	808	808	
Interest and rent on land										
<b>Transfers and subsidies</b>								10	6	
Households	-	-	-	-	-	-	-	10	6	
<b>Payments for capital assets</b>	15	6	-	20	16	4	79.4%	16	16	
Buildings and other fixed structures										
Machinery and equipment	15	6	-	20	16	4	79.4%	16	16	
<b>Payments for financial assets</b>										



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## **Notes to the Appropriation Statement**

**for the year ended 31 March 15**

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

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

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

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

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

Detail of these transactions per programme can be viewed in note 6 on Payments for financial assets to the Annual Financial Statements.



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**4. Explanations of material variances from Amounts Voted (after Virement): - None**

<b>4.1 Per programme</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	<b>Variance R'000</b>	<b>Variance as a % of final appropriation</b>
1. Administration	88 076	87 419	657	0.7%
2. Economic Policy Development	12 834	12 775	59	0.5%
3. Economic Planning and Coordination	586 500	585 452	1 048	0.2%
4. Economic Development and Dialogue	9 450	9 267	183	1.9%

<b>4.2 Per economic classification</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	<b>Variance</b>	<b>Variance as a % of final appropriation</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>				
Compensation of employees	76 561	75 688	872	1.1%
Goods and services	41 590	40 568	1 024	2.5%
Interest and rent on land	-	-	-	-
<b>Transfers and subsidies</b>				
Departmental agencies and accounts	306 820	306 820	-	0%
Higher education institutions				
Public corporations and private enterprises	268 845	268 845	-	0%
Non-profit institutions	60	60	-	0%
Households	220	220	-	0%
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment	2 764	2 712	52	1.9%
<b>Payments for financial assets</b>				



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## Statement of Financial Performance

for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
<b>REVENUE</b>			
Annual appropriation	1	696 860	771 466
Departmental revenue	2	50 367	60 088
Aid assistance	3	4 012	-
<b>TOTAL REVENUE</b>		<b>751 239</b>	<b>831 554</b>
<b>EXPENDITURE</b>			
<i>Current expenditure</i>			
Compensation of employees	4	75 688	70 922
Goods and services	5	40 567	65 872
<b>Total current expenditure</b>		<b>116 255</b>	<b>136 794</b>
<i>Transfers and subsidies</i>			
Transfers and subsidies	7	575 945	628 077
Aid assistance	3	4 012	-
<b>Total transfers and subsidies</b>		<b>579 957</b>	<b>628 077</b>
<i>Expenditure for capital assets</i>			
Tangible assets	8	2 712	4 998
Intangible assets	8	-	1 499
<b>Total expenditure for capital assets</b>		<b>2 712</b>	<b>6 497</b>
<i>Payments for financial assets</i>	6	-	27
<b>TOTAL EXPENDITURE</b>		<b>698 924</b>	<b>771 395</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>52 315</b>	<b>60 159</b>
<i>Reconciliation of Net Surplus/(Deficit) for the year</i>			
Voted funds		1 948	71
Annual appropriation		<b>1 947</b>	<b>71</b>
Departmental revenue and NRF Receipts	14	50 367	60 088
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>52 315</b>	<b>60 159</b>





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## Statement of Financial Position

as at 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
<b>ASSETS</b>			
<b>Current assets</b>			
		<b>2 379</b>	<b>3 879</b>
Cash and cash equivalents	9	1 879	501
Prepayments and advances	10	108	3 200
Receivables	11	392	178
<b>Non-current assets</b>			
		<b>1 392 969</b>	<b>1 392 969</b>
Investments	12	1 392 969	1 392 969
<b>TOTAL ASSETS</b>		<b>1 395 348</b>	<b>1 396 848</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
		<b>2 306</b>	<b>3 795</b>
Voted funds to be surrendered to the Revenue Fund	13	1 948	71
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	283	393
Bank overdraft	15		3 133
Payables	16	75	198
<b>TOTAL LIABILITIES</b>		<b>2 306</b>	<b>3 795</b>
<b>NET ASSETS</b>		<b>1 393 042</b>	<b>1 393 053</b>
<b>Represented by:</b>			
Capitalisation reserve		1 392 969	1 392 969
Recoverable revenue		73	84
Retained funds		-	-
Revaluation reserves		-	-
<b>TOTAL</b>		<b>1 393 042</b>	<b>1 393 053</b>



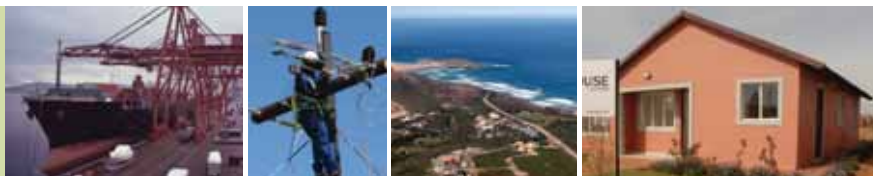
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**Statement of Changes in Net Assets**

*for the year ended 31 March 2015*

	2014/15	2013/14
Note	R'000	R'000
<b>Capitalisation Reserves</b>		
<b>Opening balance</b>	1 392 969	1 392 969
<b>Closing balance</b>	1 392 969	1 392 969
<b>Recoverable revenue</b>		
<b>Opening balance</b>	84	87
<b>Transfers:</b>	<b>(11)</b>	<b>(3)</b>
Debts revised		
Debts recovered (included in departmental receipts)	(11)	(3)
Debts raised	-	-
<b>Closing balance</b>	73	84
<b>TOTAL</b>	1 393 042	1 393 053



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	Note	2014/15 R'000	2013/14 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>701 239</b>	<b>781 554</b>
Annual appropriated funds received	1.1	696 860	771 466
Departmental revenue received	2	130	9 859
Interest received	2.3	237	229
Aid assistance received	3	4 012	-
Net (increase)/decrease in working capital		2 755	7 424
Surrendered to Revenue Fund		(50 548)	(109 696)
Current payments		(116 255)	(136 794)
Payments for financial assets		-	(27)
Transfers and subsidies paid		(579 957)	(628 077)
<b>Net cash flow available from operating activities</b>	17	<b>(42 766)</b>	<b>(85 616)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(2 712)	(6 497)
<b>Net cash flows from investing activities</b>		<b>(2 712)</b>	<b>(6 497)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend received		50 000	50 000
Increase/(decrease) in net assets		(11)	(3)
Increase/(decrease) in non-current payables		-	-
<b>Net cash flows from financing activities</b>		<b>49 989</b>	<b>49 997</b>
Net increase/(decrease) in cash and cash equivalents		4 511	(42 116)
Cash and cash equivalents at beginning of period		(2 632)	39 484
<b>Cash and cash equivalents at end of period</b>	18	<b>1 879</b>	<b>(2 632)</b>



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## Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with the following policies which have been applied consistently in all material aspects unless otherwise indicated.

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

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

### **1 Basis of preparation**

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

### **2 Going concern**

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

### **3 Presentation currency**

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

### **4 Rounding**

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

### **5 Foreign currency translation**

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

### **6. Comparative information**

#### **6.1 Prior period comparative information**

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

reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

### **6.2 Current year comparison with budget**

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

## **7 Revenue**

### **7.1 Appropriated funds**

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

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

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

### **7.2 Departmental revenue**

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

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

### **7.3 Accrued departmental revenue**

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

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

The accrued revenue is measured at the fair value of the consideration receivable.



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Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

## **8 Expenditure**

### **8.1 Compensation of employees**

#### **8.1.1 Salaries and wages**

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

#### **8.1.2 Social contributions**

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

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

### **8.2 Other expenditure**

Other expenditure (such as goods and services transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

### **8.3 Accrued expenditure payable**

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or in the case of services when they are rendered to the department.

Accrued expenditure payable is measured at cost.

### **8.4 Leases**

#### **8.4.1 Operating leases**

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

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

#### **8.4.2 Finance leases**

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

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

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost being the fair value of the asset; or
- the sum of the minimum lease payments made including any payments made to acquire ownership at the end of the lease term excluding interest.

## **9 Aid assistance**

### **9.1 Aid assistance received**

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

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

### **9.2 Aid assistance paid**

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

## **10 Cash and cash equivalents**

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position.

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

## **11 Prepayments and advances**

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



## PART E Annual Financial Statements

National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

Prepayments and advances are initially and subsequently measured at cost.

Prepayments are expensed when the relevant supporting documents are received.

### 12 Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest where interest is charged less amounts already settled or written-off.

### 13 Investments

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

### 14 Impairment of financial assets

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

### 15 Payables

Loans and payables are recognised in the statement of financial position at cost.

### 16 Capital assets

#### 16.1 Immovable capital assets

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

Where the cost of immovable capital assets cannot be determined accurately the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated in which case the fair value is used.

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

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

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.

#### 16.2 Movable capital assets

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

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

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

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

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

#### 16.3 Intangible assets

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

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

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



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

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

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

## **17 Provisions and contingents**

### **17.1 Provisions**

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

### **17.2 Contingent liabilities**

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

### **17.3 Contingent assets**

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

### **17.4 Commitments**

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that

the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

## **18 Unauthorised expenditure**

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

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

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

## **19 Fruitless and wasteful expenditure**

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

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

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

## **20 Irregular expenditure**

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

Irregular expenditure is removed from the note when it is either condoned by the relevant authority transferred to receivables for recovery or not condoned and is not recoverable.

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



## **PART E** Annual Financial Statements

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### **21 Changes in accounting policies accounting estimates and errors**

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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

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

### **22 Events after the reporting date**

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

### **23 Capitalisation reserve**

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

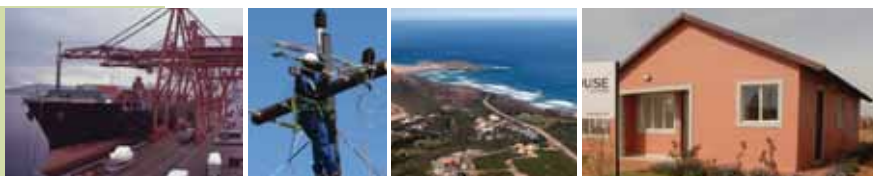
### **24 Recoverable revenue**

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

### **25 Related party transactions**

A related party transaction is a transfer of resources services or obligations between the reporting entity and a related party. Related party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length.





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## Notes to the Annual Financial Statements

for the year ended 31 March 2015

### 1. Annual appropriation

#### 1.1 Annual appropriation

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

	2014/15			2013/14
	Final appropriation	Actual funds received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
Administration	88 076	94 852	(6 776)	95 805
Economic Policy Development	12 834	11 892	942	23 566
Economic Planning & Coordination	586 500	581 126	5 374	639 358
Economic Development and Dialogue	9 450	8 990	460	12 737
<b>Total</b>	<b>696 860</b>	<b>696 860</b>	<b>-</b>	<b>771 466</b>

### 2. Departmental revenue

	Note	2014/15	2013/14
		R'000	R'000
Sales of goods and services other than capital assets	2.1	85	23
Interest dividends and rent on land	2.3	50 237	50 229
Transactions in financial assets and liabilities	2.4	45	9 836
Total revenue collected		<b>50 367</b>	<b>60 088</b>
Less: Own revenue included in appropriation		-	-
<b>Departmental revenue collected</b>		<b>50 367</b>	<b>60 088</b>

The EDD no longer reports on penalties collected by the Competition Commission on behalf of the National Revenue Fund in line with the reporting requirements reflected in the Accounting Manual for Departments on Revenue issued by the Office of the Accountant General. During the current financial year R880.361 million was received from Competition Commission for fines and penalties imposed by the Competition Tribunal which is not recognised as Departmental Revenue. This amount was paid to the Revenue Fund by year end. Similarly for the 2013/14 financial year EDD had disclosed R1.098 billion. EDD facilitated a refund of R7.4 million as part of a relieve approved by the Competition Appeals court to AFGRI Operations that was collected and transferred to the National Revenue Fund during the 2011/12 financial year.

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**2.1 Sales of goods and services other than capital assets**

	Note	2014/15 R'000	2013/14 R'000
Sales of goods and services produced by the department	2	24	23
Sales by market establishment		15	15
Other sales		9	8
Sales of scrap waste and other used current goods		61	-
<b>Total</b>		<b>85</b>	<b>23</b>

**2.2 Interest dividends and rent on land**

	Note	2014/15 R'000	2013/14 R'000
Interest	2	237	229
Dividends		50 000	50 000
<b>Total</b>		<b>50 237</b>	<b>50 229</b>

**2.3 Transactions in financial assets and liabilities**

	Note	2014/15 R'000	2013/14 R'000
Other Receipts including Recoverable Revenue	2	45	9 836
<b>Total</b>		<b>45</b>	<b>9 836</b>

**3. Aid assistance**

	Note	2014/15 R'000	2013/14 R'000
Opening Balance		-	-
Prior period error		-	-
As restated		-	-
Transferred from statement of financial performance		-	-
Transfers to or from retained funds		-	-
<b>Paid during the year</b>		<b>-</b>	<b>-</b>
<b>Closing Balance</b>		<b>-</b>	<b>-</b>

The EDD facilitated funding for a baking cooperative (R1.471 million) and for a detailed feasibility study on the Dimbaza Steel Mill (R2.541 million) through **the dti** that was received and duly transferred to the beneficiaries. There are no funds remaining in EDD's books to disclose.



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#### 4. Compensation of employees

##### 4.1 Salaries and wages

	Note	2014/15	2013/14
		R'000	R'000
Basic salary		50 788	46 497
Performance award		545	418
Service Based		11	147
Compensative/circumstantial		2 687	2 684
Other non-pensionable allowances		14 176	14 963
<b>Total</b>		<b>68 207</b>	<b>64 709</b>

##### 4.2 Social contributions

	Note	2014/15	2013/14
		R'000	R'000
<b>Employer contributions</b>			
Pension		6 111	4 962
Medical		1 362	1 243
Bargaining council		8	8
<b>Total</b>		<b>7 481</b>	<b>6 213</b>
<b>Total compensation of employees</b>		<b>75 688</b>	<b>70 922</b>
<b>Average number of employees</b>		<b>124</b>	<b>136</b>



**PART E – Annual Financial Statements**  
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**5. Goods and services**

	Note	2014/15	2013/14
		R'000	R'000
Administrative fees		524	662
Advertising		6 138	20 088
Minor assets	5.1	62	224
Bursaries (employees)		97	123
Catering		410	1 396
Communication		1 470	615
Computer services	5.2	1 609	736
Consultants: Business and advisory services		373	4 166
Legal services		3 355	6 746
Contractors		239	707
Agency and support / outsourced services		202	129
Entertainment		8	23
Audit cost – external	5.3	3 037	3 210
Fleet services		1 086	976
Inventory	5.4	438	15
Consumables	5.5	1 128	2 057
Operating leases		9 185	8 216
Property payments	5.6	-	56
Rental and hiring		-	311
Transport provided as part of the departmental activities		1	69
Travel and subsistence	5.7	9 562	11 840
Venues and facilities		343	1 428
Training and development		221	322
Other operating expenditure	5.8	1 079	1 757
<b>Total</b>		<b>40 567</b>	<b>66 872</b>

Adjusted computer services down by R367 000 related to SAS software purchased during the 2013/14 financial year.



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### 5.1 Minor assets

	Note	2014/15 R'000	2013/14 R'000
<b>Tangible assets</b>	5	62	224
Machinery and equipment		62	215
Transport assets		-	9
<b>Total</b>		<b>62</b>	<b>224</b>

### 5.2 Computer services

	Note	2014/15 R'000	2013/14 R'000
SITA computer services	5	304	435
External computer service providers		1 305	301
<b>Total</b>		<b>1 609</b>	<b>736</b>

### 5.3 Audit cost – External

	Note	2014/15 R'000	2013/14 R'000
Regularity audits		3 037	3 210
<b>Total</b>		<b>3 037</b>	<b>3 210</b>

### 5.4 Inventory

	Note	2014/15 R'000	2013/14 R'000
Clothing material and accessories	5	429	7
Materials and supplies		9	8
<b>Total</b>		<b>438</b>	<b>15</b>



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**5.5 Consumables**

	Note	2014/15 R'000	2013/14 R'000
<b>Consumable supplies</b>	5	<b>100</b>	<b>328</b>
Uniform and clothing		19	5
Household supplies		35	69
Building material and supplies		-	-
Communication accessories		5	5
IT consumables		10	240
Other consumables		31	9
Stationery printing and office supplies		1 028	1 729
<b>Total</b>		<b>1 128</b>	<b>2 057</b>

**5.6 Property payments**

	Note	2014/15 R'000	2013/14 R'000
Property maintenance and repairs	5	-	10
Other		-	46
<b>Total</b>		<b>-</b>	<b>56</b>

**5.7 Travel and subsistence**

	Note	2014/15 R'000	2013/14 R'000
Local	5	9 158	10 374
Foreign		404	1 466
<b>Total</b>		<b>9 562</b>	<b>11 840</b>



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### 5.8 Other operating expenditure

	Note	2014/15 R'000	2013/14 R'000
Professional bodies membership and subscription fees	5	10	204
Resettlement costs		76	413
Other *		993	1 140
<b>Total</b>		<b>1 079</b>	<b>1 757</b>

\* Printing and publications.

### 6. Payments for financial assets

	Note	2014/15 R'000	2013/14 R'000
Debts written off	6.1	-	27
<b>Total</b>		<b>-</b>	<b>27</b>

#### 6.1 Debts written off

	Note	2014/15 R'000	2013/14 R'000
Other Debts written off	6	-	27
<b>Total</b>		<b>-</b>	<b>27</b>

The Accounting Officer approved in May 2015/16 the reversal of the two (2) long outstanding debts amounting R89.261 thousand.

### 7. Transfers and subsidies

	Note	2014/15 R'000	2013/14 R'000
Departmental agencies and accounts	Annex 1A	306 820	273 603
Public corporations and private enterprises	Annex 1B	268 845	353 979
Non-profit institutions	Annex 1C	60	-
Households	Annex 1D	220	495
<b>Total</b>		<b>575 945</b>	<b>628 077</b>

National Treasury approved an introduction of new transfers to entities that would support the above inflation accommodation costs for ITAC, Competition Tribunal and Competition Commission amounting to R15.2 million.



**PART E – Annual Financial Statements**  
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**8. Expenditure for capital assets**

	Note	2014/15 R'000	2013/14 R'000
<b>Tangible assets</b>			
Machinery and equipment	27	2 712	4 998
<b>Intangible assets</b>			
Software	28	-	1 499
<b>Total</b>		<b>2 712</b>	<b>6 497</b>

**8.1 Analysis of funds utilised to acquire capital assets – 2014/15**

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>			
Machinery and equipment	2 712	-	2 712
<b>Total</b>	<b>2 712</b>	<b>-</b>	<b>2 712</b>

**8.2 Analysis of funds utilised to acquire capital assets – 2013/14**

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>			
Machinery and equipment	4 998	-	4 998
<b>Intangible assets</b>			
Software	1 499	-	1 499
<b>Total</b>	<b>6 497</b>	<b>-</b>	<b>6 497</b>

The software amount was adjusted up by R367 thousand related to SAS software purchased in 2013/14

**8.3 Finance lease expenditure included in Expenditure for capital assets**

	Note	2014/15 R'000	2013/14 R'000
<b>Tangible assets</b>			
Machinery and equipment		1 252	2 535
<b>Total</b>		<b>1 252</b>	<b>2 535</b>





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## 9. Cash and cash equivalents

	Note	2014/15	2013/14
		R'000	R'000
Consolidated Paymaster General Account		1 564	-
Cash on hand		24	-
Investments (Domestic)		291	501
<b>Total</b>		<b>1 879</b>	<b>501</b>

R1,855 million not available for use. The R24 000 is the standing petty cash.

## 10. Prepayments and advances

	Note	2014/15	2013/14
		R'000	R'000
Travel and subsistence		26	-
Prepayments			
Advances paid	10.1	82	3 200
SOCPEN advances			
<b>Total</b>		<b>108</b>	<b>3 200</b>

### 10.1 Advances paid

	Note	2014/15	2013/14
		R'000	R'000
National departments (DIRCO)	10	82	-
Other entities*		-	3 200
<b>Total</b>		<b>82</b>	<b>3 200</b>

Travel and subsistence advance issued to DIRCO for international travel

## 11. Receivables

	Note	2014/15			2013/14
		R'000 Less than one year	R'000 One to three years	R'000 Older than three years	R'000
Claims recoverable	11.1; Annex 4	314		314	85
Staff debt	11.2		78	78	93
<b>Total</b>		<b>314</b>	<b>78</b>	<b>392</b>	<b>178</b>



**PART E – Annual Financial Statements**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**11.1 Claims recoverable**

	Note	2014/15	2013/14
		R'000	R'000
National departments	11	296	81
Provincial departments		-	4
Public entities		18	-
<b>Total</b>		<b>314</b>	<b>85</b>

**11.2 Staff debt**

	Note	2014/15	2013/14
		R'000	R'000
Pension fund overpayment	11	-	5
Salary Overpayment		74	84
Tax debt		4	3
Staff debt for private calls		-	1
<b>Total</b>		<b>78</b>	<b>93</b>

*The tax debt arose as a result of tax recalculations at the end of February.*



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## 12. Investments

	Note	2014/15	2013/14
		R'000	R'000
<b>Non-Current</b>			
<b>Shares and other equity</b>			
IDC A Shares 1000 000 at cost (100% shareholding)		1 000	1 000
IDC B Shares 1 391 969 357 at cost (100% shareholding)		1 391 969	1 391 969
<b>Total</b>		<b>1 392 969</b>	<b>1 392 969</b>
<b>Total non-current</b>		<b>1 392 969</b>	<b>1 392 969</b>

	Note	2014/15	2013/14
		R'000	R'000
Analysis of non-current investments			
Opening balance		1 392 969	1 392 969
<b>Closing balance</b>		<b>1 392 969</b>	<b>1 392 969</b>

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

## 13. Voted funds to be surrendered to the Revenue Fund

	Note	2014/15	2013/14
		R'000	R'000
Opening balance		71	-
Prior period error		-	-
As restated		71	-
Transfer from statement of financial performance (as restated)		1 948	71
Voted funds not requested/not received	1.1	-	-
Paid during the year		(71)	
<b>Closing balance</b>		<b>1 948</b>	<b>71</b>

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<b>Closing balance</b>	<b>1 948</b>	<b>71</b>
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**14. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund**

	Note	2014/15	2013/14
		R'000	R'000
Opening balance		393	50 001
Prior period error		-	-
As restated		393	50 001
Transfer from Statement of Financial Performance (as restated)		50 367	60 088
Paid during the year		(50 477)	(109 696)
<b>Closing balance</b>		<b>283</b>	<b>393</b>

**15. Bank Overdraft**

	Note	2014/15	2013/14
		R'000	R'000
Consolidated Paymaster General Account		-	3 133
<b>Total</b>		<b>-</b>	<b>3 133</b>

**16. Payables – current**

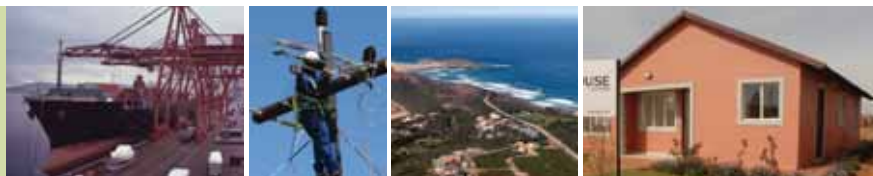
	Note	2014/15	2013/14
		R'000	R'000
Clearing accounts	16.1	75	88
Other payables	16.2	-	110
<b>Total</b>		<b>75</b>	<b>198</b>

**16.1 Clearing accounts**

	Note	2014/15	2013/14
		R'000	R'000
PAYE	16	75	88
<b>Total</b>		<b>75</b>	<b>88</b>

**16.2 Other payables**

	Note	2014/15	2013/14
		R'000	R'000
Competition Commission	16	-	110
<b>Total</b>		<b>-</b>	<b>110</b>



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### 17. Net cash flow available from operating activities

	Note	2014/15	2013/14
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		52 315	60 159
Add back non cash/cash movements not deemed operating activities		(95 081)	(145 775)
(Increase)/decrease in receivables – current		(214)	10 460
(Increase)/decrease in prepayments and advances		3 092	(3 200)
Increase/(decrease) in payables – current		(123)	164
Expenditure on capital assets		2 712	6 497
Surrenders to Revenue Fund		(50 548)	(109 696)
Voted funds not requested/not received			
Dividends Received (IDC)		(50 000)	(50 000)
<b>Net cash flow generated by operating activities</b>		<b>(42 766)</b>	<b>(85 616)</b>

### 18. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2014/15	2013/14
		R'000	R'000
Consolidated Paymaster General account		1 564	(3 133)
Cash on hand		24	-
Cash with commercial banks (Local)		291	501
<b>Total</b>		<b>1 879</b>	<b>(2 632)</b>

### 19. Contingent liabilities and contingent assets

#### 19.1 Contingent liabilities

	Note	2014/15	2013/14
		R'000	R'000
<b>Liable to Nature</b>			
Other guarantees	Annex 3A	343 885	503 538
Claims against the department	Annex 3B	2 800	2 800
<b>Total</b>		<b>346 685</b>	<b>506 338</b>

EDD commissioned Brand SA to assist in the provision of publicity campaign for the PICC and there was a disagreement on the amount payable to the value of R2.8 million.



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**20. Commitments**

	Note	2014/15	2013/14
		R'000	R'000
<b>Current expenditure</b>			
Approved and contracted		548	367
Approved but not yet contracted		-	-
<b>Capital expenditure</b>			
Approved and contracted		84	140
Approved but not yet contracted		-	-
<b>Total Commitments</b>		<b>632</b>	<b>507</b>

Commitments to the value of R69 thousand are more than a year old.

**21. Accruals and payables not recognised**

	2014/15			2013/14
	R'000			R'000
<b>Listed by economic classification</b>	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	1 794	59	1 853	5 715
Capital	84		84	
<b>Total</b>	<b>1 878</b>	<b>59</b>	<b>1 937</b>	<b>5 715</b>

	Note	2014/15	2013/14
		R'000	R'000
<b>Listed by programme level</b>			
Programme 1:Administration		1 797	5 187
Programme 2:Economic Policy Development		31	58
Programme 3:Economic Planning and Co-ordination		77	451
Programme 4: Socio-Economic Development and Social Dialogue		32	19
<b>Total</b>		<b>1 937</b>	<b>5 715</b>



National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

## 22. Employee benefits

	Note	2014/15	2013/14
		R'000	R'000
Leave entitlement		2 360	2 376
Service bonus (Thirteenth cheque)		1 419	1 238
Performance awards			
Capped leave commitments		574	211
<b>Total</b>		<b>4 353</b>	<b>3 825</b>

This is due to over-grant of leave taken as employees are given full leave credits in January of each year while the information in the financial statement is based on the leave accruals as at 31 March 2015.

## 23. Lease commitments

Finance leases expenditure\*\*

2014/15	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	920	920
Later than 1 year and not later than 5 years	-	-	-	852	852
<b>Total lease commitments</b>	-	-	-	<b>1 772</b>	<b>1 772</b>

2013/14	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	762	762
Later than 1 year and not later than 5 years	-	-	-	233	233
<b>Total lease commitments</b>	-	-	-	<b>995</b>	<b>995</b>

Finance Lease consists of lease for cellphones and photocopy machines contracts.

National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

## 24. Irregular expenditure

### 24.1. Reconciliation of irregular expenditure

	Note	2014/15	2013/14
		R'000	R'000
Opening balance		592	61
Prior period error			
As restated		592	61
Add: Irregular expenditure – relating to prior year		-	
Add: Irregular expenditure – relating to current year			558
Less: Prior year amounts condoned		(320)	-
Less: Current year amounts condoned			(27)
Less: Amounts not condoned and not recoverable		(54)	
<b>Irregular expenditure awaiting condonation</b>		<b>218</b>	<b>592</b>
Analysis of awaiting condonation per age classification			
Current year		-	531
Prior years		218	61
<b>Total</b>		<b>218</b>	<b>592</b>

### 24.2. Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2014/15
		R'000
Staff Vetting done using a service provider whose term lapsed	Accounting Officer	35
Consultant engaged without three quotations	Accounting Officer	11
Consultants engaged with copies of tax clearance certificate	National Treasury	191
Consultant engaged in periods where tax clearance certificate was not provided		83
<b>Total</b>		<b>320</b>

### 24.3 Details of irregular expenditure not recoverable (not condoned)

	2014/15
	R'000
<b>Incident Disciplinary steps taken/criminal proceedings</b>	
Service provider with tax matters not in order	54
<b>Total</b>	<b>54</b>





National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

#### 24.4 Details of irregular expenditures under investigation

	2014/15 R'000
Overtime worked without prior approval	7
Acting Allowance paid beyond time frame	190
Overtime exceeds 30% of monthly basic salary	12
Overtime exceeds 30% of monthly basic salary	9
<b>Total</b>	<b>218</b>

#### 25. Related party transactions

	Note	2014/15 R'000	2013/14 R'000
<b>Revenue received</b>			
Interest dividends and rent on land		50 000	50 000
<b>Total</b>		<b>50 000</b>	<b>50 000</b>
<b>Other</b>			
Guarantees issued/received		343 885	503 538
<b>Total</b>		<b>343 885</b>	<b>503 538</b>

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

##### List related party relationships

EDD had oversight responsibility over the following Public and Trading entities

1. Small enterprise finance agency (sefa)
2. Industrial Development Corporation Ltd (IDC)
3. Competition Commission
4. Competition Tribunal
5. International Trade Administration Commission of South Africa (ITAC)



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**26. Key management personnel**

	No. of Individuals	2014/15	2013/14
		R'000	R'000
Political office bearers (provide detail below)	2	4 004	3 842
Officials:			
Level 15 to 16	2	2 929	4 779
Level 14 (incl. CFO if at a lower level)	20	13 464	14 626
Family members of key management personnel		-	-
<b>Total</b>		<b>20 397</b>	<b>23 247</b>

**Political office bearers consist of:**

- Minister E Patel (Minister from 2009-05-11 – to date)
- Deputy Minister H Mkhize (from 2012-06-01 – 2014-05-31)
- Deputy Minister B Masuku (from 2014-06-01 – to date).

**27. Movable tangible capital assets**

**Movement in Movable Tangible Capital Assets as per Asset Register for the Year Ended 31 March 2015**

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>10 307</b>	<b>1 481</b>	<b>(59)</b>	<b>11 729</b>
Transport assets	3 416	-	-	3 416
Computer equipment	3 260	1 394	(59)	4 595
Furniture and office equipment	1 986	70	-	2 056
Other machinery and equipment	1 645	17	-	1 662
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>10 307</b>	<b>1 481</b>	<b>(59)</b>	<b>11 729</b>

Three (3) Assets duly disposed in 2013/14 were not derecognised from the asset register.



National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

### 27.1 Additions

## Additions to Movable Tangible Capital Assets as per the Asset Register for the Year Ended 31 March 2015

	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
<b>MACHINERY AND EQUIPMENT</b>	<b>2 712</b>	<b>21</b>	<b>(1 252)</b>		<b>1 481</b>
Transport assets	-	-	-		-
Computer equipment	1 373	21	-		1 394
Furniture and office equipment	70	-	-		70
Other machinery and equipment	1 269	-	(1 252)		17
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>2 712</b>	<b>21</b>	<b>(1 252)</b>		<b>1 481</b>

### 27.2 Disposals

## Disposals of Movable Tangible Capital Assets as per the Asset Register for the Year Ended 31 March 2015

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>		<b>59</b>	<b>59</b>	-
Computer equipment	-	59	59	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	-	<b>59</b>	<b>59</b>	-

Three (3) Assets duly disposed in 2013/14 were not derecognised from the asset register.

National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

**27.3 Movement for 2013/14**

**Movement in Tangible Capital Assets as per the Asset Register for the Year Ended 31 March 2014**

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>8 804</b>	<b>66</b>	<b>2 463</b>	<b>(1 026)</b>	<b>10 307</b>
Transport assets	2 731	-	685	-	3 416
Computer equipment	2 526	15	851	(132)	3 260
Furniture and office equipment	2 542	42	277	(875)	1 986
Other machinery and equipment	1 005	9	650	(19)	1 645
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>8 804</b>	<b>66</b>	<b>2 463</b>	<b>(1 026)</b>	<b>10 307</b>

**27.4 Minor assets**

**Movement in Minor Assets as per the Asset Register for the Year Ended 31 March 2015**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	674	-	674
Additions	-	-	-	62	-	62
Disposals	-	-	-	(13)	-	(13)
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>723</b>	<b>-</b>	<b>723</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	443	-	443
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>443</b>	<b>-</b>	<b>443</b>



National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

## Movement in Minor Assets as per the Asset Register for the Year Ended as at 31 March 2014

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	423	-	423
Prior period error	-	-	-	33	-	33
Additions	-	-	-	224	-	224
Disposals	-	-	-	6	-	6
<b>TOTAL MINOR ASSETS</b>	-	-	-	<b>674</b>	-	<b>674</b>

### 27.5 Movable assets written off

## Movable Assets Written off for the Year Ended as at 31 March 2014

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	1 026	-	1 026
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	-	-	-	<b>1 026</b>	-	<b>1 026</b>

### 28. Intangible Capital Assets

## Movement in Intangible Capital Assets as per the Asset Register for the Year Ended 31 March 2015

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
SOFTWARE	1 435	367	-	1 802
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>1 435</b>	<b>367</b>	-	<b>1 802</b>



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**28.1 Intangible Capital Assets**

**Additions to Intangible Capital Assets as per the Asset Register for the Year Ended 31 March 2015**

	Cash	Non-cash	(Development work-in-progress current costs)	Received current not paid (Paid current year received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	-	367	-	-	367
<b>TOTAL ADDITIONS TO INTANGIBLE</b>	<b>-</b>	<b>367</b>	<b>-</b>	<b>-</b>	<b>367</b>

**28.2 Movement for 2013/14**

**Movement in Intangible Capital Assets as per the Asset Register for the Year Ended 31 March 2015**

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	303	-	1 132	-	1 435
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>303</b>	<b>-</b>	<b>1 132</b>	<b>-</b>	<b>1 435</b>

**28.3 Prior period error**

Nature of prior period error	Note	2013/14
		R'000
Relating to 2013/14	40.3	
Relating to 2013/14		367
<b>Total</b>		<b>367</b>

*SAS Licence not capitalised.*



National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

## 29. *Prior period errors*

### Correction of prior period errors

	Note	2013/14 R'000
<b>Expenditure:</b>		
Goods and services (Software captured as renewal)		(367)
Capital (Software not previously capitalised)		367
<b>Net effect</b>		-
	Note	2013/14 R'000
<b>Assets:</b>		
Capital (Software not previously capitalised)		367
Assets approved for write off but not derecognised from the register		(44)
<b>Net effect</b>		<b>323</b>



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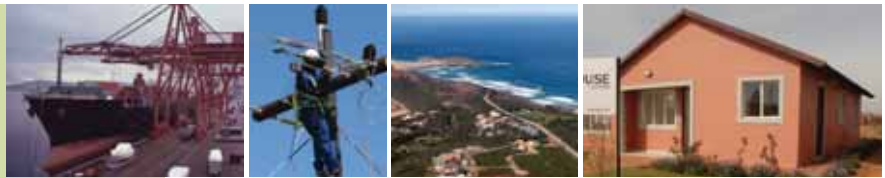
National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

**ANNEXURE 1A**

**Statement of Transfers to Departmental Agencies and Accounts**

Department/ Agency/ Account	Transfer allocation				Transfer		2013/14
	Adjusted appropriation	Roll	Adjustments	Total available	Actual transfer	% of Available funds transferred	Actual expenditure
	R'000	Overs	R'000	R'000	R'000	%	R'000
<b>Competition Commission</b>	188 127	-	10 085	198 212	198 212	100%	176 888
Competition Tribunal	18 100	-	1 811	19 911	19 911	100%	16 945
International Trade Administration Commission	85 061	-	3 313	88 374	88 374	100%	79 770
Public Sector Seta	323	-		323	323	100%	-
<b>TOTAL</b>	<b>291 611</b>	<b>-</b>	<b>15 209</b>	<b>306 820</b>	<b>306 820</b>		<b>273 603</b>





National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

**ANNEXURE 1B**

**Statement of Transfers/Subsidies to Public Corporations and Private Enterprises**

Name of Public Corporation/Private Enterprise	TRANSFER ALLOCATION				EXPENDITURE				2013/14
	Adjusted appropriation Act	Roll Overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	%	R'000	R'000
<b>Public Corporations</b>									
Industrial Dev Corp of SA	-	-	-	-	-	-	-	-	108 000
Indus Dev Corp-Sa Ltd: <b>sefa</b>	268 845	-	-	268 845	268 845	100%	-	268 845	245 979
<b>TOTAL</b>	<b>268 845</b>	<b>-</b>	<b>-</b>	<b>268 845</b>	<b>268 845</b>		<b>-</b>	<b>268 845</b>	<b>353 979</b>



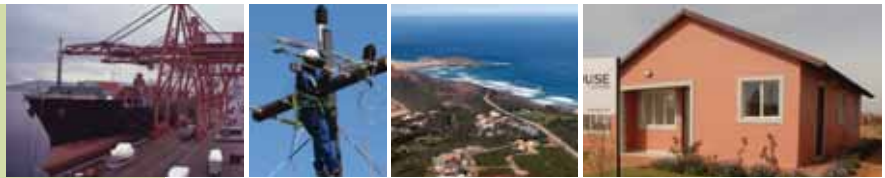
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**ANNEXURE 1C**

**Statement of Transfers to Non-Profit Institutions**

Non-profit Institutions	Transfer allocation				Expenditure		2013/14
	Adjusted appropriation Act	Roll overs	Adjust-ments	Total available	Actual transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Mitchell's Plain Skills	-	-	60	60	60	100%	-
	-	-	60	60	60	-	-
<b>TOTAL</b>	-	-	<b>60</b>	<b>60</b>	<b>60</b>	-	-



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**ANNEXURE 1D**

**Statement of Transfers to Households**

Households	Transfer allocation				Expenditure		2013/14
	Adjusted appropriation act	Roll overs	Adjust-ments	Total available	Actual transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Employee Social Benefits	-	-	220	220	220	100%	495
<b>TOTAL</b>	-	-	<b>220</b>	<b>220</b>	<b>220</b>		<b>495</b>



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**ANNEXURE 1E**

**Statement of Gifts, Donations and Sponsorships Received**

Name of organisation	Nature of gift, donation or sponsorship	2014/15	2013/14
		R'000	R'000
<b>Received in kind – 2013/2014</b>			
STATIONERY FOR AFRICA	Sweet container (Christmas gift)	-	-
STATIONERY FOR AFRICA	Toffees (sweets)	-	-
RAMAISELA TRADING	3 Water Jugs	-	-
OFFICE NATIONAL	Tin of sweets	-	-
GRANT THORTON	Christmas Cake	-	-
REPUBLIC OF TURKEY	Tin of sweets	-	-
REPUBLIC OF TURKEY	Box of Turkish Delights	-	-
<b>Subtotal</b>		-	-
<b>Received in kind – 2014/2015</b>			
PHAKISAWORLD FLEET SOLUTIONS	Metal travelling cup and chocolate	-	-
IDC	Gift Pack (Colibri towel, dish towel, Christmas crackers, dairy concentrate)	-	-
TRAVEL WITH FLAIR (PTY)LTD	5 Boxes (150) of calendars	-	-
KONICA MINOLTA SOUTH AFRICA	3 Calendars and 3 diaries	-	-
<b>Subtotal</b>		-	-



National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

**ANNEXURE 1F**

**Statement of Gifts, Donations and Sponsorships Made**

Name of organisation	Nature of gift, donation or sponsorship	2014/15	2013/14
			R'000
<b>Made in kind</b>			
Katlego Disabled children's home in Mabopane (Klipgat)	25 Mattresses for Mandela Day events	2	-
Katlego Disabled children's home in Mabopane (Klipgat)	3 kiddies wheel chairs	8	-
<b>Total</b>		<b>10</b>	<b>-</b>

**ANNEXURE 1G**

**Statement of Aid Assistance Received**

Name of donor	Purpose	Opening balance	Revenue	Expenditure	Closing balance
		R'000	R'000	R'000	R'000
<b>Received in cash</b>					
SBM Iron and Steel Manufacturers	Detailed Feasibility Study on the Dimbaza Steel Mill	-	2 541	2 541	-
Rise Up Bakery	To establish up to 50 cooperative bakeries owned by women	-	1 471	1 471	-
<b>TOTAL</b>		<b>-</b>	<b>4 012</b>	<b>4 012</b>	<b>-</b>



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**ANNEXURE 2A**

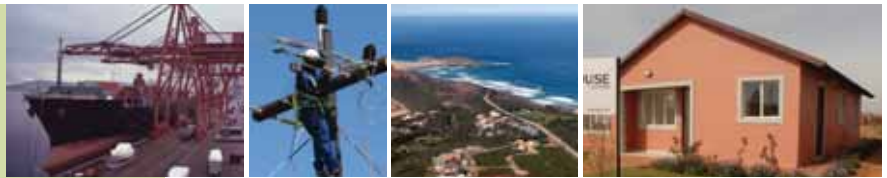
**Statement of Investment in and Amounts Owing by/to National/Provincial Public Entities**

Name of public entity	State Entity's PFMA Schedule type (state year end if not 31 March)	% Held 2014/15	% Held 2013/14	Number of shares held		Cost of investment		Net Asset value of investment		Profit/(Loss) for the year		Losses guaranteed
				2014/15	2013/14	R'000		R'000		R'000		
						2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	
<b>National/Provincial Public Entity</b>												
Industrial Development Corporation	Schedule 2	100	100	1 392 969 357	1 392 969 357	1 392 969	1 392 969	87 619 000	126 818 402	2 505 000	1 569 559	No
<b>TOTAL</b>				<b>1 392 969 357</b>	<b>1 392 969 357</b>	<b>1 392 969</b>	<b>1 392 969</b>	<b>87 619 000</b>	<b>126 818 402</b>	<b>2 505 000</b>	<b>1 569 559</b>	

**ANNEXURE 2B**

**Statement of Investments in and Amounts Owing by/to Entities**

Name of public entity	Nature of business	Cost of investment		Net Asset value of investment		Amounts owing to entities		Amounts owing by entities	
		R'000		R'000		R'000		R'000	
		2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
<b>Controlled entities</b>									
Industrial Development Corporation of SA	Contribution to growth Industrial Development and Economic Empowerment through its financial Activities	1 392 969	1 392 969	87 619 000	126 818 402	-	-	-	-
<b>TOTAL</b>		<b>1 392 969</b>	<b>1 392 969</b>	<b>87 619 000</b>	<b>126 818 402</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

**ANNEXURE 3A**

**Statement of Financial Guarantees Issued as at 31 March 2015 – Foreign**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2014	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2015	Guaranteed interest for year ended 31 March 2015	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
African Development Bank	IDC	767 330	264 480	-	113 347	31 519	182 652	242	-
KFW	IDC	314 060	238 639	-	57 552	(20 110)	160 977	14	-
<b>TOTAL</b>		<b>1 081 390</b>	<b>503 119</b>	<b>-</b>	<b>170 899</b>	<b>11 409</b>	<b>343 629</b>	<b>256</b>	<b>-</b>



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**ANNEXURE 3B**

**Statement of Contingent Liabilities as at 31 March 2015**

Nature of liability	Opening balance	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance
	1 April 2014				31 March 2015
	R'000	R'000	R'000	R'000	R'000
Claims against the department Born Free Media by Brand SA	2 800	-	-	-	2 800
<b>TOTAL</b>	<b>2 800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 800</b>





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**ANNEXURE 4**

**Claims Recoverable**

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2014/15	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>Department</b>								
Department of Trade and Industry	-	-	170	11	170	11		
National Treasury	-	-	-	1	-	1		
Department of Mineral Resources	-	-	-	26	-	26		
The Presidency	-	-	-	4	-	4		
Department of Agriculture Fishery and Forestry	-	-	10	21	10	21		
Correctional Services	-	-	18	18	18	18		
Gauteng Department of Education	-	-	97	-	97	-		-
<b>Subtotal</b>			<b>295</b>	<b>81</b>	<b>295</b>	<b>81</b>		
<b>Other Government Entities</b>								
SARS		-	18	-	18	-		
KZN Provincial		-	-	4	-	4		
<b>Total</b>			<b>314</b>	<b>4</b>	<b>314</b>	<b>85</b>		



**PART E – Annual Financial Statements**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
 for the year ended 31 March 2015

National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

**ANNEXURE 5**

**Inter-Entity Advances Paid (note 14)**

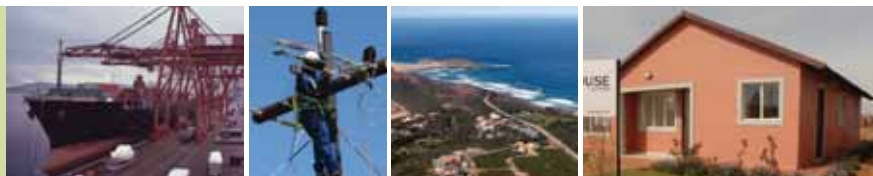
Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	R'000	R'000	R'000	R'000	R'000	R'000

**NATIONAL DEPARTMENTS**

DIRCO		-	82	-	82	-
<b>Subtotal</b>	-	-	<b>82</b>	-	<b>82</b>	-

**OTHER ENTITIES**

BRAND SA-PICC Campaign		-	-	3 200	-	3 200
<b>Subtotal</b>	-	-	-	-	-	<b>3 200</b>
<b>Total</b>	-	-	<b>82</b>	<b>3 200</b>	<b>82</b>	<b>3 200</b>



National: Economic Development Department vote no. 28 for the year ended 31 March 2015.

**ANNEXURE 6**

**Inter Government Receivables**

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	R'000	R'000	R'000	R'000	R'000	R'000

**Current**

Competition Commission	764 848	1 453 366	-	-	764 848	1 453 366
<b>Total</b>	<b>764 848</b>	<b>1 453 366</b>	<b>-</b>	<b>-</b>	<b>764 848</b>	<b>1 453 366</b>

The confirmed balance relates to outstanding amounts, for administrative penalties imposed and settlements confirmed by the Competition Tribunal due to be paid to the Competition Commission on behalf of the National Revenue Fund.









# economic development

Economic Development Department  
REPUBLIC OF SOUTH AFRICA

RP279/2015

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